

II. Annexes to agenda items 6, 7, 9, 10, 11 and 12

Annex to agenda item 6

Remuneration report

Section 162 of the *Aktiengesetz* (AktG — German Stock Corporation Act) requires the Executive Board and Supervisory Board of TRATON SE to prepare a clear, readily understandable report on the remuneration of members of the Executive Board and the Supervisory Board. In this report, we explain the principles of the remuneration system for the Executive Board and Supervisory Board. The Remuneration Report also presents the individual remuneration broken down by component for current and former members of the Executive Board and Supervisory Board of TRATON SE.

EXECUTIVE BOARD REMUNERATION

Business performance in the year under review

In 2022, the most important truck markets (> 6t) for the TRATON GROUP worldwide reported noticeable growth. The most important bus markets remained on a level with the previous year. However, the TRATON GROUP was only partially able to track this general market trend, as the war in Ukraine and the effects of the zero-COVID policy in China led to supply bottlenecks and negatively impacted production and unit sales. The shortages affected all segments but to a varying extent determined by their supplier network, specifications of the individual vehicles, and customer demand. Especially at MAN Truck & Bus, supply shortages meant that assembly lines at the truck plants in Munich and Krakow stood still for six weeks and production at other sites was stopped from mid-March onward. Additionally, the logistics shortages resulted in delays in the delivery of vehicles, in particular at MAN Truck & Bus and Scania Vehicles & Services. Worldwide, there was a significant increase in the prices for energy, logistics, raw materials, and bought-in components, which impacted all TRATON GROUP segments. There was a slight recovery in the supply situation for bought-in components in the second half of the year, with the result that vehicle sales increased significantly. Overall, the TRATON GROUP's operating result increased year-on-year, from €393 million to €1.6 billion.

Principles of Executive Board remuneration

The remuneration of the members of the Executive Board is based on the revised remuneration system adopted by the Supervisory Board on December 16, 2021, and effective from January 1, 2022, which largely corresponds to the remuneration system already adopted on December 16, 2020, and effective from January 1, 2021, and approved by the Annual General Meeting on June 30, 2021. The Annual General Meeting approved the revised remuneration system on June 9, 2022, with 97.98% of the votes cast. The Executive Board remuneration system implements the requirements of the AktG in the version as amended by ARUG II and takes account of the recommendations of the German Corporate Governance Code (the Code) as amended on April 28, 2022 (entered into force on June 27, 2022). With the revision of the remuneration system, the assessment period for the profit bonus was essentially cut from two fiscal years to one fiscal year as of January 1, 2022, and the maximum remuneration for the Executive Board member who is also CEO of Navistar International Corporation (Navistar) was set at €4,000 thousand. For the nonfinancial Environmental subtarget of the profit bonus, the Supervisory Board resolved that, from fiscal year 2022, the ratio of the number of battery electric vehicles and fuel cell electric vehicles sold to the total number of vehicles sold, excluding the MAN TGE model, will be used as the basis. For fiscal year 2022, this excludes vehicle sales by Navistar for a transitional period.

For the members of the Executive Board who were already in office prior to December 16, 2020, the remuneration system shall apply until their contract is renewed and with the proviso that the performance share plan will continue to have a performance period of three years.

The level of the Executive Board remuneration should be appropriate and attractive in the context of the Company's national and international peer group. Criteria include the tasks of the individual Executive Board member, their personal performance, the economic situation, and the performance of and outlook for the Company, as well as how customary the remuneration is when measured against the peer group. In this context, comparative studies on remuneration are conducted on a regular basis.

The Executive Board and Supervisory Board reported in detail on the remuneration of the Executive Board and Supervisory Board in fiscal year 2021 in the 2021 Remuneration Report. The Annual General Meeting approved the 2021 Remuneration Report on June 9, 2022, with 99.17% of the votes cast.

The following provides an overview of the remuneration system for the Executive Board that was applicable in fiscal year 2022 before discussing the remuneration components in the same reporting period.

Overview of the remuneration components

The following table provides an overview of the remuneration components paid to the members of the Executive Board in fiscal year 2022. It also provides an overview of the composition of the individual remuneration components and explains the targets, especially in respect of how the remuneration is intended to foster the Company's long-term development.

