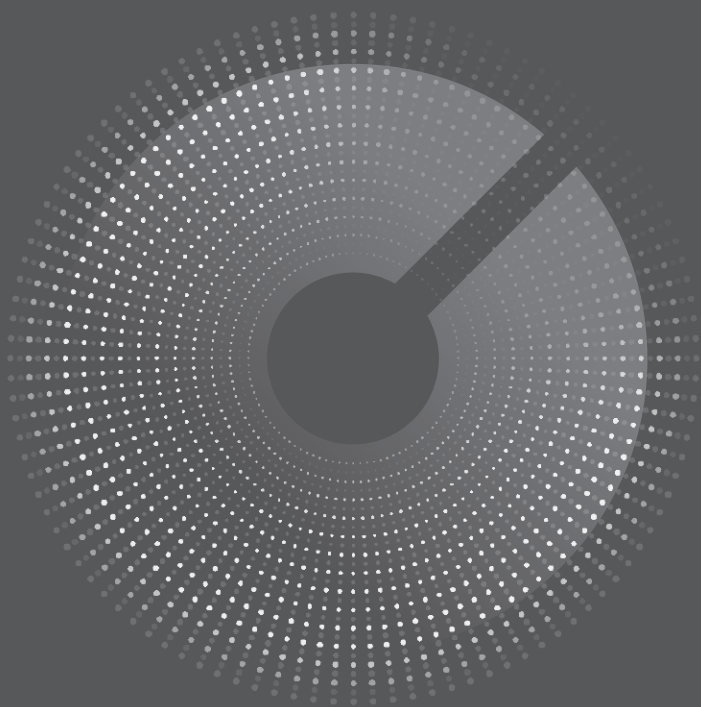


Invitation

# 2021 Annual General Meeting



**Manz AG**

**Reutlingen**

**ISIN DE000A0JQ5U3**

**Annual General Meeting**

**Wednesday, July 7, 2021, at 10 am (CEST)**

# Overview of the agenda

- 1. Presentation of the approved annual financial statements and approved consolidated financial statements as of December 31, 2020, and of the management reports for Manz AG and the Group for the financial year 2020, as well as the report of the Supervisory Board for the financial year 2020**
- 2. Resolution on the approval of the actions of the members of the Managing Board for the 2020 financial year**
- 3. Resolution on the approval of the actions of the members of the Supervisory Board for the 2020 financial year**
- 4. Resolution on the selection of auditors for the annual financial statements and the consolidated financial statements for the 2021 financial year**
- 5. Elections to the Supervisory Board**
- 6. Resolution on the approval of the compensation system for members of the Managing Board as presented by the Supervisory Board**
- 7. Resolution on the approval of the compensation system for members of the Supervisory Board**
- 8. Resolution on the creation of new authorized capital and amendments to the Articles of Incorporation**
- 9. Resolution on the amendment of the Articles of Incorporation to expand opportunities for electronic participation and communication with regard to the Annual General Meeting**

**Overview with information pursuant to Section 125 AktG  
(Stock Corporation Act) in conjunction with Art. 4 and  
Annex Table 3 of the Implementing Regulation (EU)  
2018/1212**

<b>A. Specification of the message</b>		
A 1	Unique identifier of the event	Annual General Meeting of Manz AG
A 2	Type of message	Notice of convocation of Annual General Meeting
<b>B. Specification of the issuer</b>		
B 1	ISIN	DE000A0JQ5U3
B 2	Name of issuer	Manz AG
<b>C. Specification of the meeting</b>		
C 1	Date of the Annual General Meeting	July 7, 2021
C 2	Time of the Annual General Meeting	10:00 am (CEST) (corresponds to 8:00 am UTC)
C 3	Type of General Meeting	Annual General Meeting
C 4	Location of the Annual General Meeting	<p>URL to the shareholder portal for following the Annual General Meeting in video and audio and for exercising shareholders' rights:  <a href="https://www.manz.com/agm">https://www.manz.com/agm</a></p> <p>Place of the Annual General Meeting as defined by the German Stock Corporation Act:            company's registered office,            72768 Reutlingen,            Steigaeckerstrasse 5</p> <p>Physical participation on site is not possible.</p>
C 5	Record Date	June 16, 2021, 00:00 am (CEST) (corresponds to June 15, 2021, 22:00 hours UTC)
C 6	Uniform Resource Locator (URL)	<a href="https://www.manz.com/agm">https://www.manz.com/agm</a>

**Further information about the invitation to the General Meeting (Blocks D through F of Table 3 in the Annex to the Implementing Regulation (EU) 2018/1212):**

Further information about participating in the General Meeting (Block D), the agenda (Block E), and the defined periods for exercising other shareholder rights (Block F) can be found on the following website:

<https://www.manz.com/agm>

# Invitation to the 2021 Annual General Meeting

**Manz AG**

**Reutlingen**

**ISIN DE000A0JQ5U3**

We hereby invite our shareholders to the  
Annual General Meeting on

**Wednesday, July 7th, 2021,  
at 10:00 am (CEST)**

The Annual General Meeting will be held **without the presence of shareholders and their authorized representatives as a virtual Annual General Meeting** at the address

<https://www.manz.com/agm>

via audio and video transmission. The shareholders and their authorized representatives are thus not authorized to be present on site for the meeting and can exercise meeting-related rights only in writing or by means of electronic communication.

The location from which the ordinary general meeting will be transmitted, and therefore the location of the Annual General Meeting under the Joint Stock Corporation Act (Aktiengesetz) is the facilities of Manz AG in 72768 Reutlingen, Steigaeckerstrasse 5.

# Agenda

**1. Presentation of the approved annual financial statements and approved consolidated financial statements as of December 31, 2020, and of the management reports for Manz AG and the Group for the financial year 2020, as well as the report of the Supervisory Board for the financial year 2020**

These documents also include the explanatory reports for the information in accordance with Section 289a (1), Section 315a (1) HGB (German Commercial Code), each in the version applicable for the financial year 2020. With the exception of the annual financial statement of Manz AG and the management report for Manz AG, they are included in the 2020 annual report. The 2020 annual report, the annual financial statement of Manz AG and the management report for Manz AG, as well as the 2020 sustainability report (non-financial group report) are available at the address

<https://www.manz.com/agm>

No resolution of the Annual General Meeting is provided for Item 1 of the agenda, because the Supervisory Board has already adopted the annual and consolidated financial statements prepared by the Managing Board.

**2. Resolution on the approval of the actions of the members of the Managing Board for the 2020 financial year**

The Managing Board and the Supervisory Board propose that the actions of the members of the Managing Board be approved for the 2020 financial year.



### **3. Resolution on the approval of the actions of the members of the Supervisory Board for the 2020 financial year**

The Managing Board and Supervisory Board propose that the actions of the members of the Supervisory Board be approved for financial year 2020.

### **4. Resolution on the selection of auditors for the annual financial statements and the consolidated financial statements for the 2021 financial year**

The Supervisory Board proposes that Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, be selected as the auditor of the individual financial statements and the consolidated financial statements of the Company for the 2021 financial year.

The selection proposal of the Supervisory Board is based on the recommendation of its Economic Committee. The Economic Committee stated in its recommendation that it was free from undue influence by third parties and that it was not subject to any of the clauses restricting elective options in the sense of Article 16 (6) of the EU Auditor's Regulation (Regulation (EU) no. 537/2014).

### **5. Elections to the Supervisory Board**

The Supervisory Board of the company exists, in accordance with Sections 95, 96 (1) Alt. 6 and Section 101 (1) AktG in conjunction with Section 8 (1) Sentence 1 of the Articles of Incorporation, of four members elected by the Annual General Meeting.

The terms of all members of the Supervisory Board of the company end at the end of the Annual General Meeting which resolves on discharging them for the financial year 2020, and therefore at the end of the Annual General Meet-

ing which will take place on July 7th, 2021. Therefore, the Annual General Meeting shall elect four new Supervisory Board members.

Pursuant to Section 8 (1), Sentences 2 to 4 of the Articles of Incorporation, the members to be elected at this year's Annual General Meeting shall be elected for a period ending no later than at the close of the Annual General Meeting that decides on discharging the members of the Supervisory Board for the financial year 2025.

The Supervisory Board nominates

- 5.1 Prof. Dr. Heiko Aurenz, Managing Partner at Ebner Stolz Management Consultants GmbH, resident of Remseck,
- 5.2 Dieter Manz, CEO of Manz GmbH Management Consulting and Investment, resident of Schlaitdorf,
- 5.3 Prof. Dr. Michael Powalla, Head of the Photovoltaics department at the Center for Solar Energy and Hydrogen Research Baden-Wuerttemberg (ZSW), resident of Marxzell, and
- 5.4 Dr. Zhiming Xu, Chief Technical Officer of Shanghai Electric Automation Group of Shanghai Electric Group Co., Ltd., resident of Shanghai (People's Republic of China),

to be elected to the Supervisory Board for a term of office until the end of the Annual General Meeting that decides on discharging the members of the Supervisory Board for the financial year 2025.

It is intended that the elections will be held on an individual basis.

Prof. Dr. Heiko Aurenz holds the following positions in other statutory supervisory boards or in comparable domestic or foreign supervisory committees of business enterprises:

- Chairman of the Supervisory Board of Know How! AG, Leinfelden-Echterdingen
- Chair of the Advisory Board of Bumüller GmbH & Co. Backbetriebe KG, Hechingen
- Deputy Chair of the Supervisory Board of MQ Result AG, Tuebingen
- Member of the Advisory Board of Herrmann Ultraschalltechnik GmbH & Co. KG, Karlsbad

Dieter Manz is not a member of other statutory supervisory boards or comparable domestic or foreign supervisory committees of business enterprises.

Prof. Dr. Michael Powalla is not a member of other statutory supervisory boards or comparable domestic or foreign supervisory committees of business enterprises.

Dr. Zhiming Xu holds the following positions in other statutory Supervisory Boards or comparable domestic and foreign supervisory bodies of commercial enterprises:

- Member of the Board of Supervisors at NICE PV Research Ltd., Beijing (People's Republic of China)
- Non-executive member of the Board of Directors of Suzhou Manz New Energy Equipment Co., Ltd., Suzhou (People's Republic of China)

Based on the assessment of the Supervisory Board, Prof. Dr. Heiko Aurenz possesses expertise in the areas of fi-

nancial accounting and auditing, and therefore fulfills the requirements of a financial expert in the sense of Section 100 (5) of the Stock Corporation Act (AktG).

Prof. Dr. Heiko Aurenz, Dieter Manz, Prof. Dr. Michael Powalla and Dr. Zhiming Xu are the members of the current Supervisory Board of Manz AG. Prof. Dr. Heiko Aurenz has been part of the Supervisory Board since 2000, Dieter Manz since 2017, Prof. Dr. Michael Powalla since 2011 and Dr. Zhiming Xu since 2018.

Dieter Manz holds a significant interest in Manz AG in the sense of recommendation C.13 of the German Corporate Governance Codex.

Prof. Dr. Michael Powalla is head of the Photovoltaics department at the Center for Solar Energy and Hydrogen Research Baden AG (ZSW), which has business dealings with the Manz Group.

Dr. Zhiming Xu is active with Shanghai Electric Group Co., Ltd., whose German subsidiary Shanghai Electric Germany Holding GmbH holds a significant interest in Manz AG in the sense of recommendation C.13 of the German Corporate Governance Codex and maintains business relationships with Manz AG through companies in which it has joint interests with other companies.

Otherwise, in the assessment of the Supervisory Board there are no personal or business relationships between the persons being considered and Manz AG or its group companies, the competent bodies at Manz AG or with a shareholder with a substantial holding in Manz AG as per recommendation C.13 of the German Corporate Governance Code that are relevant to the election decision at the Annual General Meeting.

