

Introduction

- (1) The stock corporation trading as DEUTZ Aktiengesellschaft with registered office in Cologne is entered in the commercial register at the local court of Cologne under HR B 281 (**‘CONTROLLING COMPANY’**).
- (2) The private limited company trading as DEUTZ Deutschland GmbH with registered office in Stockstadt am Rhein is entered in the commercial register at the local court of Darmstadt under HR B 102904 (**‘CONTROLLED COMPANY’**).
- (3) The **CONTROLLING COMPANY** holds all the shares in the **CONTROLLED COMPANY**, with a total nominal value of €25,000.00. This represents the whole of the voting nominal capital in the **CONTROLLED COMPANY** (financial integration). This financial integration has continued without interruption since the start of the **CONTROLLED COMPANY**’s current financial year.
- (4) The parties intend to enter into a profit transfer agreement. This being the case, the parties agree the following:

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Management Authority

- (1) The **CONTROLLED COMPANY** agrees to allow the **CONTROLLING COMPANY** to manage its business.
- (2) The **CONTROLLING COMPANY** will issue to the management of the **CONTROLLED COMPANY** all instructions concerning organizational, commercial, technical, financial, and personnel matters that it deems necessary. Such instructions will be issued through its representative bodies or through persons authorized to issue such instructions. Instructions may be issued generally or on a case-by-case basis and must be in text form (as defined in section 126b of the German Civil Code (BGB)). If instructions are issued orally, they must be confirmed in text form without undue delay.
- (3) The **CONTROLLED COMPANY** is obliged to comply with the instructions of the **CONTROLLING COMPANY** in every respect, provided such instructions do not conflict with mandatory provisions of company, commercial, or accounting law. The right to issue instructions does not include the right to amend, maintain, or terminate this Agreement.

- (4) The CONTROLLING COMPANY must be kept informed of all material affairs of the CONTROLLED COMPANY and its business performance. The CONTROLLED COMPANY is obliged to provide the representative bodies of the CONTROLLING COMPANY and its authorized persons with comprehensive information and to allow them to inspect the books and other records of the company, to a degree that extends beyond the usual membership rights.

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Profit Transfer

- (1) The CONTROLLED COMPANY undertakes to transfer its entire profit to the CONTROLLING COMPANY, starting from the beginning of the financial year in which this Agreement is entered in the commercial register. The provisions of the prevailing version of section 301 of the German Stock Corporation Act (AktG) apply.
- (2) The CONTROLLED COMPANY may, with the consent of the CONTROLLING COMPANY, transfer amounts from the net income to retained earnings (section 272 (3) of the German Commercial Code (HGB)), provided this is permitted under commercial law and is justified in accordance with prudent business practice.
- (3) Any other retained earnings recognized under section 272 (3) HGB during the term of this Agreement may – so far as is legally permissible – be reversed at the request of the CONTROLLING COMPANY and transferred as profit. Other reserves and any profit carried forward or retained earnings originating from the period before this Agreement came into effect must not be transferred to the CONTROLLING COMPANY. The same applies to additional paid-in capital irrespective of whether this was recognized before or after this Agreement came into effect.
- (4) The right to demand transfer of profits arises at the end of the CONTROLLED COMPANY's financial year. The amount must be credited to the account of the CONTROLLING COMPANY on that date.

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Transfer of Losses

The provisions of the prevailing version of section 302 AktG apply with the necessary modifications.

Term and End Date of the Agreement

- (1) This Agreement is subject to the consent of the Annual General Meeting of the CONTROLLING COMPANY and the shareholders' meeting of the CONTROLLED COMPANY. It takes effect upon being entered in the commercial register of the CONTROLLED COMPANY and, in respect of the profit transfer, applies from the beginning of the CONTROLLED COMPANY's financial year in which this Agreement is entered in the commercial register. In other respects, it applies from the date of entry in the commercial register.
- (2) The Agreement is concluded for an indefinite period. It may be terminated with six months' notice to the end of the CONTROLLED COMPANY's financial year, but not before the end of the financial year in which the tax group to be consolidated for the purposes of corporation tax and trade tax, established under this Agreement, has fulfilled its minimum term as required under tax law (the 'minimum term') (under current law this period is five years; section 14 (1) sentence 1 no. 3 in conjunction with section 17 of the German Corporation Tax Act (KStG), section 2 (2) sentence 2 of the German Trade Tax Act (GewStG)).
- (3) Both parties are entitled to terminate this Agreement for cause, in particular if,
 - (a) as the result of a disposal of shares or for other reasons the conditions required for a financial integration of the CONTROLLED COMPANY in the CONTROLLING COMPANY under tax law will no longer exist once the measure concerned has been carried out;
 - (b) the CONTROLLING COMPANY moves its investment in the CONTROLLED COMPANY to a different entity; or
 - (c) the CONTROLLING COMPANY or the CONTROLLED COMPANY is merged, split or liquidated.
- (4) If the validity of this Agreement or its due and proper implementation is not recognized or is not fully recognized under tax law, the parties agree that the minimum term will not commence until the first day of the CONTROLLED COMPANY's financial year in which the conditions required for the Agreement or its due and proper implementation to be recognized under tax law are in place for the first time, or are first met again.

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Concluding Provisions

- (1) Amendments and additions to this Agreement require the consent of the Annual General Meeting of the CONTROLLING COMPANY and the shareholders' meeting of the CONTROLLED COMPANY. The consent of the CONTROLLED COMPANY must be unanimous and must be entered in the commercial register of the CONTROLLED COMPANY.
- (2) Amendments and additions to this Agreement must further be made in writing, unless recording by a notary is stipulated. This also applies to the revocation of this requirement for the written form.
- (3) Should any provision of this Agreement be or become ineffective, impracticable, or unenforceable wholly or in part, or should the Agreement prove to contain an omission, this will not affect the effectiveness and enforceability of the remaining provisions. The parties undertake to replace the ineffective, impracticable, unenforceable, or missing provision with one that is effective, practicable, and enforceable and that most closely approximates the economic purpose pursued by the parties.