2022 EXECUTIVE BOARD REMUNERATION SYSTEM

Component	Composition	Target
Fixed remuneration components		
Base salary	Twelve equal installments payable at month-end	The base remuneration and fringe benefits are intended to reflect the tasks and responsibility of the Executive Board members, provide a basic income, and prevent them from taking inappropriate risks.
Fringe benefits	<p>In particular:</p> <ul style="list-style-type: none"> - Private use of the first company car; second and third company cars with fuel cards in return for payment of a monthly flat fee; private use of the driver pool to an appropriate extent - Allowance toward health and long-term care insurance and retirement provision - Accident insurance - Installation and private use of security measures - Medical check-up for managers - Inclusion in D&O and criminal legal expenses insurance - Benefits in the event of death - Possible payment of tax consulting costs <p>Modified fringe benefits for Executive Board members who are also members of the Executive Board of a foreign subsidiary:</p> <ul style="list-style-type: none"> - Executive Board members who are also members of the Executive Board of a foreign subsidiary do not currently receive their fringe benefits from TRATON SE but from the respective foreign subsidiary. - These Executive Board members are only entitled to modified fringe benefits from TRATON SE, i.e., they are included in the D&O and criminal legal expenses insurance, they are entitled to benefits in the event of death, and, under certain circumstances, to the payment of tax consulting costs. 	
Occupational retirement provision	<ul style="list-style-type: none"> - Retirement, disability, and surviving dependents' benefits - In principle, upon reaching the age of 65 (earlier claims are possible) - Defined contribution system dependent on the performance of certain fund indices - Annual contribution of 40% of the contractually agreed base salary - Executive Board members who are also members of the Executive Board of a foreign subsidiary do not currently receive occupational retirement provision from TRATON SE but from the respective foreign subsidiary. 	The occupational retirement provision is intended to provide Executive Board members with an adequate pension when they retire.
Variable remuneration components		
Profit bonus	<ul style="list-style-type: none"> - Plan type: target bonus - Cap: 180% of the target amount - Assessment period: profit bonus fiscal year (year for which the bonus is granted) - Performance criteria: <ul style="list-style-type: none"> o Financial subtargets: <ul style="list-style-type: none"> • Operating return on sales (50%) and return on investment (50%) <ul style="list-style-type: none"> o Operating return on sales is the ratio of the operating result of the TRATON Operations business area (including Corporate Items¹) before tax and excluding adjustments to the corresponding sales revenue. o Return on investment is the ratio of the operating result of the TRATON Operations business area (including Corporate Items¹) after tax (normalized tax rate of 30%) and excluding adjustments to the corresponding average invested capital. 	The profit bonus is intended to motivate the Executive Board members to pursue ambitious targets during the assessment period. The financial performance targets support the strategic target of achieving competitive earnings power. The integration of sustainability targets reflects the significance of the Environmental, Social, and Governance factors.