In its nominations, the Supervisory Board has taken into account the objectives stated by the Supervisory Board for its composition and seeks to complete the competence profile drawn up for the entire body by the Supervisory Board as much as possible. The goals and skills profile, along with the status of implementation, are published in the corporate management declaration of Manz AG for the financial year 2020, which is available on the company's website at the address

<https://www.manz.com/en/investor-relations/corporate-governance/corporate-governance-statement/>

Following the vote of the Supervisory Board, Prof. Dr. Heiko Aurenz intends to stand for election as Chair of the Supervisory Board again if elected.

The CVs of the Supervisory Board candidates are enclosed in the section "Information on agenda item 5: Information on the candidates nominated for election to the Supervisory Board" of this convocation, including their relevant expertise, skills, and professional experience.

## **6. Resolution on the approval of the compensation system for members of the Managing Board as presented by the Supervisory Board**

According to Section 120a (1) Stock Corporation Act (AktG), in the version modified by the law implementing the second shareholder's rights guidelines (ARUG II), the Annual General Meeting resolves that the compensation system presented by the Supervisory Board in accordance with Section 87a (1) AktG for the Managing Board members must be approved for publicly listed companies each time there is a significant change, and at least every four years.

Upon the recommendation of its economic committee, and in consideration of the specifications of Section 87a (1) AktG, the Supervisory Board has resolved to use the system for compensating Managing Board members described in the section "Information on agenda item 6: Compensation system for the members of the Managing Board of Manz AG" of this convocation.

The Supervisory Board suggests approving this compensation system for the members of the Managing Board of the company.

## **7. Resolution on the approval of the compensation system for members of the Supervisory Board**

The currently applicable compensation for Supervisory Board members, regulated in Section 12 of the Articles of Incorporation of the company, was resolved by the ordinary general meeting of July 3rd, 2018. According to Section 113 (3) AktG in the version modified by the law implementing the second shareholder's rights guidelines (ARUG II), for publicly traded companies the Annual General Meeting must pass a resolution regarding the compensation of the Supervisory Board members at least every four years, whereby a resolution confirming the compensation is permitted. The initial resolution must be passed by the end of the first ordinary general meeting following December 31st, 2020. Therefore, a system for compensating the members of the Supervisory Board must be resolved in accordance with Section 113 (3) in conjunction with Section 87a (1) Sentence 2 AktG.

The Managing Board and Supervisory Board suggest that the system for compensating Supervisory Board members of the company described in the section "Information on agenda item 7: Compensation system for the members of the Supervisory Board of Manz AG" be accepted.

## **8. Resolution on the creation of new authorized capital and amendments to the Articles of Incorporation**

The 2016 authorized capital according to Section 3 (3) of the Articles of Incorporation of 3,872,044.00 euros is limited through July 11th, 2021. Therefore new authorized capital totaling 50% of equity capital should be created so that the company can use these instruments in the coming years, if needed, to strengthen its capital base.

The Managing Board and the Supervisory Board submit the following proposals for resolution:

- a) Repeal the existing authorization to increase equity capital

The Managing Board's existing authorization to increase capital stock, with Supervisory Board approval, in the period until July 11, 2021, one or more times up to a total of 3,872,044.00 euros through the issuance of a total of up to 3,872,044 new shares without par value (no-par shares) in return for cash or assets in kind (Authorized Capital 2016), based on the resolution of the Annual General Meeting of July 12, 2016 and as set forth in Section 3 (3) of the Articles of Incorporation, will be repealed.

- b) Create new authorized capital

The Managing Board will be given authorization to increase the company's capital stock, with the Supervisory Board approval, in the period until July 06, 2026, one or more times up to a total of 3,872,044.00 euros through the issuance of up to a total of 3,872,044 new bearer shares (no-par shares) in return for cash or assets in kind (Authorized Capital 2021).

In principle, the new shares must be offered to shareholders for subscription. The new shares may also be assumed by banks designated by the Managing Board with the obligation to offer them to the shareholders for subscription (indirect subscription right). However, the Managing Board will be authorized, with Supervisory Board approval, to exclude shareholders' subscription rights

- in the event of a capital increase for cash consideration, if the issue amount of the new shares is not significantly less, within the meaning of Section 203 (1) and (2) and Section 186 (3) Sentence 4 of the German Stock Corporation Act (AktG), than the stock exchange price of shares of the company of the same type at the time of establishment of the issue price, which is to be as close in time as possible to the time of issue of new shares. This authorization for the exclusion of the subscription right applies only to the extent that shares to be issued in the capital increase do not in total represent a proportionate amount of the capital stock of more than 774,408.00 euros and overall do not comprise more than 10% of the capital stock at the time the authorization is exercised. The pro rata amount of the share capital of shares that are issued or sold during the term of this authorization due to other authorizations in direct or analogous application of Section 186 (3), Sentence 4 AktG, under exclusion of subscription rights shall be offset against this maximum amount for a subscription right exclusion;
- in the case of capital increases against contribution in kind for the acquisition of companies, parts of companies or participations in companies or other assets or for the purpose of business combinations;



- to the extent that it is necessary to give holders of warrants or convertible bonds, profit-sharing rights, or profit-sharing bonds (or combinations of these instruments) issued by the company or direct or indirect affiliated companies of the company a subscription right to new shares to the same extent as they would be entitled upon exercising their option or conversion right or after fulfilling their conversion obligation;
  
- to exclude fractional amounts from the subscription right.

The Managing Board will be authorized, with Supervisory Board approval, to determine the further details of the implementation of the capital increases from the authorized capital.

The Supervisory Board will be given authorization to amend the wording of the Articles of Incorporation according to the implementation of the capital increase by using authorized capital and after the expiration of the authorization term.

c) Amendment to the Articles of Incorporation

Section 3 (3) of the Articles of Incorporation will be amended as follows:

„(3) The Managing Board will be given authorization to increase the company’s capital stock, with Supervisory Board approval, in the period until July 06, 2026, one or more times up to a total of 3,872,044.00 euros through the issuance of up to a total of 3,872,044 new bearer shares (no-par shares) in return for cash or assets in kind (Authorized Capital 2021).

In principle, the new shares must be offered to shareholders for subscription. The new shares may also be assumed by banks designated by the Managing Board with the obligation to offer them to the shareholders for subscription (indirect subscription right). However, the Managing Board is authorized, with Supervisory Board approval, to exclude shareholders' subscription rights

- in the event of a capital increase for cash consideration, if the issue amount of the new shares is not significantly less, within the meaning of Section 203 (1) and (2) and Section 186 (3) Sentence 4 of the German Stock Corporation Act (AktG), than the stock exchange price of shares of the company of the same type at the time of establishment of the issue price, which is to be as close in time as possible to the time of issue of new shares. This authorization for the exclusion of the subscription right applies only to the extent that shares to be issued in the capital increase do not in total represent a proportionate amount of the capital stock of more than 774,408.00 euros and overall do not comprise more than 10% of the capital stock at the time the authorization is exercised. The pro rata amount of the share capital of shares that are issued or sold during the term of this authorization due to other authorizations in direct or analogous application of Section 186 (3), Sentence 4 AktG, under exclusion of subscription rights shall be offset against this maximum amount for a subscription right exclusion;
- in the case of a capital increase for contributions in kind for the purpose of acquisition of companies, parts of companies, and holdings

in companies of other assets or entering into mergers;

- to the extent that it is necessary to give holders of warrants or convertible bonds, profit-sharing rights, or profit-sharing bonds (or combinations of these instruments) issued by the company or direct or indirect affiliated companies of the company a subscription right to new shares to the same extent as they would be entitled upon exercising their option or conversion right or after fulfilling their conversion obligation;
- to exclude fractional amounts from the subscription right.

The Managing Board is authorized, with Supervisory Board approval, to determine the further details of the implementation of the capital increases based on the authorized capital.

The Supervisory Board will be given authorization to amend the wording of the Articles of Incorporation according to the implementation of the capital increase using authorized capital and after the expiration of the authorization term”.

**9. Resolution on the amendment of the Articles of Incorporation to expand opportunities for electronic participation and communication with regard to the Annual General Meeting**

According to Section 118 (3) AktG, the members of the Supervisory Board should take part in the Annual General Meeting, however the Articles of Incorporation can provide for certain cases in which the members of the Supervisory Board may take part by way of audio and video transmission. This option should be utilized in order to release members of the Supervisory Board from their obligation to be present at the Annual General Meeting in justified instances.

The Managing Board and the Supervisory Board submit the following proposals for resolution:

The following paragraph 5 is added to Section 14 of the Company's Articles of Incorporation:

“(5) Members of the Supervisory Board may take part in the Annual General Meeting with the approval of the Managing Board by way of video and audio transmission if there are significant professional or private reasons why the member cannot be present, or if it would be unreasonable for the member to travel to the meeting location because it is such a great distance from the Supervisory Board member's place of residence.”

# Information and reports on agenda items

## **Information on agenda item 5:**

### **Information on the candidates nominated to the Supervisory Board**

#### **CV of Supervisory Board candidate Prof. Dr. Heiko Aurenz**

Birth year: 1961

Profession: Managing Partner of Ebner Stolz Management  
Consultants GmbH

Professor at the University of Economics and  
the Environment, Nuertingen-Geislingen

Education: Degree in Economics from the Universities of  
Tuebingen and Hohenheim

Degree of Dr. oec. in the areas of business in-  
formatics and controlling

#### Professional background and significant positions:

1990 Dr. Ebner, Dr. Stolz Wirtschaftsprüfungs-,  
Steuerberatungsgesellschaft GmbH,  
Assistant auditor

1996 Founding of Dr. Ebner, Dr. Stolz  
Unternehmensberatung GmbH

since 1997 Managing Partner of Dr. Ebner,  
Dr. Stolz Unternehmensberatung GmbH

since 2000 Chairman of the Supervisory Board of  
Know How! AG

since 2001 Member of the Supervisory Board of Manz AG,  
Chairman since 2010

- since 2002 Member of the Supervisory Board of Anna-Haag-Haus e.V.
- since 2016 Member of the Supervisory Board of Anna Stiftung gGmbH  
Member of the Supervisory Board of TANDiEM gGmbH  
Member of the foundation Aufbruch und Chance
- since 2017 Chair of the Advisory Board of Bumüller GmbH & Co. Backbetriebe KG
- since 2018 Deputy representative to the Supervisory Board of MQ Result AG
- since 2020 Member of the Advisory Board of Herrmann Ultraschalltechnik GmbH & Co. KG

### **CV of Supervisory Board candidate Dieter Manz**

- Birth year: 1961
- Profession: Managing Director of Manz GmbH Management Consulting and Investment
- Education: Degree in mechanical engineering from the Essen University of Applied Sciences  
Graduate engineer

#### Professional background and significant positions:

- 1986 to 1987 IBM Germany, Sales support industrial robots
- July 1987 Founding of Manz Automatisierungstechnik GmbH
- 1987 to 2001 Managing Director of Manz Automatisierungstechnik GmbH
- 2001 to 2017 CEO of Manz AG
- since July 2017 Member of the Supervisory Board of Manz AG
- since July 2017 Managing Director of Manz GmbH Management Consulting and Investment

**CV of Supervisory Board candidate****Prof. Dr. Michael Powalla**

Birth year:	1963
Profession:	Head of Photovoltaics department at the Center for Solar Energy and Hydrogen Research Baden-Wuerttemberg (ZSW)
Education:	Degree in Physics Doctorate in Electrical Engineering

## Professional background and significant positions:

since 1991	Work in the field of thin-film photovoltaics
1999 to 2008	Head of the Photovoltaics area – Material research (MAT) at ZSW
since 2003	Lecturer at the Karlsruhe Institute for Technology (KIT)
2007 to 2011	Managing Director of Würth Elektronik Research GmbH
since 2008	Head of the Photovoltaics business unit and member of the Managing Board of ZSW
since 2010	Professor at the Karlsruhe Institute for Technology (KIT), department of Electrical Engineering and Information Technology
since 2011	Member of the Supervisory Board of Manz AG

**CV of Supervisory Board candidate Dr. Zhiming Xu**

Birth year:	1973
Profession:	Chief Technology Officer of the Shanghai Electric Automation Group of the Shanghai Electric Group Co., Ltd.
Education:	Degree in Mechanical Engineering from Shanghai Jiao Tong University, Shanghai (People's Republic of China) Doctorate in Mechatronics

## Professional background and significant positions:

- since 2003      Employed by the Shanghai Electric Group Co. Ltd., Shanghai (People's Republic of China)
- 2003 to 2006    Project engineer in the computer control technology area of the research center
- 2006 to 2011    Head of the area of NC Technology, Central Academy
- since 2011      Chief Technology Officer (CTO) of the Automation Group
- since 2017      Member of the Board of Supervisors of NICE PV Research Ltd., Beijing (People's Republic of China)
- since 2017      Non-executive member of the Board of Directors of Suzhou Manz New Energy Equipment Co., Ltd., Suzhou (People's Republic of China)
- since 2018      Member of the Supervisory Board of Manz AG
- since 2019      General Manager of the Shanghai Electric Group Automation Engineering Co., Ltd., Shanghai (People's Republic of China)
- since 2019      Chairman of Techgine Laser Technology (Shanghai) Co., Ltd., Shanghai (People's Republic of China)



**Information on agenda item 6:  
Compensation system for members of the Managing  
Board of Manz AG**

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## **Preamble**

The Supervisory Board of Manz AG has enacted the following system for compensating the members of the Managing Board of Manz AG. It conforms to the regulations of the Stock Corporation Act, and observes the recommendations of the German Corporate Governance Codex (DCGK) in the version enacted by the governmental commission on the German Corporate Governance Codex on December 16th, 2019, which went into force on March 20th, 2020.

