EXCERPT: REPORT OF THE SUPERVISORY BOARD
CLOSE COOPERATION BETWEEN SUPERVISORY BOARD AND BOARD OF MANAGEMENT

In 2019, the Supervisory Board of DEUTZ AG continued its ongoing monitoring of the management of the business in accordance with the requirements of the German Stock Corporation Act (AktG) and the German Corporate Governance Code and provided advice to the Board of Management on key decisions. The Supervisory Board was directly involved in all material decisions made by the Board of Management. In particular, the Board of Management coordinated closely with the Supervisory Board on the Company’s corporate strategy.

A total of four ordinary and two extraordinary meetings of the Supervisory Board were held in 2019. Apologies for absence were received for the meeting on June 7, 2019 (Dr. Ing. Dohle) and for the meeting on September 26, 2019 (Ms. Albrecht); all members of the Supervisory Board participated in all the other meetings in 2019. Furthermore, all members took part in all the meetings of the Supervisory Board committees to which they belonged.

The attendance rates of the individual Supervisory Board members were as follows:

<table>
<thead>
<tr>
<th>Supervisory Board member</th>
<th>Number of meetings of the Supervisory Board and its committees</th>
<th>Number of meetings attended</th>
<th>Attendance rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dr. Ing. Bernd Bohr</td>
<td>13</td>
<td>13</td>
<td>100</td>
</tr>
<tr>
<td>Corinna Töpfer-Hartung</td>
<td>12</td>
<td>12</td>
<td>100</td>
</tr>
<tr>
<td>Sophie Albrecht</td>
<td>6</td>
<td>5</td>
<td>83</td>
</tr>
<tr>
<td>Sabine Beutert</td>
<td>10</td>
<td>10</td>
<td>100</td>
</tr>
<tr>
<td>Yavuz Büyükdag</td>
<td>6</td>
<td>6</td>
<td>100</td>
</tr>
<tr>
<td>Dr. Fabian Dietrich</td>
<td>6</td>
<td>6</td>
<td>100</td>
</tr>
<tr>
<td>Dr. Ing. Ulrich Dohle</td>
<td>6</td>
<td>5</td>
<td>83</td>
</tr>
<tr>
<td>Hans-Peter Finken</td>
<td>6</td>
<td>6</td>
<td>100</td>
</tr>
<tr>
<td>Dr. Ing. Hermann Garbers¹</td>
<td>3</td>
<td>3</td>
<td>100</td>
</tr>
<tr>
<td>Patricia Geibel-Conrad</td>
<td>10</td>
<td>10</td>
<td>100</td>
</tr>
<tr>
<td>Alois Ludwig</td>
<td>9</td>
<td>9</td>
<td>100</td>
</tr>
<tr>
<td>Dr. Dietmar Voggenreiter²</td>
<td>4</td>
<td>4</td>
<td>100</td>
</tr>
<tr>
<td>Ali Yener</td>
<td>6</td>
<td>6</td>
<td>100</td>
</tr>
</tbody>
</table>

¹ Member of the Supervisory Board until the end of the Annual General Meeting on April 30, 2019.
² Member of the Supervisory Board from the end of the Annual General Meeting on April 30, 2019.
At each of the ordinary meetings of the Supervisory Board, the Board of Management reported on the general economic, market, and competitive environment for the DEUTZ Group, presented a business update and sales report that included detailed information on the actual performance of the business over the immediately preceding period, submitted an up-to-date risk report, provided information on key operational issues, and offered an overview of the results forecast for the year as a whole. These reports were made on the basis of the key performance indicators that were already familiar to the Supervisory Board members from the Company’s written monthly reports. These key performance indicators included new orders, orders on hand, revenue, unit sales, EBIT, research and development expenditure, capital expenditure, working capital, quality data, and headcount data, in each case compared against the prior-year figures and budget. Reports from the Human Resources and Audit Committees presented by their chairperson were also a regular item on the agenda of the Supervisory Board meetings.