2022 EXECUTIVE BOARD REMUNERATION SYSTEM

Component	Composition	Target
Variable remuneration components		
Profit bonus	<ul style="list-style-type: none"> • The Supervisory Board defines threshold, target, and maximum values for the financial subtargets for the profit bonus fiscal year. The threshold, target, and maximum values correspond to subtarget achievement of 50%, 100%, and 150%, respectively; interim values are interpolated on a linear basis. • The profit bonus depends on target achievement in the profit bonus fiscal year. • Total financial target achievement = subtarget achievement operating return on sales x 50% + subtarget achievement return on investment x 50% o ESG targets <ul style="list-style-type: none"> • Environmental subtarget (ratio of the number of battery electric vehicles and fuel cell electric vehicles sold to the total number of vehicles sold, excluding the MAN TGE model; for fiscal year 2022, excluding vehicle sales by Navistar for a transitional period) weighted at 50% • Social subtarget (opinion index), weighted at 50% • Governance factor (compliance and integrity) of between 0.9 and 1.1 (normal value 1.0) • The Supervisory Board defines minimum, target, and maximum values for the Environmental and Social subtargets for each fiscal year. The minimum, target, and maximum values correspond to subtarget achievement of 0.7, 1.0, and 1.3 respectively; interim values are interpolated on a linear basis • Calculation of the ESG factor: [Environmental subtarget achievement x 50% + Social subtarget achievement x 50%] x Governance factor (0.9-1.1) - Profit bonus payment amount = individual target amount x financial target achievement x ESG factor - Payout: generally in cash in the month following approval of the consolidated financial statements for the profit bonus fiscal year 	
<p>Long-term incentive (LTI)</p> <p>(Note: for Executive Board members appointed prior to December 16, 2020, a three-year performance period continues to apply until their contract is renewed; in all other respects, however, the terms of the LTI are equivalent to the terms of the performance share plan described for fiscal year 2022.)</p>	<ul style="list-style-type: none"> - Plan type: performance share plan - Performance period: in principle, forward-looking four-year term - Cap: 200% of the target amount - Allocation of performance shares: at the start of each fiscal year, the individually agreed target amount is divided by the arithmetic mean of the TRATON SE share price (German Securities Identification Number: TRAT0N) in the Xetra trading system of Deutsche Börse AG on the last 30 trading days prior to January 1 of the respective performance period (initial reference price). - Target setting: at the start of the performance period, the Supervisory Board defines minimum, target, and maximum values for earnings per share (EPS), the audited diluted earnings per TRATON share for continuing and discontinued operations. The minimum, target, and maximum EPS values correspond to target achievement of 50, 100, and 150%, respectively. - Calculation of the payment amount: the final number of performance shares is calculated by multiplying the number of performance shares conditionally allocated at the start of the performance period by the arithmetic mean of the annual EPS target achievement figures during the performance period. The final number of performance shares is then multiplied by the sum of the arithmetic mean of the closing prices on the last 30 trading days prior to the end of the performance period (closing reference price) and the dividends paid per share during the performance period (dividend equivalent). - Payout: generally in cash in the month following approval of the consolidated financial statements for the last fiscal year of the respective performance period - If the employment contract ends before the end of the performance period due to a bad leaver case (extraordinary termination for cause or revocation of appointment due to a gross breach of duties, resignation, termination without cause by the person concerned, a breach of a contractual or post-contractual restraint on competition), all performance shares will be forfeited. 	<p>The long-term incentive serves to align the remuneration of the Executive Board members to the Company's long-term performance. The financial performance target EPS in conjunction with share price performance and the dividends paid, measured over four years, ensures the long-term effect of the behavioral incentives and supports the strategic target of achieving competitive earnings power.</p>

2022 EXECUTIVE BOARD REMUNERATION SYSTEM

Component	Composition	Target
Other benefits		
Special payment	<ul style="list-style-type: none"> - If applicable, on the basis of a separate agreement with the Executive Board member - The agreement is made in advance for the fiscal year and defines performance criteria for the special payment. 	Special payments are intended to reward outstanding performance and will only be granted if it is in the Company's interest to do so and generates a forward-looking benefit for the Company.
Benefits agreed with new Executive Board members for a defined period of time or for the entire term of their employment contracts	<ul style="list-style-type: none"> - Optional payments to compensate for declining variable remuneration or other financial disadvantages - Optional benefits in connection with relocation - Optional minimum remuneration guarantee 	These (compensation) payments are intended to enable the Company to attract qualified candidates for the Executive Board.
Other remuneration provisions		
Penalty and clawback	<ul style="list-style-type: none"> - The possibility for the Supervisory Board to reduce profit bonuses and the performance share plan by up to 100% or to claw back the remuneration that has already been paid in the case of relevant misconduct during the respective relevant assessment period - Clawback is excluded if more than three years have passed since the variable remuneration component was paid out. 	The aim is to motivate Executive Board members to maintain lawful and ethical conduct.
Maximum remuneration	<ul style="list-style-type: none"> - The relevant components are the fixed salary for the respective fiscal year, the service cost for occupational retirement provision, the fringe benefits granted, the profit bonuses granted for the respective fiscal year and paid out in the following year, the performance share plan paid out in the respective fiscal year and for which the performance period ended immediately before the respective fiscal year, any special payment granted for the respective fiscal year, and any benefits granted to new Executive Board members. - €5,500 thousand gross for the Chairman of the Executive Board per fiscal year; in general, €3,700 thousand gross for the members of the Executive Board per fiscal year; in deviation from this €1,750 thousand gross for Mr. Cortes and €4,000 thousand gross for the member of the Executive Board who is also CEO of Scania AB and/or Scania CV AB, and €4,000 thousand gross for the member of the Executive Board who is also CEO of Navistar - The maximum remuneration for Executive Board members who are also members of the Executive Board of a foreign subsidiary consists of the total remuneration from TRATON SE together with that from the respective subsidiary. - If the maximum remuneration is exceeded, the variable remuneration components will be reduced accordingly. 	The aim is to ensure that the remuneration of Executive Board members is not inappropriately high when measured against the peer group.