The compensation system represents the foundation for the Managing Board compensation system. The following section describes the individual compensation components and stipulates the maximum compensation for members of the Managing Board. Furthermore, it explains possibilities for reducing (malus) and returning (clawback) variable compensation components, as well as the regulations on the terms and ending of employment contracts with members of the Managing Board (Managing Board contracts) and severance payments. It also describes the process for vertical and horizontal comparisons. Finally, it describes the process for enacting, implementing and reviewing the compensation system.

## **A. Basic principles of the compensation system**

With years of expertise in the areas of automation, laser processing, vision and metrology, wet chemistry, and roll-to-roll processes, Manz AG is a global, high-tech equipment manufacturer which offers manufacturers and their suppliers innovative production solutions in the areas of photovoltaics, electronics and lithium-ion battery technology. The core of the company's strategy is to make use of the technology portfolio across all industries and regions. This cross-segment exchange of technology and expertise not only offers a high level of flexibility in the realization of individual customer solutions, but also the possibility of generating internal synergies and making economic use of them.

Manz AG's goal is to achieve a sustained increase in competitiveness with earnings-oriented growth. With a strong focus on the development, production and marketing of modules and fully linked, individual system solutions and equipment, as well as the expansion of the worldwide customer base, we intend to increase our competitiveness and profitability. The cross-regional use of technological expertise and its standardization beyond industry boundaries significantly reduces development effort and time and continuously creates new unique selling points, creating opportunities for additional possible applications. In addition, continuous targeted organizational, procedural and process improvements in all segments of the Group are intended to contribute to further increasing the competitiveness and profitability of the company.

Economic success and responsible behavior must not be in conflict with each other. Therefore, both when developing new products and services and when operating production equipment, the company must keep negative impacts on the environment and climate to a minimum by handling resources as responsibly as possible and using resources as sparingly as possible, as well as by avoiding the use of any substances of

very high concern and conflict materials when manufacturing our machines. We believe that our actions in these areas render a significant contribution to the positive performance of the company over the long term.

The Managing Board compensation system is closely linked to this strategy, and plays an important part in helping us achieve the corporate objectives described here. Based on this, the aim of the compensation system is to compensate the members of the Managing Board commensurately according to their area of activity and responsibility, taking into account not only the personal performance of each respective Managing Board member, but also the company's overall situation and business success.

Integrating the main management indicators of Manz AG into the Managing Board compensation incentivizes increasing earning power and profitability, as well as the long-term financing power and appreciation in value of Manz AG. Furthermore, it should also incentivize performance that contributes to the strategic, technical and structural development of Manz AG. Therefore, non-financial factors, in particular from the environment, social & governance areas – "ESG" – also play an important role in Managing Board compensation. The objective is to unite the interests of the Managing Board and shareholders with other stakeholders as well.

Therefore, when developing this Managing Board compensation system, the Supervisory Board based its considerations in particular on the following guidelines:

- Promoting the long-term and sustainable corporate development of Manz AG, and supporting the corporate strategy
- Conforming to the regulatory specifications of the Stock Corporation Act and the recommendations of the German Corporate Governance Codex

- Strictly tracking performance in compensation through ambitious, yet realistic objectives (pay for performance)
- Considering the interests and needs of relevant shareholders
- Supplementing environmental, social & governance (ESG) criteria to promote sustainable corporate development
- Transparent communication regarding Managing Board compensation both internally and externally
- Ensuring internal corporate objectives are synchronized and consistent in order to harmonize incentives for the Managing Board and upper management
- Considering modern and common elements and mechanisms for the market

## **B. The compensation system in detail**

### **I. Compensation components**

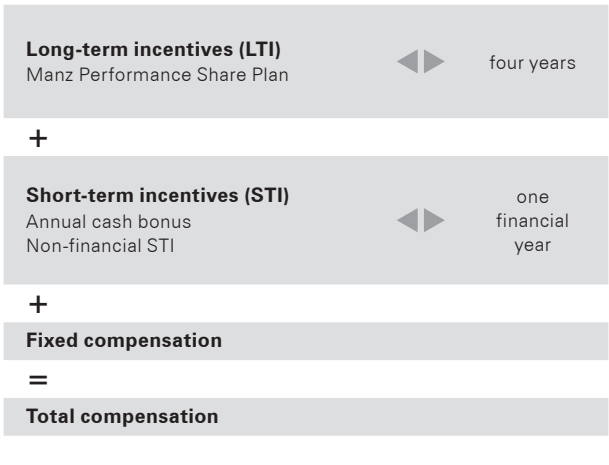
#### **1. Overview of the compensation components and their relative shares of compensation**

The compensation paid to members of the Manz AG Managing Board consists of fixed and variable components. Non performance-related components as fixed compensation components include the annual salary, benefits, and company pension plan. Performance-related components as variable components include short-term incentives (STI) and long-term incentives (LTI).

The following graphic shows an overview of compensation components and performance periods for the variable components:

### Compensation structure

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The following table shows an overview of the compensation components as well as the parameters and bases on which they are calculated:

**Fixed compensation (non performance-related components)**

Fixed salary	Monthly wages Expected employer contribution to social insurance Payment in cash
Fringe benefits	Private use of company car Insurance (D&O insurance, accident insurance)
Company pension plan	Contributions to the provident fund

**Variable compensation (performance-related components)**

## Short-term incentives (STI): Annual cash bonus

Type	Annual target bonus with financial performance criteria
Performance criteria	EBIT margin
Performance period	one year
Limit	160 % of annual fixed salary
Payment	Annually in cash after approval of the consolidated financial statement

## Short-term incentives (STI): Non-financial STI

Type	Annual target bonus with non-financial performance criteria
Performance criteria	Objectives related to strategic, technical and structural development, including ESG criteria according to annual individual targets
Performance period	one year
Limit	30 % of the annual fixed salary
Payment	Annually in cash after approval of the payout amount

## Long-term incentives (LTI): Manz Performance Share Plan

Type	Performance Share Plan (share purchasing rights)
Performance criteria	EBITDA margin (50 %) Development in corporate value (50 %)
Performance period	Four financial years
Waiting period	Four years
Limit	300 % of the value of the performance shares upon allocation
Payment	After the end of the waiting period and approval of the consolidated financial statement for the fourth financial year, generally in shares of Manz AG

**Maximum compensation**

Fixed maximum amount for each member of the Managing Board

Based on the compensation system, the Supervisory Board established a specific target total compensation for each member of the Managing Board before the start of each financial year. This must be appropriate to the duties and performance of the Managing Board member, as well as the position of the company, and may not exceed customary compensation. The target total compensation is comprised of the total of all compensation components used to determine overall compensation. The target amount for the STI and LTI is based on 100% target achievement. The percentage of long-term incentives in the target total compensation exceeds the percentage of short-term incentives in the target total compensation.

The percentage of non-performance related components (annual fixed salary and bonuses) is around 41% of the target total compensation, and the percentage of performance-related components as a variable component is around 59% of the target total compensation. Therefore, the percentage of the STI target of the target total compensation is around 27%, of which the percentage of annual cash bonuses makes up around 22%, and the percentage of non-financial STI makes up around 5%. The LTI target makes up around 32% of the target total compensation. The LTI target is around 54% of the target for total variable compensation, and therefore exceeds the STI target amount (around 46%).

The following table shows an overview of the relative percentages of fixed and variable compensation components, based on the target total compensation:



Non performance-related components	Performance-related components		
41 %	59 %		
Monthly fixed salary Benefits Pension plan	Short-term incentives (STI):		Long-term incentives (LTI):
	Annual cash bonus	Non-financial STI	Manz Performance Share Plan
41 %	22 %	5 %	32 %

The relative percentages indicated can deviate slightly based on the future development of costs for bonuses, as well as for new appointments. Furthermore, the percentages indicated may deviate if any payments are granted due to assuming an office or new appointments.

## 2. Non performance-related components (fixed compensation components)

The fixed components of Managing Board compensation consist of a fixed salary and benefits, as well as contributions to a company retirement scheme.

### a) Fixed salary

The fixed salary is an agreed, fixed, non performance-related compensation which is paid retroactively on a monthly basis. The fixed salary functions as a base salary to cover Managing Board members' and their families' ongoing cost of living expenses irrespective of the company's performance. In addition to the fixed salary, members of the Managing Board may be granted an amount paid as the employer contribution to health and care insurance, as well as to statutory pension insurance.

Fixed salaries are reviewed on July 1st of each calendar year to ensure they are appropriate. In this review, the Supervisory Board in particular takes the performance and duties of the Managing Board member in question into account, as well as the quality of their work and the development and position of the company.

#### **b) Benefits**

An appropriate company car, which can also be used for private purposes, is provided to Managing Board members as a benefit. In addition, the company concludes accident insurance policies with appropriate benefits for each of the Managing Board members. These policies also cover non-work-related accidents. Furthermore, the members of the Managing Board are insured under the D&O insurance policy for executive bodies, the cost of which is borne by Manz AG.

#### **c) Pension scheme**

Monthly contributions are made to a provident fund on behalf of Managing Board members under the company pension scheme.

#### **d) Other fixed compensation components**

In individual cases, the Supervisory Board can grant reasonable payments when a new member joins the Managing Board in the year in which they assume office. Such payments are intended primarily to compensate for losses in variable compensation which a Managing Board member suffers from switching to Manz AG from their former employer.

### **3. Performance-related components (variable compensation components)**

The variable compensation components serve as a specific incentive to achieve sustained corporate growth while contributing to the Managing Board members' accumulation of personal assets and financial independence.

The variable compensation includes, firstly, an annual component tied to the company's success in the previous year (short-term incentive), consisting of an annual cash bonus and non-financial STI, and, secondly, a share-based component with a multi-year basis for assessment, in the form of purchasing rights to Manz shares (performance shares) granted on an annual basis (long-term incentives (LTI)).

#### **a) Annual cash bonus based on the EBIT margin as a short-term incentive**

##### **(1) Calculating the annual cash bonus and payment**

The aim of the annual cash bonus is to allow the members of the Managing Board to participate in the company's financial success or failure in the previous fiscal year as a result of their own personal management performance. In accordance with the financial objectives of Manz AG derived from the corporate strategy, it focuses on incentivizing improving the profitability of Manz AG, using the EBIT margin as one of the primary performance indicators at Manz AG for all members of the Managing Board. Moreover, the annual cash bonus is calculated based on the respective fixed salary of the particular Managing Board member for the given previous financial year (fixed annual salary).