FOCUS OF SUPERVISORY BOARD DELIBERATIONS

The deliberations and discussions of the Supervisory Board in the year under review focused on the current business position and risk situation of the DEUTZ Group as well as on the operational and strategic development of the business. The latter was the subject of a full-day extraordinary meeting of the Supervisory Board. Particular attention was paid to the China strategy, continued expansion of the E-DEUTZ strategy with the acquisition of Futavis GmbH, expansion of the service business with the acquisition of dealer DPS Power Group in the Netherlands and Belgium, the alliance with Liebherr, the development of new business, and the steps to bring about lasting quality improvements.

Other key decisions concerned the 2020 budget, the medium-term planning up to 2024, and the approval of capital expenditure and development projects. As is the case every year, the Supervisory Board also adopted resolutions concerning the achievement of targets by the Board of Management – and consequently its variable remuneration for the previous year – as well as the setting of its targets and medium-term targets for the current year. The Board of Management ensured that it provided the Supervisory Board with comprehensive, regular, and timely information at all times. Between meetings, the Board of Management informed the members of the Supervisory Board in writing about all important events. In addition, the chairman of the Supervisory Board and the chairman of the Board of Management remained in close and regular contact to discuss all important transactions, imminent decisions, and optimization measures. All the decisions that the Supervisory Board was required to make in accordance with the law and Statutes were made on the basis of the reports and draft resolutions submitted by the Board of Management and, where necessary, following preparation by the relevant committees of the Supervisory Board.

COMPOSITION OF THE BOARD OF MANAGEMENT

The Company’s Board of Management consists of three people: Dr. Ing. Frank Hiller (Chairman, responsible for technical and head-office functions), Dr. Andreas Strecker (responsible for finance, human resources, purchasing, and information services), and Mr. Michael Wellenzohn (responsible for sales, service, and marketing).

CORPORATE GOVERNANCE: DECLARATION OF CONFORMITY WITH ONE EXCEPTION

At its meeting on December 12, 2019, the Supervisory Board again held in-depth discussions on the German Corporate Governance Code (DCGK) (version dated February 7, 2017) and, together with the Board of Management, issued a declaration of conformity pursuant to section 161 AktG. This declaration includes only one variance from the Code. Since December 13, 2019, it has been available in the ‘Investors/Corporate Governance’ section of the Company’s website at www.deutz.com, where it can be downloaded.

MATTERS HANDLED EFFICIENTLY BY FOUR COMMITTEES

The Supervisory Board has created four committees to enable it to perform its duties effectively. These committees prepare various topics and resolutions for the full Supervisory Board. Details of all members of the Supervisory Board and its committees, as well as other directorships held by its members, are shown separately on pages 168 to 169 of this annual report. In the reporting year, the Supervisory Board initiated an efficiency audit (article 5.6 DCGK, version dated February 7, 2017) that is being conducted and evaluated by an external consultancy. The results should be available in the first half of 2020.
The members of the Human Resources Committee are Dr. Ing. Bernd Bohr (chairperson), Ms. Corinna Töpfer-Hartung, and Mr. Alois Ludwig. The Human Resources Committee makes preparations for all Supervisory Board decisions concerning the appointment of members of the Board of Management and their contracts of employment, including the remuneration specified therein, and all issues arising in this connection. It particularly focuses on long-term succession planning, which involves identifying suitable candidates at an early stage. In this task, it is supported by external consultants. The committee held two meetings in 2019, both of which were attended by all members of the committee. Among the main matters addressed were the achievement of the Board of Management's targets for 2018 and the setting of Board of Management targets, including medium-term targets, for 2019.

The Audit Committee's members are Ms. Patricia Geibel-Conrad (chairperson), Ms. Sabine Beutert (deputy chairperson), Ms. Corinna Töpfer-Hartung, and Dr. Ing. Bernd Bohr. The committee's main tasks were monitoring the financial accounting process, conducting the preparatory review of the annual and consolidated financial statements and of the combined management report of DEUTZ AG, and discussing the condensed consolidated financial statements and interim management report for the first half of the year and the interim management statements for the first and third quarters with the Board of Management before their publication. The committee held four meetings in 2019, all of which were attended by all members of the committee and Board of Management and, except on one occasion, by the auditor.