1 Excluding consolidation effects between the TRATON Operations and Financial Services business areas and effects of purchase price allocations on Financial Services

REMUNERATION OF THE EXECUTIVE BOARD MEMBERS APPOINTED IN FISCAL YEAR 2022

Members of the Executive Board in fiscal year 2022

On the one hand, the Executive Board of TRATON SE is made up of members who are also members of the Executive Board of a foreign subsidiary and receive their remuneration proportionately from TRATON SE and from the respective foreign subsidiary. On the other, it consists of members who are only members of the Executive Board of TRATON SE or also members of the Executive Board of a German subsidiary. These Executive Board members are remunerated entirely by TRATON SE; if they hold an additional Executive Board function at a German subsidiary, part of their remuneration will be reimbursed by way of intercompany charging. The members of the Executive Board receive no additional remuneration for discharging further mandates in the management bodies, supervisory boards, or comparable bodies of other Group companies in the course of their board activity. Should such remuneration be granted nonetheless, it will be offset against the remuneration for the activity as a member of the Executive Board of TRATON SE.

In fiscal year 2022, the Executive Board of TRATON SE had the following members:

Christian Levin: Mr. Levin has been a member of the Executive Board since the effective date of the change of legal form of TRATON AG to TRATON SE on the day this was entered in the commercial register in 2019, and has been the Chairman of the Executive Board since October 1, 2021. Mr. Levin has also been Chief Executive Officer of Scania AB and Scania CV AB since May 1, 2021. Since October 1, 2021, the remuneration has been divided between TRATON SE and Scania CV AB based on areas of responsibility. Since May 1, 2021, Mr. Levin has received fringe benefits and occupational retirement provision solely from Scania CV AB.

Mathias Carlbaum: Mr. Carlbaum has been a member of the Executive Board since October 1, 2021, and, in addition, Chief Executive Officer and President of Navistar since September 1, 2021, on the basis of a secondment agreement between him, Scania CV AB, and Navistar. Since October 1, 2021, 20% of his fixed and variable remuneration has been borne by TRATON SE and 80% by Navistar. The fringe benefits for Mr. Carlbaum are borne by Navistar. All pension expenses and some fringe benefits were paid by Scania CV AB, with which Mr. Carlbaum still has a dormant employment contract, and charged on to Navistar.

Antonio Roberto Cortes: Mr. Cortes has been a member of the Executive Board since the effective date of the change of legal form of TRATON AG to TRATON SE on the day this was entered in the commercial register in 2019, and is also Chief Executive Officer of Volkswagen Truck & Bus Latin America Indústria e Comércio de Veículos Ltda. (Volkswagen Truck & Bus), formerly MAN Latin America Indústria e Comércio de Veículos Ltda. Mr. Cortes received 20% of his fixed and variable remuneration from TRATON SE and 80% from Volkswagen Truck & Bus. Mr. Cortes received his fringe benefits and occupational pension entirely from Volkswagen Truck & Bus.

Annette Danielski: Ms. Danielski has been a member of the Executive Board since October 1, 2021.

Bernd Osterloh: Mr. Osterloh has been a member of the Executive Board since May 1, 2021.

Alexander Vlaskamp: Mr. Vlaskamp has been a member of the Executive Board since November 25, 2021, and is also Chief Executive Officer of MAN Truck & Bus SE. Mr. Vlaskamp received no separate remuneration in fiscal year 2022 for his role at MAN Truck & Bus SE. The Supervisory Board of MAN Truck & Bus SE resolved to reimburse TRATON SE for 80% of the remuneration expenses by way of intercompany charging.

REMUNERATION GRANTED AND OWED IN FISCAL YEAR 2022

In accordance with section 162 (1) sentence 1 of the AktG, the remuneration report must detail the remuneration granted and owed to each individual member of the Executive Board in the past fiscal year. The terms used are defined as follows:

– The term “granted” means the *“actual receipt of the remuneration component.”*

– The term “owed” covers *“all legal obligations in respect of remuneration components that are due but have not yet been fulfilled.”*

These definitions differ from the terms “benefits granted” and “benefits received” used in the 2020 Remuneration Report. The term “benefits granted” within the meaning of the Code (2017) included all remuneration components, irrespective of the time of actual payment, which had been awarded at least in principle to a member of the Executive Board in the fiscal year and the amount of which could be estimated. The introduction of section 162 of the AktG means it is no longer possible to continue applying the distinction between “granted” and “received” as had previously been the case. The term “granted” used in section 162 of the AktG most closely matches the definition of the term “received” that was previously used.