The annual cash bonus grant requires that an EBIT margin of at least 0.1 % has been achieved. The Managing Board member receives an annual cash bonus of 1 % of the annual fixed sal-

ary with an EBIT margin of 0.1 %. Accordingly, the percentage applicable for calculating the cash bonus increases by one percentage point for each full tenth of a percentage point by which the achieved EBIT margin exceeds an EBIT margin of 0.1 %. The maximum value is set at an EBIT margin of 16 %, at which the annual cash bonus is 160 % of the annual fixed salary.

The Supervisory Board determines target achievement and the amount of the annual cash bonus at the end of each financial year based on the consolidated annual statement and annual fixed salary for the Managing Board member in question. Target achievement for performance criteria is calculated based on the target achievement value, and limited to a maximum target achievement of an EBIT margin of 16 %. The payment amount is calculated by multiplying the EBIT margin as a percentage by a factor of 10, and the annual fixed salary, and is therefore limited accordingly to 160 % of the fixed salary.

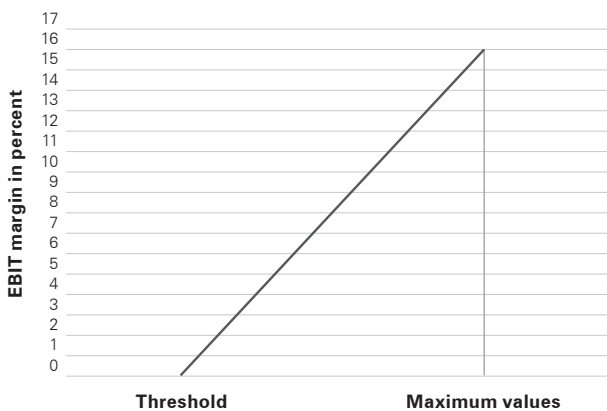
The following diagram shows an overview of how annual cash bonuses are calculated:

<b>EBIT margin</b>	<b>x</b>	<b>Factor of 10</b>	<b>x</b>	<b>Annual fixed salary</b>	<b>=</b>	<b>Annual cash bonus</b>	<b>Cap: 160 % of the annual fixed salary</b>
<b>Example: 6%</b>	<b>x</b>	<b>Factor of 10</b>	<b>x</b>	<b>T€ 260</b>	<b>=</b>	<b>T€ 156</b>	<b>Cap: T€ 416</b>

The following graphic shows the target achievement curve for the performance criteria of EBIT margin:

### Target achievement curve of the cash bonus

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The minimum and maximum values and target achievement for the previous financial year are published retroactively in the compensation report.

Annual cash bonuses make up 22 % of target total compensation.

Annual cash bonuses are paid out in cash, and are due ten days after approval of the Manz AG consolidated financial statement.

### (2) EBIT margin performance criteria

The cash bonus is granted annually, depending on the EBIT margin of the previous respective financial year. The EBIT margin is calculated as the ratio of earnings before interest and taxes (EBIT) to total revenues pursuant to the consolidated financial statements of Manz AG in accordance with IFRS. The

EBIT margin serves as a key figure for reflecting the operational earnings of the company, thereby reflecting the earnings power and profitability of the enterprise.

Therefore, directly tying annual cash bonuses to the performance criteria of the EBIT margin incentivizes and focuses the work of the Managing Board on consistently improving the earning power of the Manz Group, thereby ensuring the strategic alignment of the variable compensation. The target is decisive for all Managing Board members together. The financial performance criteria of the EBIT margin is not only used on the Managing Board level, but is also used to strategically align business activities in the individual corporate areas as well.

### **(3) Leaving the employment relationship**

After an employee ends their employment relationship, the stipulated performance criteria and due dates, as well as any compensation claims to annual cash bonuses are retained. If the employee fulfills the requirements for the annual cash bonus, then it is paid out according to applicable regulations; in particular, no advance payment is permitted. If a change of control clause has been agreed, then this may be paid out in advance in deviation of this as part of a severance payment, following termination by the member of the Managing Board due to a change in control (see section IV.2.).

If the management contract ends during a financial year, or if the company releases the Managing Board member from their duties during a financial year, then their annual cash bonus shall be reduced for the financial year in which they leave the company on a pro rata temporis basis. If the company terminates the management contract for good cause, then the claim to the annual cash bonus will be void for the year in which termination takes effect.

## **b) Non-financial STI as a short-term incentive**

### **(1) Calculating the non-financial STI and payment**

In addition to the annual cash bonus, the short-term variable compensation also includes a non-financial STI according to the non-financial performance criteria. The non-financial corporate and ESG division targets are used to assess the individual performance of Managing Board members. The non-financial STI is calculated based on the respective fixed salary of the particular Managing Board member for the given previous financial year (fixed annual salary).

The Supervisory Board calculates target attainment and the amount of the non-financial STI for the Managing Board member in question after the end of the financial year. Overall target attainment for the stipulated non-financial performance criteria is calculated based on the level of target attainment, and is limited to a maximum of 200%. The non-financial STI is applied based on previously defined criteria stipulated by the Supervisory Board before the start of the financial year, and is 15% of the annual fixed salary if all goals are achieved. The payment amount, therefore, is calculated by multiplying total target attainment by the annual fixed salary, as well as a factor of 15%. The payment amount is limited to a maximum of 30% of the annual fixed salary.

The following diagram shows an overview of how non-financial STIs are calculated:

<b>Target attainment (up to 200%)</b>	<b>X</b>	<b>Annual fixed salary</b>	<b>X</b>	<b>Factor 15%</b>	<b>=</b>	<b>Non-financial STI</b>	<b>Cap: 30% of the annual fixed salary</b>
<b>Example: 100%</b>	<b>X</b>	<b>T€ 260</b>	<b>X</b>	<b>15%</b>	<b>=</b>	<b>T€ 39</b>	<b>Cap: T€ 78</b>

Target attainment of non-financial performance criteria makes up 5% of the target overall compensation.

The non-financial STI is paid out in cash as soon as possible after the payment amount is calculated by the Supervisory Board, and at the latest within three months after the end of the financial year.

## (2) Performance criteria

Before the start of the financial year, the Supervisory Board selects relevant non-financial performance criteria to assess the Managing Board member for the financial year, based on the following criteria:

- long-term strategic, technical or structural corporate development
- portfolio measures, primarily successful mergers & acquisitions and relevant inte-gration measures
- successfully tapping into new growth markets, expanding market position
- optimizations, efficiency programs/increases, restructuring measures
- successfully completing key projects



- increasing innovative capacity and delivery capability
- performance in the ESG area (environment, social & governance)

The Supervisory Board defines up to three specific goals and their proportional weights. Unless otherwise indicated, the Supervisory Board stipulates ESG targets from the diversity area (social) and sustainability area (environment); however, the Supervisory Board is entitled to stipulate other ESG targets.

The purpose of non-financial performance criteria is to improve the competitiveness of Manz AG over the long term according to corporate objectives. In addition, the criteria should help align Managing Board activities to foster the technical and structural development of the company, including in environmental, social and governance areas. These are individual targets of the individual Managing Board members.

The ESG targets are defined as non-financial, quantitative and qualitative performance criteria in the environmental, social & governance areas. These include, for example, contributing to global climate protection (such as the goal of CO<sub>2</sub> neutrality by 2030) or promoting diversity at Manz AG, which positively influences innovation, employee engagement and the financial performance of Manz AG. Clearly linking ESG targets to the business and sustainability strategy and to current market demands helps manage the company on a long-term basis so as to benefit all stakeholders. Therefore, the ESG targets are important for harmonizing the interests of the Managing Board with those of other stakeholders, as well as for achieving long-term corporate success.

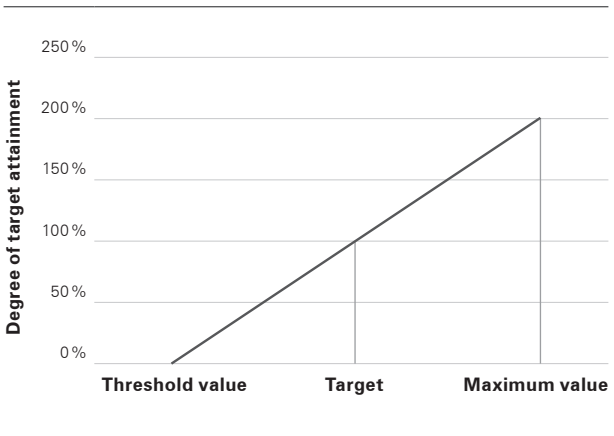
### **(3) Defining the targets**

Before the start of each financial year, the Supervisory Board defines relevant criteria for each Managing Board member with

a target attainment value of up to 200 %, thereby stipulating the target compensation for the non-financial STI. At target attainment of 100 %, this is defined by multiplying the annual fixed salary by a factor of 15 %.

The following graphic shows the target attainment curve for the non-financial performance criteria:

#### Target attainment curve for non-financial STI



The minimum, target, and maximum values and target attainment for the previous financial year are published retroactively in the compensation report.

#### (4) Leaving the employment relationship

After an employee ends their employment relationship, the stipulated performance criteria and due dates, as well as any compensation claims to non-financial STIs are retained. If the employee fulfills the requirements for the non-financial STI, then it is paid out according to applicable regulations; in particular, no advance payment is permitted. If the management contract ends during a financial year, or if the company releases the Managing Board member from their duties during

a financial year, then their non-financial STI shall be reduced for the financial year in which they leave the company on a pro rata temporis basis. If the company terminates the management contract for good cause, then the claim to the non-financial STI will be void for the year in which termination takes effect.

### **c) Manz Performance Share Plan as a long-term incentive (LTI)**

The long-term incentive (LTI) is a performance share plan with a four-year performance period. The purpose of the variable compensation component, which acts as a long-term incentive, is to encourage the Managing Board member to improve internal and external corporate value over the long term by granting performance shares each year to purchase shares in Manz AG. This helps to effectively tie their interests to those of the shareholders, as well as those of other stakeholders.

The LTI makes up 32% of target total compensation.

#### **(1) Function and specifications for the Manz Performance Share Plan**

Based on the authorization of the Annual General Meeting, the Supervisory Board grants members of the Managing Board the right to purchase shares in Manz AG ("performance shares"). The wait time to exercise the performance shares ends four years after the time at which the right is issued, and is therefore over four years. When performance shares are exercised, shares in Manz AG are issued to the exercising individual at the lowest legally prescribed issue amount of 1.00 EUR per share.

The performance shares can be exercised if and insofar as the respective performance target was achieved. The stipulated performance targets for exercising performance shares are the EBITDA margin and corporate development of Manz AG. The EBITDA margin performance target is calculated as the

average of the EBITDA margins according to Manz AG's consolidated financial statements during the performance period of four financial years beginning with the financial year in which Performance Shares are granted. The development of the enterprise value performance target is calculated as the increase in the market capitalization of Manz AG during the performance period of four calendar years beginning with the start of the issue period in which the Performance Shares are granted.

The following table shows an overview of the performance targets and target corridor for the performance targets EBITDA margin and growth in enterprise value:

Target	Objective 100% target attainment	Target corridor	
		Minimum value 0% target attainment	Maximum value 200% target attainment
<b>EBITDA margin</b>	10%	5%	15%
<b>Growth in enterprise value</b>	20%	> 0%	30%

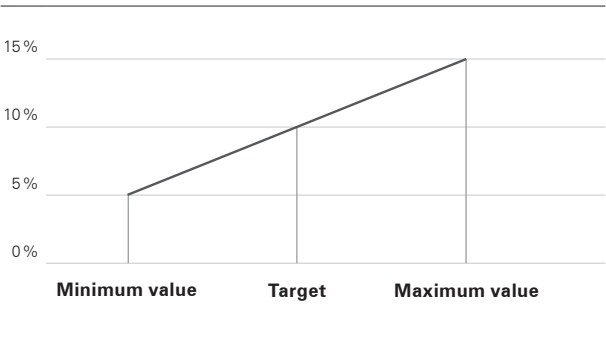
The EBITDA margin and growth in the enterprise value success target are each assigned a weighting of 50% for measuring the total degree of target attainment. There is an "objective," a "minimum value," and a "maximum value" for each performance target. The objective defines the value at which the degree of target attainment for the respective performance target is 100%. The minimum value designates the lower limit of the target corridor at or below which the degree of target attainment for the respective performance target is 0%. The maximum value defines the value at or above which the degree of target attainment is 200%.