In its meeting on February 25, 2020, which was attended by the Board of Management and the auditor, the Audit Committee examined in detail the annual and consolidated financial statements on the basis of those statements and the combined management report of DEUTZ AG, the proposal for the appropriation of profit, the separate combined non-financial report, the Board of Management report, and the corresponding auditor's reports for 2019. During the meeting, the auditor gave a detailed report on the process and key findings of the audits. The internal control system relating to the accounting system, the early-warning system for risk, the key audit matters, and the defined focus of the audit were discussed in detail; according to the findings of the audits, they did not give rise to any issues. The auditor provided in-depth answers to all further questions. The committee's preparatory review also encompassed DEUTZ AG’s separate combined non-financial report. In preparation for the review, the Supervisory Board had engaged PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft to also conduct a review with limited assurance of the non-financial report and to produce a related assurance report. The auditor reported in detail on this review as well. This was followed by an intensive discussion of the main results and findings.

Another of the Audit Committee's tasks was to review the independence and qualification of the auditor and to review the additional non-audit services that it performed. The agreed fees were discussed and preparations for engaging the auditor on December 31, 2019 were made. The focus of the audit was agreed with the auditor.

In 2019, the Audit Committee held in-depth discussions on the situation at suppliers Gusswerke Saarbrücken GmbH and Gusswerke Leipzig GmbH, the course of business at the subsidiaries, and the measurement of investments, goodwill, and intangible assets. Throughout the year, it scrutinized the planned changes to the German Act Implementing the Shareholder Rights' Directive (ARUG II), the revised DCGK, and the resulting legal considerations for DEUTZ AG.

The effectiveness of the risk management system, accounting-related internal control system, and internal audit were also discussed in detail, as were matters related to compliance. In the meeting on April 30, 2019, the Chief Compliance Officer gave a report and answered the Audit Committee's questions. The head of Corporate Audit did the same on July 29, 2019.

The members of the Arbitration Committee are Dr. Ing. Bernd Bohr (chairperson), Ms. Corinna Töpfer-Hartung, Ms. Sophie Albrecht, and Mr. Ali Yener. The Arbitration Committee set up pursuant to section 27 (3) of the German Codetermination Act (MitbestG) is responsible for the activities described in section 31 (3) MitbestG. It did not need to be convened during the year under review.

The members of the Nominations Committee are Dr. Ing. Bernd Bohr (chairperson), Dr. Ing. Hermann Garbers (until April 30, 2019), Ms. Sophie Albrecht (from September 26, 2019), and Mr. Alois Ludwig. The Nominations Committee is tasked with proposing to the Supervisory Board suitable candidates as shareholder representatives on the Supervisory Board. The Nominations Committee met once in 2019. At this meeting, it primarily discussed the election of a successor to Dr. Dr. Ing. Garbers during the 2019 Annual General Meeting.
The entire Supervisory Board was informed of the outcome of all discussions in the committees and gave its approval to the recommendations for board resolutions submitted by the committees.

ANNUAL AND CONSOLIDATED FINANCIAL STATEMENTS AUDITED IN DETAIL AND APPROVED

The annual financial statements of DEUTZ AG prepared by the Board of Management in accordance with the German Commercial Code (HGB), the consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS), and the combined management report for DEUTZ AG and the DEUTZ Group, in each case for the year ended December 31, 2019, were audited by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Cologne, Germany, the auditor appointed by the Annual General Meeting on April 30, 2019. The auditor issued unqualified opinions. The annual financial statements of DEUTZ AG, the consolidated financial statements, the combined management report, the Board of Management’s proposal for the appropriation of profit, and the auditor’s reports were made available to all members of the Supervisory Board and were examined by the Supervisory Board. The auditor explained its audit findings in detail to the Audit Committee meeting held on February 25, 2020 and to the Supervisory Board meeting held on March 5, 2020 and answered any supplementary questions raised. The Supervisory Board approved the findings of the auditor’s reports on DEUTZ AG and the DEUTZ Group. The conclusive findings of the auditor’s reports on DEUTZ AG and the DEUTZ Group. The conclusive findings of the Supervisory Board’s own review have not led to any reservations about either the annual financial statements or the consolidated financial statements, and the Supervisory Board has therefore approved them. The annual financial statements have thus been adopted. Finally, the Supervisory Board also approved the Board of Management’s proposal to use the accumulated income reported as at December 31, 2019 to pay a dividend of €0.15 per dividend-bearing share.