Table overview

The following tables show the remuneration actually received by the members of the Executive Board in fiscal year 2022. The time of actual payment is not significant. Correspondingly, the remuneration granted in 2022 includes the base salary paid in fiscal year 2022, the fringe benefits, and the profit bonus paid for fiscal year 2022 following approval of the Company’s consolidated financial statements. In fiscal year 2022, the LTI with the 2019–2021 performance period was also paid out and is reported as remuneration granted. As the Company was not in arrears with the payment of remuneration components, the tables do not show any remuneration owed.

The relative portions shown in the tables refer to the remuneration components “granted and owed” in the respective fiscal year in accordance with section 162 (1) sentence 1 of the AktG. They therefore include all benefits actually received by the members of the Executive Board in the respective fiscal year, no matter which fiscal year they were paid for. The relative portions shown here are therefore not comparable with the respective relative portions of the fixed and variable remuneration components in

total remuneration as contained in the description of the remuneration system in accordance with section 87a (1) sentence 2 no. 3 of the AktG. The portions shown in the remuneration system refer to the respective target values granted for the respective fiscal year, irrespective of the time at which the remuneration component in question is paid out.

Pension expense is reported as service cost within the meaning of IAS 19. The service cost in accordance with IAS 19 does not constitute remuneration granted or owed within the meaning of section 162 (1) sentence 1 of the AktG as it is not actually received by the Executive Board member in the reporting period. It also includes other pension benefits such as surviving dependents' benefits and the use of company cars, as well as defined contribution pension plans where these are provided for under foreign legislation.

The maximum remuneration is the maximum remuneration within the meaning of section 87a (1) sentence 2 no. 1 of the AktG in accordance with the remuneration system resolved by the Supervisory Board and approved by the Annual General Meeting.

Moreover, in accordance with the remuneration system resolved by the Supervisory Board on December 16, 2020, and approved by the Annual General Meeting on June 30, 2021, the employment contracts of the members of the Executive Board contain a penalty and clawback provision. TRATON SE did not make use of these regulations in fiscal year 2022.

Further explanations about the individual tables can be found below the tables.

CHRISTIAN LEVIN

Remuneration component		2022	
		€ thousand ¹	in %
Fixed remuneration components			
Base salary	TRATON SE	1,220	54
	Scania CV AB	630	
Fringe benefits	TRATON SE	0	1
	Scania CV AB	34	
Total	TRATON SE	1,220	55
	Scania CV AB	664	
	Total	1,884	
Variable remuneration components			
– Profit bonus 2022 (target amount €1,350 thousand per annum)	TRATON SE	572	31
	Scania CV AB	500	
– LTI 2019–2021 (performance share plan, three-year term; target amount €650 thousand per annum; minus advance payment ²)	TRATON SE	96	14
	TRATON AB	385	
Sum — remuneration granted and owed	TRATON SE	1,888	100
	Scania CV AB	1,164	
	TRATON AB	385	
	Total	3,437	
Pension expenses	TRATON SE	0	
	Scania CV AB	1,304	
Total remuneration including pension expenses	TRATON SE	1,888	
	Scania CV AB	2,468	
	TRATON AB	385	
	Total	4,740	
Maximum remuneration		Total	5,500
Clawback in accordance with section 162 (1) sentence 2 no. 4 of the AktG			0

1 Contractually agreed exchange rate: SEK 10.30 = €1

2 Mr. Levin received an advance payment on the LTI 2019–2021 of €99 thousand (TRATON SE) and €398 thousand (TRATON AB) at the beginning of fiscal year 2020. The advance payment does not represent remuneration granted in fiscal year 2022 and is therefore not shown in the table.