For the EBITDA margin target, the minimum value for an EBITDA margin is 5%. The objective is an EBITDA margin of 10%. The maximum value for the EBITDA margin target is reached with an EBITDA margin of 15%. The minimum value for the performance target of growth in enterprise value is positive growth in enterprise value, meaning that the enterprise value increases by more than 0%. The objective is 20% growth in enterprise value. The maximum value for this performance target is 30% growth in the enterprise value.

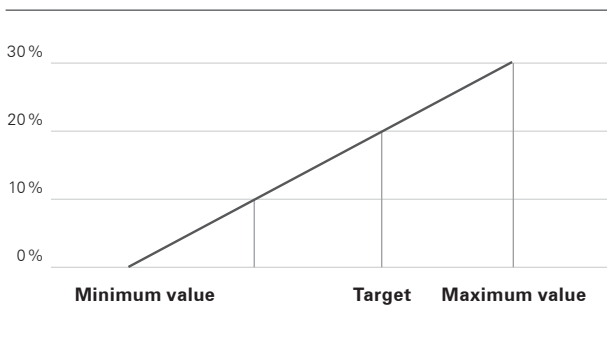
The degree of target attainment for the target is determined through linear interpolation between the minimum value for the target and the target specification, or between the target specification and maximum value for the target. The total degree of target attainment is the average for the degrees of attainment for the two performance targets. If the value attained equals or exceeds the maximum value with respect to a target, the degree of target attainment is 200%.

The following graphics show the target attainment curves for the performance criteria of EBITDA margin and growth in enterprise value:

**EBITDA margin**



### Growth in enterprise value



The target attainment for the previous financial year is published retroactively in the compensation report.

### (2) Final number of performance shares and limits

The initial number of performance shares in an installment is multiplied by the degree of overall target attainment, resulting in the final number of performance shares.

The final number of performance shares is limited to 200% of the initial number of performance shares (cap on number of units).

If the requirements for exercising the right apply, then Managing Board members are entitled to purchase Manz shares at an issue price of 1.00 EUR per share, within the scope of the final number of performance shares. Therefore, they can purchase up to two Manz AG shares for each number or partial number of performance shares, according to the overall degree of target attainment.

However, the value of the performance shares, which is calculated based on the share price of the Manz share before the end of the wait period, is limited to 300% of the value determined based on the share price of Manz shares before

issuance; if this is exceeded, the final number of performance shares is reduced accordingly (cap).

In case of extraordinary developments, the Supervisory Board is furthermore entitled to limit the ability to exercise the performance shares granted at their discretion, in particular to ensure that compensation is appropriate in the sense of Section 87 (1) Sentence 1 Stock Corporation Act (AktG).

### **(3) Performance criteria**

The performance target EBITDA margin is calculated based on the ratio of earnings before interest, taxes, depreciation and amortization on property, plant and equipment and amortizations on intangible assets (EBITDA) on the revenues indicated in the Manz AG group financial statement under the IFRS. The EBITDA margin serves as a key figure for assessing operational cash flow before taxes, and therefore for the long-term financing capacity of the company.

The performance target of growth in enterprise value corresponds to the percentage of growth in Manz AG's enterprise value at the end of the waiting period to exercise the performance shares, in relation to the enterprise value when they were issued. The enterprise value is calculated by multiplying the share price of Manz shares by the number of total shares issued by Manz AG at the time in question, and therefore corresponds to the respective market capitalization, and therefore the enterprise value of Manz AG measured by the share price.

Connecting the performance shares to the equally weighted performance criteria of EBITDA margin and growth in enterprise value over the performance period of four financial years or four calendar years therefore incentivizes aligning the work of the Managing Board towards increasing the financing capability and enterprise value of Manz AG over the long-term. Doing so thereby ensures the strategic focus of long-term vari-

able compensation. The targets are decisive for all Managing Board members.

The financial performance criteria of the EBITDA margin and growth in enterprise value are not only used on the Managing Board level, but are also used to strategically align business activities in the individual corporate areas as well. In particular, Manz AG grants annual performance shares to selected members of the general management of affiliated companies as well, and to selected managers in key positions at Manz AG and in affiliated companies below the general management.

#### **(4) Payment**

The Supervisory Board defines the final number of performance shares and how they are to be exercised, following approval of the group financial statement for the last financial year, before the end of the waiting period and the end of the respective waiting period. The performance shares can then be exercised by Managing Board members within a limited time period after the time at which both the group financial statement for the last financial year has been approved before the end of the wait time, and after the wait time has expired. The Manz shares to be issued based on the exercised performance shares are transferred to the Managing Board member in return for payment of the exercise price.

Manz AG can fulfill exercised performance shares by issuing new shares from the conditional capital available for the purpose. Manz AG is also authorized to deliver treasury shares. Furthermore, in lieu of delivering shares, Manz AG is entitled to pay out the value of the shares that would have to be delivered following the exercise of Performance Shares, minus the exercise price.

There is no obligation not to sell the Manz shares issued due to the exercise of performance shares (holding period).



### **(5) Leaving the employment relationship**

After an employee ends their employment relationship, the stipulated performance criteria and due dates, as well as any performance shares granted are retained. If the employee fulfills the requirements for the performance shares, then they can be exercised according to applicable regulations; in particular, no advance exercise or payment is permitted. If the employment relationship is terminated by the Managing Board member or the company for good cause, or if a cancellation agreement is concluded, then the performance shares shall expire without compensation if they are not able to be exercised at the time the employment relationship ends.

#### **d) Change in performance criteria**

There is no possibility to subsequently change the performance criteria or the requirements for calculating the compensation components of the STI or LTI, or the applicable limits for these in the Managing Board contracts or plan conditions.

However, in case of extraordinary circumstances or developments, in particular if the scope of business activities of Manz AG changes significantly, for instance due to the acquisition or sale of company divisions, the Supervisory Board can adjust the compensation components of the STI and LTI appropriately at its own discretion through agreements with the Managing Board members for the following period.

## **II. Maximum compensation**

The total compensation to be granted to the Managing Board member for a financial year as the total of all compensation amounts provided for the financial year in question, including the annual fixed salary, benefits and variable compensation components does have a maximum upper limit ("maximum compensation"), regardless of the time at which these

amounts are paid out. The maximum compensation for the CEO is 1,800,000 EUR, and for full Managing Board members 1,500,000 EUR each.

The maximum compensation can deviate from the stipulated maximum compensation if a new Managing Board member is appointed during the year of their appointment, if the Supervisory Board grants the newly appointed Managing Board member payments to compensate for lost funds from the previous employment relationship when they take office, in an exceptional case. In this case, the maximum compensation for this one financial year for the CEO will be increased by up to 50%, and the maximum compensation for full board members will be increased by up to 25%.

### **III. Possibilities of reducing (malus) and returning (claw-back) variable compensation components**

The Managing Board contracts contain regulations that permit the reduction (malus) or return (clawback) of variable compensation that has not yet been paid out or that has been paid out, under certain conditions. These regulations apply to all variable components of Managing Board compensation, including both the STI and LTI.

If a Managing Board member has violated the obligations of Section 93 Stock Corporation Act (AktG) either intentionally or through gross negligence, then the Supervisory Board can consider the individual circumstances and weigh the interests of both contractual payments, and partially reduce or fully deny the STI payment amount, and the ability to exercise performance shares according to the LTI for the financial year in which the breach of duty occurred. If a breach of duty becomes known later on, an STI already paid out for the financial year in which the violation occurred can be requested for either a full or partial return, as long as not more than three years have passed since the payment (clawback). The Supervisory

Board will make a decision in such cases at its own discretion. The Supervisory Board will, in particular, take the importance of the violated obligation, the weight of the amount caused by the party involved, and the amount of any damages into account in its decision. The Supervisory Board shall first reduce or deny the ability to exercise performance shares under the LTI before deciding to reduce or request return of the STI. The gross amount of the STI and LTI will be used to determine the amount of the reduction, the amount denied or the amount requested for return.

In addition, the Supervisory Board reserves the right to assert any other claims under the Managing Board contract and the law, such as claims for damages. This also applies if variable compensation was paid out or granted illegitimately, in particular because it was calculated based on incorrect data.

#### **IV. Compensation-related legal transactions**

##### **1. Terms and regulations for ending management contracts**

The terms of the management contracts are determined based on the time for which the member of the Managing Board is appointed, and are extended each time the member is re-appointed by the duration of the re-appointment. Generally, Managing Board members are initially appointed for three years. The regular re-appointment period is five years.

Because the managing contracts have a fixed term, they generally do not offer an option for ordinary termination, or termination without good cause. The rights of both parties to extraordinary termination for good cause in the sense of Section 626 of the German Civil Code (BGB) remain unaffected.

The management contracts end at the end of the month in which the Managing Board member turns 65.

The Supervisory Board can agree in management contracts that the Managing Board member is entitled to terminate the management contract within six months after a change of control, with a notice period of three months to the end of a calendar month, thereby leaving their office as member of the Managing Board at the same time. A change of control in the sense of such a change of control clause exists if the company receives notification that the notifying entity has reached or exceeded at least 25% of the voting rights from company shares belonging or attributed to it. In this case, there may also be an agreement that the Managing Board member is entitled to a severance payment (see the following section 2.)

## **2. Severance payments**

If a Managing Board member leaves office and their employment relationship prematurely, and there is no good cause, then severance payments to Managing Board members including benefits shall not exceed the amount of two year's annual compensation (severance cap), and not compensate more than the remaining term of the employment relationship. The total compensation for the last financial year, as well as the projected total compensation for the financial year at the time the relationship is ended prematurely, if applicable, shall be used to calculate the severance cap.

If management contracts contain a change of control clause (see above under section 1.), the Supervisory Board can agree that the Managing Board member is entitled to a severance at the end of their employment relationship following termination of the management contract. In this case, the severance shall generally amount to the fixed wages and annual cash bonus (STI) for the remaining term of the employment relationship if it were not terminated, whereby the average of the last financial year before termination and the projected EBIT margin for the current financial year, based on company budgetary figures, shall be used to calculate the severance

payment. However, the severance is generally limited to twice the annual compensation amount (severance cap) and limited to compensation for the remaining term of the employment relationship. In deviation from this, the Supervisory Board can agree in the Managing Board member's management contract that the severance shall be limited to three times the annual compensation amount (150% of the severance cap). Furthermore, if the remaining term of the employment relationship at the time termination goes into effect is over two years, they can agree that the severance should be reduced by 75% if it is granted for the excess time period. The amounts to be considered in calculating the severance are subject in every case to 3% interest p.a.

The Supervisory Board can agree to a post-contractual non-competition agreement in management contracts, according to which the Managing Board member is prohibited from competing with the company for 24 months after ending their employment relationship. In this case, the company can undertake to pay the Managing Board member compensation for the duration of the post-contractual non-competition agreement; for each month of the prohibition, this shall be half of the monthly total compensation most recently paid out to the Managing Board member. In general, any severance payment agreed due to the premature end of the employment relationship shall be offset against the non-competition compensation. This also applies to severance payments due to termination following a change of control, according to a change of control clause.

Otherwise, the management contracts do not grant any severance payments in case of a premature end to the employment relationship.