COMPOSITION OF THE SUPERVISORY BOARD AND ITS COMMITTEES

In 2019, the following changes were made to the composition of the Supervisory Board: Firstly, the Annual General Meeting on April 30, 2019 elected Dr. Ing. Ulrich Dohle to the Supervisory Board for the remaining term of the other Supervisory Board members, i.e. until the Annual General Meeting in 2023. On December 20, 2018, at the request of the Board of Management and as recommended by the Nominations Committee, the Cologne local court had appointed Dr. Ing. Ulrich Dohle as a shareholder representative on the DEUTZ AG Supervisory Board for the period from January 1, 2019 until the 2019 Annual General Meeting. He succeeded Mr. Hans-Georg Härter, who had stepped down from his post with effect from December 31, 2018. Secondly, the Annual General Meeting on April 30, 2019 elected Dr. Dietmar Voggenreiter as a shareholder representative on the Supervisory Board for the remaining term of the other Supervisory Board members. He succeeded Dr. Ing. Hermann Garbers, who stepped down as a member of the Supervisory Board with effect from the end of the 2019 Annual General Meeting.

Dr. Ing. Bernd Bohr took over from Mr. Härter as chairman of the Supervisory Board on January 1, 2019.

The composition of the Supervisory Board committees changed as follows in 2019: At its meeting on September 26, 2019, the shareholder representatives elected Ms. Sophie Albrecht to succeed Dr. Garbers as a member of the Nominations Committee.

DEUTZ AG supports members when they first join the Supervisory Board and subsequently offers them training and continuing professional development (CPD). Suitable training and CPD measures are regularly discussed by the Supervisory Board members among themselves and also with the Board of Management and the chairman of the Supervisory Board. New members receive comprehensive information on the Company’s corporate governance. As is customary at DEUTZ AG, Supervisory Board members are given the chance to get to know the Company and the individual departments for themselves. In 2019, for example, Dr. Voggenreiter held in-depth discussions with employees and managers that focused primarily on China-related projects. There were also site visits in Cologne and Ulm.
CONFLICTS OF INTEREST / INDEPENDENCE OF SUPERVISORY BOARD MEMBERS / THANKS

No conflicts of interest between members of the Supervisory Board and DEUTZ AG arose in the year under review. The current members of the Supervisory Board of DEUTZ AG are all considered independent within the meaning of article 5.4.2 sentence 2 of the German Corporate Governance Code.

The Supervisory Board would like to express its thanks and appreciation to all employees of DEUTZ AG in Germany and abroad, to the elected employee representatives, and to the Board of Management for their valuable efforts and the considerable dedication they showed in 2019.

Cologne, March 2020

Dr. Ing. Bernd Bohr
The Supervisory Board
### FINANCIAL CALENDAR

#### 2020

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 7</td>
<td>Interim management statement for the first quarter of 2020</td>
</tr>
<tr>
<td></td>
<td>Conference call with analysts and investors</td>
</tr>
<tr>
<td>May 14</td>
<td>Annual General Meeting in Cologne</td>
</tr>
<tr>
<td>August 11</td>
<td>Interim report for the first half of 2020</td>
</tr>
<tr>
<td></td>
<td>Conference call with analysts and investors</td>
</tr>
<tr>
<td>November 10</td>
<td>Interim management statement for the first to third quarter of 2020</td>
</tr>
<tr>
<td></td>
<td>Conference call with analysts and investors</td>
</tr>
</tbody>
</table>

#### 2021

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>March</td>
<td>2020 annual report</td>
</tr>
<tr>
<td></td>
<td>Annual results press conference with analysts and investors</td>
</tr>
<tr>
<td>April 29</td>
<td>Annual General Meeting</td>
</tr>
</tbody>
</table>

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