MATHIAS CARLBAUM

Remuneration component		2022	
		€ thousand	in %
Fixed remuneration components			
Base salary	TRATON SE	150	44
	Navistar	600	
Fringe benefits	TRATON SE	0	22
	Navistar ¹	371	
Total	TRATON SE	150	65
	Navistar	971	
	Total	1,121	
Variable remuneration components			
– Profit bonus (target amount €750 thousand per annum)	TRATON SE	119	35
	Navistar	476	
Sum — remuneration granted and owed	TRATON SE	269	100
	Navistar	1,447	
	Total	1,716	
Pension expenses	TRATON SE	0	
	Navistar	446	
Total remuneration including pension expenses	TRATON SE	269	
	Navistar	1,893	
	Total	2,162	
Maximum remuneration		Total	4,000
Clawback in accordance with section 162 (1) sentence 2 no. 4 of the AktG			0

1 The fringe benefits also include benefits due to Mr. Carlbaum's secondment to Navistar.

ANTONIO ROBERTO CORTES

Remuneration component		2022	
		€ thousand ¹	in %
Fixed remuneration components			
Base salary	TRATON SE	124	55
	Volkswagen Truck & Bus	496	
Fringe benefits	TRATON SE	0	4
	Volkswagen Truck & Bus	40	
Total	TRATON SE	124	58
	Volkswagen Truck & Bus	536	
	Total	660	
Variable remuneration components			
- Profit bonus (target amount €310 thousand per annum)	TRATON SE	49	22
	Volkswagen Truck & Bus	197	
- LTI 2019–2021 (performance share plan, three-year term; target amount €310 thousand per annum; minus advance payment ²)	TRATON SE	46	20
	Volkswagen Truck & Bus	183	
Sum — remuneration granted and owed	TRATON SE	219	100
	Volkswagen Truck & Bus	917	
	Total	1,136	
Pension expenses	TRATON SE	0	
	Volkswagen Truck & Bus	290	
Total remuneration including pension expenses	TRATON SE	219	
	Volkswagen Truck & Bus	1,207	
	Total	1,426	
Maximum remuneration	Total	1,750	
Clawback in accordance with section 162 (1) sentence 2 no. 4 of the AktG		0	

1 Contractually agreed exchange rate: BRL 6.36 = €1

2 Mr. Cortes received an advance payment on the LTI 2019–2021 of €47 thousand (TRATON SE) and €190 thousand (Volkswagen Truck & Bus) at the beginning of fiscal year 2020. The advance payment does not represent remuneration granted in fiscal year 2022 and is therefore not shown in the table.

ANNETTE DANIELSKI

Remuneration component		2022	
		€ thousand	in %
Fixed remuneration components			
Base salary		700	54
Fringe benefits		49	4
Total		749	57
Variable remuneration components			
- Profit bonus (target amount €700 thousand per annum)		556	43
Sum — remuneration granted and owed		1,305	100
Pension expenses		182	
Total remuneration including pension expenses		1,487	
Maximum remuneration		3,700	
Clawback in accordance with section 162 (1) sentence 2 no. 4 of the AktG		0	

BERND OSTERLOH

Remuneration component	2022	
	€ thousand	in %
Fixed remuneration components		
Base salary	700	51
Fringe benefits	113	8
Total	813	59
Variable remuneration components		
– Profit bonus (target amount €700 thousand per annum)	556	41
Sum — remuneration granted and owed	1,369	100
Pension expenses	287	
Total remuneration including pension expenses	1,656	
Maximum remuneration	3,700	
Clawback in accordance with section 162 (1) sentence 2 no. 4 of the AktG	0	

ALEXANDER VLASKAMP

Remuneration component	2022	
	€ thousand	in %
Fixed remuneration components		
Base salary	688	52
Fringe benefits	87	7
Total	775	58
Variable remuneration components		
– Profit bonus (target amount €700 thousand per annum)	556	42
Sum — remuneration granted and owed	1,331	100
Pension expenses	385	
Total remuneration including pension expenses	1,716	
Maximum remuneration	3,700	
Clawback in accordance with section 162 (1) sentence 2 no. 4 of the AktG	0	

Explanation

Additional contractual agreements with the members of the Executive Board

Mr. Vlaskamp will be reimbursed for the costs of accommodation at his regular place of work and for weekly family trips home for a period of 18 months following his appointment. The Company is also assuming any relocation, moving, and real estate agent costs incurred as well as the costs of a tax advisor. Out of solidarity with the employees of MAN Truck & Bus SE, who were on short-time work, Mr. Vlaskamp, like all the Executive Board members of MAN Truck & Bus SE, waived 10% of his fixed salary in the months of April and May 2022.