## **C. Enacting and implementing, as well as reviewing the compensation system**

### **I. Enactment by the Supervisory Board and submission for approval by the Annual General Meeting**

In accordance with Section 87a (1) Stock Corporation Act (AktG), the Supervisory Board shall enact a clear and easy to understand compensation system for Managing Board members – as well as compensation for the individual Managing Board members. The economic committee of the Supervisory Board is responsible for preparing the resolutions of Supervisory Board regarding the compensation system and regularly reviewing the compensation system.

If the Supervisory Board consults with an external compensation expert in order to develop the compensation system and evaluate whether compensation is appropriate, it shall ensure the expert is independent from the Managing Board and the company, and shall take precautionary measures to avoid conflicts of interest.

With respect to the compensation system, the Supervisory Board shall work to synchronize and streamline internal company goals between the Managing Board and upper management, in order to ensure uniform incentives throughout the management of Manz AG.

The Supervisory Board shall submit the compensation system it has enacted to the Annual General Meeting for approval each time there is a significant change, and at least every four years. If the Annual General Meeting does not approve the submitted system, then the Supervisory Board shall submit a revised compensation for approval to the Annual General Meeting at the latest during the following ordinary Annual General Meeting. All management contracts to be amended, extended or newly concluded shall be based on this compensation system.

## **II. Independence and avoiding and managing conflicts of interest**

The Supervisory Board and its economic committee take suitable measures to ensure that potential conflicts of interest are avoided and resolved, if necessary by the Supervisory Board members involved in consultations and decisions regarding the compensation system. Each Supervisory Board member must notify the Board of any conflicts of interest. The Supervisory Board decides on how to handle conflicts of interest in each individual case. In particular, a Supervisory Board member with a conflict of interest may not take part in a meeting or individual consultations and decisions of the Supervisory Board and its economic committee.

## **III. Implementing the compensation system**

This compensation system applies for all members of the Manz AG Managing Board appointed after the Supervisory Board enacted the compensation system.

The compensation system shall apply for Managing Board members already in office at this time effective as of the 2021 financial year. To implement the compensation system, the Supervisory Board of the company intends to agree with Managing Board members to relevant adjustments to their current employment contracts (management contracts).

## **IV. Reviewing the appropriateness of Managing Board compensation**

Compensation for members of the Managing Board is based on the customary amounts and structure of management compensation at comparable companies, in accordance with the law and the recommendations of the German Corporate Governance Codex, as well as based on the economic position and future prospects of the company. In addition, the duties

and performance of the Managing Board member in question and the salary structure within the company are taken into consideration.

In order to ensure compensation is appropriate, the Supervisory Board conducts regular horizontal and vertical comparisons.

The horizontal assessment involves comparing the compensation for Managing Board members at Manz AG with compensation at comparable companies. To do so, the Board uses compensation data for companies included in the Prime Standard at the Frankfurt Stock Exchange that are active in similar business areas to Manz AG.

A vertical assessment is undertaken in addition to the horizontal evaluation. During this assessment, the internal company compensation structure is evaluated by comparing the compensation of the Managing Board to the compensation of upper management and the workforce as a whole. The Supervisory Board has defined upper management for this purpose, including upper managers worldwide (heads of the business units and area managers, as well as managing directors of the subsidiary companies). The Supervisory Board has included employees of Manz AG in Germany who are not upper management for the vertical comparison of the entire workforce. In addition to the status quo, this assessment also considers the development of ratios over time.

#### **D. Possibility for temporary deviation from the compensation system**

In certain, extraordinary circumstances, for instance if there is a severe financial or economic crisis, the Supervisory Board can temporarily deviate from the compensation system in accordance with Section 87a (2) Sentence 2 Stock Corporation Act (AktG), if this is necessary for the long-term good of Manz AG. However, this does not take disadvantageous mar-



ket developments into consideration. The economic committee of the Supervisory Board is responsible for reviewing and assessing whether such a temporary deviation is necessary. The committee reports to the Supervisory Board, which can determine whether deviations are required.

Even if there is a deviation from the Managing Board compensation system, member compensation must be designed to ensure the long-term, sustainable development of the company and take Managing Board performance into consideration. The possibility for short-term deviations is limited to the compensation structure, performance criteria and weights of the STI and LTI, as well as bandwidths for possible target attainment. If it is not possible to make the compensation system a sufficient incentive by adjusting the existing components, the Supervisory Board also has the right – under the same conditions – to temporarily replace individual compensation components with other ones, or grant additional compensation components.

Manz AG shall report on any deviations from the compensation system according to Section 162 (1) no. 5 Stock Corporation Act (AktG) in the compensation report, and explain why the deviations were required and/or indicate the compensation components that were deviated from.

**Information on agenda item 7:  
Compensation system for members of the  
Supervisory Board of Manz AG**

**1. Basic principles of the compensation system and how  
Supervisory Board member compensation supports the  
business strategy and long-term development of the  
company**

With years of expertise in the areas of automation, laser processing, vision and metrology, wet chemistry, and roll-to-roll processes, Manz AG is a global, high-tech equipment manufacturer which offers manufacturers and their suppliers innovative production solutions in the areas of photovoltaics, electronics and lithium-ion battery technology. The core of the company's strategy is to make use of the technology portfolio across all industries and regions. This cross-segment exchange of technology and expertise not only offers a high level of flexibility in the realization of individual customer solutions, but also the possibility of generating internal synergies and making economic use of them. Manz AG's goal is to achieve a sustained increase in competitiveness with earnings-oriented growth.

The Supervisory Board advises and monitors the Managing Board, and is therefore closely involved in important operational and strategic issues related to corporate management. In order for the Supervisory Board to act effectively, it must be composed of members who fulfill the profile of competence and target objectives it has resolved as well as possible. Compensation plays a key role in this respect. Compensation should be appropriate for the duties of Supervisory Board members and the position of the company (cf. Section 113 (1) Sentence 3 Stock Corporation Act (AktG), and should be in line with market conditions so as to ensure that the Supervisory Board is competitive and attractive to suitable candidates. Appropriate compensation in line with market conditions supports the business strategy and the long-term development of Manz AG.

Manz AG only compensates Supervisory Board members with fixed compensation. This reflects the function of the Supervisory Board as an independent advising and controlling body under German stock corporation law.

## **2. Process for defining, implementing and reviewing the compensation system**

Compensation for members of the Supervisory Board of Manz AG is stipulated in Section 12 of the Articles of Incorporation.

In accordance with Section 113 (3) Sentence 1 Stock Corporation Act (AktG), the Annual General Meeting enacts a resolution on Supervisory Board compensation at least every four years, and may confirm or modify the compensation. In order to prepare for the resolution of the Annual General Meeting, the Managing Board and Supervisory Board each review whether the Supervisory Board compensation, in particular the amount and form of compensation, is appropriate for the duties of Supervisory Board members and the position of the company. If necessary, the Managing Board and Supervisory Board suggest suitable adjustments to the Annual General Meeting.

## **3. Components of compensation for members of the Supervisory Board**

Supervisory Board compensation at Manz AG is based on the goal of providing position-specific supplements in addition to appropriate fixed compensation, in order to adequately reflect the additional time spent by the Chair of the Supervisory Board, their deputy, and committee members. This structure implements recommendation G.17 of the German Corporate Governance Codex, in particular. Furthermore, the time spent in individual meetings is compensated by an appropriate attendance fee.

**a) Base compensation**

Each member of the Supervisory Board receives fixed compensation of 16,000.00 euros per financial year.

**b) Attendance fee**

In addition, the members of the Supervisory Board shall receive an attendance fee of 1,500.00 euros for each time they attend a meeting of the Supervisory Board and its committees. Attendance fees are to be granted only once when several sessions take place in one day.

**c) Committee work**

Supervisory Board members shall receive an additional fixed compensation for work on Board committees in the amount of 8,000.00 euros for each member of a committee. Committee activities are to be considered for a maximum of two committees.

Committees make a key contribution to the effective work of the board. Generally, membership in a committee does require a significant amount of time.

**d) Chair of the Supervisory Board and Deputy Chair**

The Chairman of the Supervisory Board receives three times the aforementioned compensation. The Deputy Chair receives twice the fixed compensation of 16,000.00 euros.

The Chair of the Supervisory Board has an elevated position. They serve as the primary contact person for the Managing Board, both outside of and between meetings of the Managing Board and its committees. They coordinate and organize the activities of the Supervisory Board. The Chair is supported primarily by their deputy.

#### **4. Due date and pro rata temporis payments**

The base compensation and attendance fee, as well as position-specific supplements, are due for payment after the end of the financial year for which the compensation is owed.

Supervisory Board members who belonged to the Supervisory Board or a committee for only part of the financial year, or who were only chair or deputy chair of the Supervisory Board for part of the year, receive a portion of the fixed compensation calculated on a pro rata temporis basis.

#### **5. Reimbursing expenditures**

The members of the Supervisory Board also receive reimbursements for their expenditures incurred while carrying out their office.

#### **6. D&O insurance**

At its own cost, the company can insure the members of the Supervisory Board against claims under civil and criminal law, including the costs of legal defense, in conjunction with carrying out their office, and can conclude relevant D&O insurance.

**Report of the Managing Board to the General Meeting on item 8 of the agenda concerning the exclusion of the subscription right pursuant to Section 203 (2), Section 186 (4) Sentence 2 of the German Stock Corporation Act (AktG) (Authorized Capital 2021)**

New authorized capital (Authorized Capital 2021) authorized by the General Assembly meeting on July 7, 2021, totaling up to 3,872,044.00 euros, which should be available for cash and non-cash capital increases, will be suggested to the general assembly of Manz AG under agenda item 8. The new authorized capital shall replace the previous authorization according to Section 3 (3) of the Articles of Incorporation (authorized capital 2016) amounting to 3,872,044.00 euros, which is limited through July 11, 2021.

The new Authorized Capital 2021 should follow the established rules for the prior Authorized Capital 2016. With the new authorization the company should be able to act quickly and flexibly in the interests of its shareholders with the capital increase. Because decisions concerning coverage of capital requirements usually must be made at short notice, it is important that the company not be constrained by the yearly cycle of general meetings or by the long notice period before an extraordinary general meeting. The instrument of authorized capital is the government's response to these restrictions. The most common reasons to use authorized capital are to strengthen the equity base and to finance acquisitions.

In principle, shareholders have preemptive rights with regard to the use of the Authorized Capital 2021. However, the Managing Board is authorized, with Supervisory Board approval, to exclude shareholders from their preemptive subscription rights under the following conditions.

- a) The Managing Board should be authorized, with Supervisory Board approval, to suspend the legal preemptive

rights of shareholders in cases of cash capital increases in return for cash pursuant to Section 203 (1–2), Section 186 (3) Sentence 4 of the German Stock Corporation Act (AktG). This suspension of subscription rights allows us, in the best interests of the company, to systematically place new shares in domestic and international capital markets, whereby the shares are issued on short notice under favorable trading conditions and at rates as high as possible yet close to market prices. The need to protect shareholders from dilution is accounted for by ensuring that the shares can only be offered at a price that is not significantly below the relevant trading price. The final determination of the placement price is made as close as possible to the time of the placement. Here the Managing Board will make every effort – while taking into account current market conditions – to keep any discounts from the trading price as small as possible. The discount from the trading price at the time the authorized capital is used will be less than 3% whenever possible, but always less than 5%.

Generally, the sales that can be generated from placement under a subscription right exclusion will result in a significantly higher cash inflow than a share placement with performance shares, which generally result in significant discounts from the stock exchange price. One important reason for this is the fact that an issue without a compulsory subscription period can be carried out immediately after determining the issue price and thus no allowance needs to be made for price change risk for the subscription period in the issue price. Section 186 (2) of the German Stock Corporation Act (AktG) does allow for the publication of the subscription price up to the third day to the end of the subscription period. But in view of the frequently observed volatility on stock markets there is still a market risk over a period of several days, which results in safety margins in determining the subscription

price and thus to conditions that are not in line with the market. Where a subscription right exists, the necessary placement with third parties is also put at risk or subject to additional costs due to the uncertainty of its exercise. In addition, because of the length of the subscription period when granting a subscription right the company is unable to respond at short notice to either favorable or unfavorable market conditions and thus is exposed to falling share prices, which can result in an unfavorable issue for the company. By foregoing a time-consuming and expensive preemptive rights process, capital requirements can be met by taking advantage of short-term market opportunities.

Capital increases due to this authorization to exclude subscription rights may not, in total, exceed either 774,408.00 euros, which corresponds to roughly 10% of the current share capital, nor 10% of the share capital at the time the authorization is exercised. This means that, even in cases of multiple capital increases within the authorization period, subscription rights cannot be exempted for more than a total of 10% of share capital as a result of this authorization. An additional restriction requires that the maximum limit include shares that are issued up until the issue of new shares from the authorized capital in direct or indirect application of Section 186 (3) Sentence 4 of the German Stock Corporation Act (AktG) while utilizing other authorizations to exempt shareholder subscription rights. Therefore, conversion or option rights or conversion obligations for shares in the company that are associated with warrants or convertible bonds, profit-sharing rights, or profit-sharing bonds (or combinations of these instruments) that are issued during this authorization in accordance with Section 186 (3) Sentence 4 Stock Corporation Act (AktG) for cash, excluding the performance shares, must be offset against the limit. Furthermore, sales of own shares must be offset if



they were conducted during this authorization based on an authorization in accordance with Section 71 (1) no. 8 Sentence 5 Stock Corporation Act (AktG) in conjunction with Section 186 (3) Sentence 4 AktG, excluding the performance shares. This ensures that no shares are issued from the authorized capital excluding the performance shares according to Section 203 (1) and (2), Section 186 (3) Sentence 4 AktG if this would result in the performance shares of the shareholders being excluded for more than 10% of the share capital without a specific objective reason for this.

These specifications protect the shareholders rights against dilution of their holdings, according to the law. In addition, because the issue price of the new shares is close to the market price, each shareholder has the option to purchase an amount of shares necessary to maintain their proportional level of interest in the company on the market at nearly the same terms. This ensures appropriate protection of the equity and voting interests of shareholders.

- b) The purpose of the authorization to increase the share capital with the approval of the Supervisory Board, excluding performance shares in order to purchase companies, parts of companies or holdings in companies or other assets, or to carry out corporate mergers is to allow the Managing Board to purchase companies, parts of companies or company holdings or other assets in appropriate cases not only by paying a purchase price in cash, but also by transferring shares in the company, or carrying out corporate mergers in this fashion. Depending on the size of such an acquisition and the expectations of the respective seller, it may be advantageous or necessary to use shares in the company as payment. This will preserve the liquid assets of the company and reduce the scope of a possible

financing of the purchase price. This procedure requires the exemption of the preemptive subscription rights of shareholders.

Because the Company competes in global markets, it must be able at all times to act quickly and flexibly in both the national and international markets. This also requires the ability to merge with other companies or to acquire companies, parts of companies and interests in companies to improve its competitive position. Especially in connection with the acquisition of companies or parts of companies, it may also be advantageous to acquire other assets, such as those that can be of economic advantage to the Company or a part of the Company.

The purpose of the authorization provided to exclude the performance shares is to make the company more competitive in acquiring entities of interest to it, and to allow the company to act quickly and flexibly with the approval of the Supervisory Board if an opportunity arises. It is possible that in certain instances it may be in the best interests of the company to enter into a merger or undertake an acquisition in return for shares of the acquiring company created through the use of the authorized capital. In past experience in both the domestic and international markets, it has also been observed that shares in the acquiring company are frequently desired as consideration in corporate mergers and for attractive objects for acquisitions in general.

When the opportunity for such a transaction arises, the Managing Board will carefully examine whether it should make use of the authorization to dispense treasury shares. When determining the valuation ratios, the Managing Board will ensure that the best interests of shareholders are adequately protected. Normally it will base its assessment of the value of the shares offered as consideration on the trading price of the company shares. A schematic

orientation to the share price is not provided for however, in particular so as not to put in question previously secured negotiating results through fluctuations in the share price. The value of the respective companies, parts of companies, or interests in companies to be acquired will be determined by using established valuation standards. Since the value of companies, parts of companies, and interests in companies which may be acquired in the future is not known, and therefore their purchase prices are also not known, a definite amount which will be spent cannot at present be named.

The scope of the performance share exclusion in the amount of the authorized capital is required to provide all or at least a significant part of payment for a large acquisition in the form of company shares.

- c) Furthermore, with the approval of the Supervisory Board, the Managing Board should be able to exclude the performance shares, to the extent that it is necessary to give holders of warrants or convertible bonds, profit-sharing rights, or profit-sharing bonds (or combinations of these instruments) issued by the company or direct or indirect affiliated companies of the company a subscription right to new shares to the same extent as they would be entitled upon exercising their option or conversion right or after fulfilling their conversion obligation.

Such bonds are generally equipped with protection against dilution in order to facilitate placement; this makes it possible to reduce the conversion price and makes it possible to grant the holders the right to purchase new shares, as the shareholders can, in case of subsequent capital increases. In this way, they are treated as if they were already shareholders. A subscription right for owners or creditors of already-existing options rights, convertible rights, or of convertible bonds with convertible require-

ments provides an opportunity to prevent the reduction of the option or conversion price in the case of the use of authorized capital. This provides for a higher issue price of the shares to be issued as a result of exercising the option or carrying out the conversion. In order to add such a protection against dilution to the bonds, the preemptive subscription rights of shareholders to these shares must be exempted. This serves the purpose of making the issue of bonds easier, and therefore serves the interests of the shareholders with regard to an optimal financial structure of the company.

- d) The authorization of the Managing Board to exclude any fractional amounts from the performance shares of the shareholders, with the approval of the Supervisory Board, serves to describe a practical subscription ratio, and therefore makes it easier to carry out capital increases and grant performance shares. The value of such fractional amounts is usually small, whereas the additional effort needed for an issue with such an exclusion is significantly higher. The new shares excluded from the subscription rights as fractional shares will be used in the best way possible for the company.

Therefore the interests of the shareholders will not be unreasonably affected overall by the authorization to suspend shareholders from their preemptive subscription rights.

Specific plans for the use of the new Authorized Capital 2021 do not yet exist. Similar anticipatory resolutions which include the ability to exempt shareholders from subscription rights are common both in Germany and abroad. The Managing Board will always carefully examine whether the use of the Authorized Capital 2021 is in the interest of the company and its shareholders. In the event that the proposed authorization is used, the Managing Board will report on it at the next General Meeting.

# Notices and information for the shareholders

## **Special features of the virtual Annual General Meeting**

The law that has taken effect on March 28th, 2020 on measures under corporate, trade association, foundation, association and residential property law to combat the effects of the COVID-19 pandemic of March 27th, 2020 (Bundesgesetzblatt 2020 part I no. 14, page 569 et seqq.) in the version modified by the law of December 22nd, 2020 (BGBl. I 2020, no. 67, page 3328, 3332) ("C-19-AuswBekG") makes it possible to hold Annual General Meetings in 2021 without the shareholders or their deputies being physically present, as virtual Annual General Meetings. In light of the COVID-19 pandemic that will continue for the foreseeable future and the rules of conduct applicable in Baden-Wuerttemberg in this regard, as well as in order to avoid health risks for shareholders, internal and external employees, and members of the Company's executive bodies, the Managing Board of Manz AG has decided, with the approval of the Supervisory Board, to hold the Annual General Meeting in 2021 as a virtual general meeting within the meaning of Section 1 (2) C-19-AuswBekG without the physical presence of shareholders and their proxies, as well as to allow shareholders to exercise their voting rights via electronic communication (mail-in votes) and the granting of proxies. The shareholders and the authorized representatives (with the exception of the Company proxies) are thus not authorized to be present on site for this meeting and can exercise meeting-related rights only in writing or by means of electronic communications.

Therefore, we request that the shareholders observe the following information on taking part in audio and video transmission for the Annual General Meeting and for exercising their voting rights and other shareholder rights:

- Physical participation of shareholders and their proxies (with the exception of the Company's proxies) at the place of the meeting is excluded.
- The company will transmit the entire Annual General Meeting for shareholders who fulfill the requirements to take part and exercise their voting rights live online at the address

<https://www.manz.com/agm>

via audio and video transmission.

- Properly registered shareholders will receive individual access details for using the company's password-protected shareholder portal.
- Shareholders who have fulfilled the requirements for participation and exercise of voting rights may exercise these voting rights themselves or through a proxy exclusively by mail-in voting (including electronic voting) or by granting power of attorney to the proxies appointed by the Company as described below.
- The Company enables shareholders to submit questions in advance of the Annual General Meeting by means of electronic communication as described below.
- The shareholders have the option to object to a resolution of the Annual General Meeting by the end of the Annual General Meeting to the notary public recording the minutes by way of electronic communication as described below.

**Requirements for participating in the virtual Annual General Meeting and exercising a right to vote**

In accordance with Section 14 of the Articles of Incorporation, those shareholders who have registered with the Company and who have verified their holdings are entitled to participate in the Annual General Meeting and to exercise their voting rights. Registration and verification of holdings must be received in writing (Section 126b, German Civil Code), in either German or English, no later than midnight on Wednesday, June 30, 2021, midnight (CEST) at the following address:

Manz AG  
c/o Computershare Operations Center  
80249 Munich  
Fax: +49 89 30903-74675  
Email: [anmeldestelle@computershare.de](mailto:anmeldestelle@computershare.de)

Verification of holdings must be provided via a verification prepared in German or English according to Section 67c (3) AktG or another verification prepared in German or English by the last intermediary, referring to the start of June 16th, 2021 ("verification date of record"). Only shareholders who have provided specific verification of their shareholdings will be deemed shareholders of the Company for the purposes of attending the virtual Annual General Meeting and exercising their voting rights. Authorization to participate in the virtual Annual General Meeting and to exercise voting rights is based on verification of holdings by the record date. Disposals and acquisitions of shares after the record date have no effect on the right to participate in the virtual Annual General Meeting or to exercise voting rights.

After their registration and verification of holdings in the company are received at the address above, shareholders will be sent registration confirmations with access details for using the password-protected shareholder portal for the virtual

Annual General Meeting. To ensure that registration confirmations are received within plenty of time of the event, we ask that all shareholders send their registration and verification of holdings to the Company at the above address as early as possible.

### **Video and audio transmission of the entire Annual General Meeting**

Shareholders who fulfill the requirements for taking part in the virtual Annual General Meeting and exercising their voting rights can follow the entire Annual General Meeting on Wednesday, July 7th, 2021 from 10:00 AM (CEST) live online via the company website at the address

<https://www.manz.com/agm>

in the password-protected shareholder portal, after entering their access details. Registered shareholders will receive access details to this password-protected shareholder portal with their registration confirmation to the virtual Annual General Meeting.

### **Exercising the right to vote**

#### **Mail-in voting**

If the requirements for participating in the virtual Annual General Meeting and exercising voting rights are met, shareholders have the opportunity to cast their votes by mail.

Absentee votes by mail may be submitted to the Company in text form at the following address, by fax to the fax number given below or by email to the email address given below to the following authorized recipient:



Manz AG  
c/o Computershare Operations Center  
80249 Munich  
Fax: +49 (0) 89 30903-74675  
Email: [anmeldestelle@computershare.de](mailto:anmeldestelle@computershare.de)

For technical processing reasons, the form provided by the Company should be used in this way for mail-in voting. The form will be sent to shareholders who register on time and in the correct format for the virtual Annual General Meeting with their registration confirmation, and can be accessed on the company website at the address <https://www.manz.com/agm>.

Mail-in votes cast in this manner must be received by the company at the latest by Tuesday, July 6th, 2021 at 12:00 midnight (CEST). Up to that date, they may also be amended or revoked in the same way as they were submitted.

Mail-in votes can also be cast using the password-protected shareholder portal at the address

<https://www.manz.com/agm>

after entering the access details using the process provided for this purpose. In this way, mail-in votes can still be cast, changed and revoked on the day of the Annual General Meeting, up to the start of voting.

Mail-in votes may only be cast on resolutions proposed by the Managing Board and the Supervisory Board and announced by the Company prior to the Annual General Meeting, as well as on resolutions proposed by shareholders at the request of a minority pursuant to Section 122 (2) AktG, as a counter-motion pursuant to Section 126 (1) AktG or as an election proposal pursuant to Section 127 AktG.

### **Granting power of attorney to third parties**

Shareholders who have fulfilled the requirements to participate in the virtual Annual General Meeting and to exercise their voting rights can have their voting rights in the virtual Annual General Meeting exercised by a proxy, including a bank or a shareholders' association, by granting a corresponding power of attorney. Timely registration of the shareholder and timely proof of share ownership are also required if a proxy is appointed.

Proxies also cannot physically participate in the Annual General Meeting. They may only exercise the voting rights for the shareholders they represent within the scope of their respective powers of attorney by mail-in vote or by (sub)authorizing the Company's proxies bound by instructions. For the proxies to use the password-protected shareholder portal, they must receive the relevant access details sent to the shareholder after properly registering for the virtual Annual General Meeting and properly verifying their holdings from the principal.

Unless intermediaries or shareholders' associations, voting rights advisors or persons who offer to exercise voting rights at the Annual General Meeting in a businesslike manner on behalf of shareholders are authorized pursuant to Section 135 (8) AktG, the power of attorney must be issued in text form (Section 126b BGB). The same applies for the verification of authorization, as well as to any necessary revocation thereof.

The authorization of intermediaries or shareholders' associations, voting rights advisors or persons who act in a businesslike manner on behalf of shareholders in order to exercise voting rights at the Annual General Meeting pursuant to Section 135 (8) AktG must be verifiably recorded by them and is otherwise subject to the legal provisions of Section 135 AktG. In particular, submitting the special verification prepared by

the last intermediary is sufficient to verify their voting rights in the company. The institutions and persons named may have additional requirements for the process for their own assignment of proxy rights.

If a shareholder authorizes more than one person, the Company may refuse one or more of them.

The declaration of assignment of proxy authorization can be made to the authorized person or to the Company.

The verification of proxy rights can also be sent to the Company in writing to the address below, by fax to the fax number below, or by email to the email address below:

Manz AG  
c/o Computershare Operations Center  
80249 Munich  
Fax: +49 (0) 89 30903-74675  
Email: [anmeldestelle@computershare.de](mailto:anmeldestelle@computershare.de)

The methods of transmission mentioned above are also available when the proxy rights will be made via declaration to the Company or proxy rights to the Company need to be revoked.

The proxy form provided by the Company can be used for the assignment and verification of proxy rights. The proxy form is also found on the registration confirmations that are provided to shareholders upon receipt of registration and verification of holdings. A form for granting proxy is also available on the company website, at the address <https://www.manz.com/agm>.

Proxies and verifications of proxy granted in this manner must be received by the company at the latest by Tuesday, July 6th, 2021 at 12:00 midnight (CEST). Up to that date, they may also be amended or revoked in the same way as they were submitted.

Proxies can also be granted using the password-protected shareholder portal at the address

<https://www.manz.com/agm>

after entering the access details using the process provided for this purpose. In this way, proxies can still be granted, changed and revoked on the day of the Annual General Meeting, up to the start of voting.

### **Granting power of attorney to the proxies of the Company**

We offer our shareholders the ability to authorize a proxy named by the Company, who is bound by the instructions given to them, before the Annual General Meeting to exercise their voting rights. Please note that the proxies named by the Company can only exercise the voting right on those items on the agenda for which the shareholders issue instructions. Those shareholders who wish to authorize the proxy named by the Company require a registration confirmation to the Annual General Meeting.

Proxies and instructions to the proxy named by the company can be sent before the Annual General Meeting up to at the latest Tuesday, July 6th, 2021, by 12:00 midnight (CEST) (receipt) in text form to the following address, via telex and using the following fax number, or by e-mail to the e-mail address below, to the following authorized recipient for the company:

Manz AG  
c/o Computershare Operations Center  
80249 Munich  
Fax: +49 (0) 89 30903-74675  
Email: [anmeldestelle@computershare.de](mailto:anmeldestelle@computershare.de)

The proxy and instruction form provided by the Company can be used for the assignment and proxy and instruction rights.

The proxy and instruction form is also found on the registration confirmations that will be sent to the shareholders upon receipt of registration and verification of holdings. A form for granting proxy and providing instructions is also available on the company website, at the address <https://www.manz.com/agm>.

Proxy can also be granted and instructions given to proxies named by the company using the password-protected shareholder portal at the address

<https://www.manz.com/agm>

after entering the access details using the process provided for this purpose. Proxies and instructions can be given, changed or revoked in this manner on the day of the Annual General Meeting, up to the start of voting.

Votes may only be cast by the proxies named by the Company on resolutions proposed by the Managing Board and the Supervisory Board and announced by the Company prior to the Annual General Meeting, as well as on resolutions proposed by shareholders at the request of a minority pursuant to Section 122 (2) AktG, as a counter-motion pursuant to Section 126 (1) AktG or as an election proposal pursuant to Section 127 AktG. The proxies named by the Company will not accept any instructions to speak, to lodge objections against resolutions of the Annual General Meeting or to ask questions or propose motions.

### **Right to ask questions through electronic communication**

Shareholders of the Company can demand information at the Annual General Meeting from the Managing Board under Section 131 (1) AktG concerning the Company's affairs, the legal and business dealings of the Company with affiliated companies, and the current situation of the Group and the

companies included in the consolidated financial statements, provided that the information is necessary for an accurate assessment of the agenda item.

The Managing Board may refrain from answering individual questions for the reasons specified in Section 131 (3) AktG, for example because on the basis of a sound business assessment it is judged that the disclosure of the information in question would likely cause significant harm to the Company or to an affiliated company.

If a shareholder is given information outside the Annual General Meeting on the basis of being a shareholder, then it must be provided to any shareholder upon request during the Annual General Meeting, even when it is not necessary in order to make an accurate assessment of the agenda item.

If the Annual General Meeting is held virtually, this right to information shall be replaced by the right to ask questions through electronic communication according to Section 1 (2) Sentence 1 no. 3, Sentence 2 C-19-AuswBekG. The Managing Board of the company has specified, with the approval of the Supervisory Board, that questions must be submitted at the latest one day before the meeting through electronic communication.

Shareholders who fulfill the requirements to take part in the virtual Annual General Meeting and exercise their voting rights, or their proxies, can submit their questions to the company in German by Monday, July 5th 2021, by 12:00 midnight (CEST) at the latest (receipt) using the password-protected shareholder portal at the address

<https://www.manz.com/agm>

after entering the access details using the process provided for this purpose.

There are no plans to have questions asked after the deadline and during the virtual Annual General Meeting. The questions will be answered “in” the meeting. The board generally plans to name the individual who asked the question while it is being answered, if they have not objected to this. The Managing Board decides according to their best judgment how to answer the questions.

Further explanations of the above shareholder rights according to Section 131 (1) AktG, Section 1 (2) Sentence 1 no. 3, Sentence 2 C-19-AuswBekG are available on the company website at the address <https://www.manz.com/agm>.

### **Option to appeal resolutions of the Annual General Meeting**

Shareholders who fulfill the requirements for taking part in the virtual meeting and exercising their right to vote, and who have exercised their right to vote through mail-in voting or granting a proxy, or their proxies, can object to a resolution of the Annual General Meeting from the start up to the end, at the latest, of the meeting, to the notary taking the minutes using the password-protected shareholder portal at the address

<https://www.manz.com/agm>

after entering the access details using the process provided for this purpose.

### **Requests for addition to the agenda pursuant to Section 122 (2) AktG**

Shareholders of the Company whose shares jointly equal at least one-twentieth of share capital (387,205 Company shares) can, under Section 122 (2) AktG, request that additions be made to the agenda of the Annual General Meeting and that these additional items be announced. Every new agenda item must be

accompanied by a statement of reasons or a proposed resolution. Requests for additions to the agenda must be directed to the Managing Board of Manz AG and must be received by the Company no later than midnight on Sunday, June 6, 2021.

Requests for additions to the agenda must be addressed to the Company in writing at the address given below or in electronic form in accordance with Section 126a of the German Civil Code at the following email address:

Managing Board of  
Manz AG  
"2021 Annual General Meeting"  
Steigaeckerstrasse 5  
72768 Reutlingen  
Germany  
Email: hv@manz.com

Applicants must prove that they have held the shares for at least 90 days before the date of receipt of the request by the Company and that they will continue to hold the shares until the decision of the Managing Board concerning the request.

Any additions to the agenda that require publication and were not published in the calling notice will be published in the German Federal Gazette immediately upon receipt of the request and will be forwarded for publication to media, which can be expected to publish the information across the entire European Union. They will also be made available promptly following receipt on the company's website at the address <https://www.manz.com/agm>, and disclosed with shareholders as well according to Section 125 AktG.

Further explanations of the above shareholder rights according to Section 122 (2) AktG, are available on the company website at the address <https://www.manz.com/agm>.



**Counter proposals and election proposals according to Section 126 (1), Section 127 AktG in conjunction with Section 1 (2) Sentence 3 C-19-AuswBekG**

Under Section 126 (1) AktG, shareholders of the Company can submit counter proposals to the proposals by the Managing Board and/or Supervisory Board relating to particular items of the agenda and can, under Section 127 AktG, submit proposals for the election of Supervisory Board members or auditors.

Counter proposals pursuant to Section 126 (1) AktG must include a statement of reasons. A statement of reasons is not required for proposals for election pursuant to Section 127 AktG. The Managing Board also does not have to make a proposal for election of Supervisory Board members or auditors available in cases where the proposal does not include the name, profession or city of the proposed individual. The Managing Board further does not have to make a proposal for election of Supervisory Board members available when information concerning the membership of candidates in other statutory supervisory boards is not provided.

The verification of proxy rights can also be sent to the Company in writing to the address below, by fax to the fax number below, or by email to the email address below:

Manz AG  
"2021 Annual General Meeting"  
Steigaeckerstrasse 5  
72768 Reutlingen  
Germany  
Fax: +49 (0) 7121 9000-99  
Email: hv@manz.com

Counter proposals and election proposals from company shareholders, including the name of the shareholder, the reason for the proposal and any position by the administration will only be published on the company website at the address <https://www.manz.com/agm> if they are received by the company by Tuesday, June 22nd 2021, by 12:00 midnight (CEST).

No countermotions or voting proposals can be made during the virtual Annual General Meeting. Properly announced and admissible countermotions or voting proposals will be treated in the virtual Annual General Meeting as if they had been made in the Annual General Meeting.

Further explanations of the above shareholder rights according to Section 126 (1) AktG, Section 127 AktG, Sentence 1 (2) Sentence 3 C-19-AuswBekG are available on the company website at the address <https://www.manz.com/agm>.

### **Information on the Company website**

Information on the Annual General Meeting according to Section 124a AktG, in particular the documents to be disclosed in the Annual General Meeting can be accessed on the company website at the address <https://www.manz.com/agm>.

### **Total number of shares and voting rights**

At the time the General Meeting was convened, the total number of Company shares equaled 7,744,088 shares without par value, which grant a total of 7,744,088 votes.

### **Data protection information**

The Company collects and processes personal data of shareholders, their representatives and guests in conjunction with the virtual Annual General Meeting. Details are available on the company website at the address

<https://www.manz.com/agm>. Shareholders authorizing a representative are requested to inform their representative of this data protection information.

Reutlingen, May 2021

Manz AG

The Managing Board



**Manz AG**

Steigaeckerstrasse 5

72768 Reutlingen

Phone +49 (0) 7121 9000-0

Fax +49 (0) 7121 9000-99

[info@manz.com](mailto:info@manz.com)

[www.manz.com](http://www.manz.com)