A contractual arrangement with **Mr. Cortes** specifies the payment of an amount to compensate for the higher tax burden in Germany.

For the duration of their appointments, **Ms. Danielski** and **Mr. Osterloh** will be reimbursed for the costs of accommodation at their regular places of work and for weekly family trips home. TRATON SE also committed to reimbursing Mr. Osterloh for the costs of acquiring a class C/CE driver's license, including related follow-up costs.

These benefits for members of the Executive Board are reported in the amounts included for fringe benefits.

PERFORMANCE CRITERIA FOR VARIABLE REMUNERATION

Bonus performance criteria

Financial subtargets

The following overviews show the values defined by the Supervisory Board for the threshold, target, and maximum values for the financial subtargets, namely operating return on sales and return on investment for fiscal year 2022, and the actual values or target achievement in percent.

	2022
Operating return on sales	
Maximum value	10.8%
100% target level	6.0%
Threshold value	4.0%
Actual	4.6%
Target achievement (in %)	66.2%
Return on investment	
Maximum value	13.8%
100% target level	7.7%
Threshold value	3.8%
Actual	7.7%
Target achievement (in %)	101.0%
Overall target achievement	83.6%

The indicator relevant for calculating operating return on sales and return on capital employed is operating result in the TRATON Operations business area, including Corporate Items. Normally, operating result is used for this purpose without adjustments. However, the Supervisory Board has made use of the option provided for in the remuneration system in accordance with recommendation G.11 of the Code by taking account of extraordinary developments in determining target achievement. The Supervisory Board set the financial subtargets for the bonus for fiscal year 2022 in December 2021. It could not have been foreseen at that point that war would break out in Ukraine, which would also have a severe impact on TRATON's business activities. Against this backdrop, the Supervisory Board decided, for the calculation of operating return on sales and return on investment, to adjust operating result in the TRATON Operations business area (including Corporate Items) for charges incurred directly in connection with the war in Ukraine. These charges comprise mainly impairment losses on property, plant, and equipment, on inventories, on receivables, and on other assets, and other expenses in connection with the sale of the Russian distribution companies of Scania Vehicles & Services and MAN Truck & Bus. After adjustments of €253 million, operating result in the TRATON Operations business area (including Corporate Items) therefore amounted to €1,836 million. The actual figure shown in the table above is therefore 0.6 percentage points higher than the unadjusted figure for operating return on sales and 1.0 percentage points higher for return on investment. This means that target achievement is 66.2% rather than 50.1% for the financial subtarget of operating return on sales and 101.0% rather than 87.1% for the return on investment subtarget.

ESG targets

The following overview shows the values defined by the Supervisory Board for the minimum, target, and maximum values for the Environmental subtarget and the Social subtarget for fiscal year 2022, and the actual value or target achievement in percent in fiscal year 2022.

The Environmental subtarget is based on the decarbonization target. This is based on the ratio of the number of battery electric vehicles and fuel cell electric vehicles sold to the total number of vehicles sold, excluding the MAN TGE model. For fiscal year 2022, this excludes vehicle sales by Navistar for a transitional period. The minimum, target, and maximum values for the Environmental subtarget are defined by the Supervisory Board for each fiscal year and are based in particular on the business plan to achieve a consistently high proportion of battery electric and fuel cell electric vehicles.

The Social subtarget is based on the opinion index. The opinion index reflects the results of the Stimmungsbarometer employee survey in the TRATON GROUP, which regularly surveys employee satisfaction in the companies of the TRATON GROUP and also includes questions about characteristics of the corporate culture. The minimum, target, and maximum values for the Social subtarget are defined by the Supervisory Board for each fiscal year and are based in particular on the results of previous years and on current developments.

ENVIRONMENTAL (DECARBONIZATION TARGET)

in %	2022
Maximum value	1.46
100% target level	0.97
Minimum value	0.49
Actual	0.39
Subtarget achievement	0.70

SOCIAL (OPINION INDEX)

Points	2022
Maximum value	79
100% target level	75
Minimum value	71
Actual	77.8
Subtarget achievement	1.2

For fiscal year 2022, the Supervisory Board defined a normal value of 1.0 for the Governance factor, taking account of and assessing the performance of the Executive Board as a whole and the performance of the current individual members of the Executive Board. To determine the Governance factor, the Supervisory Board assesses the collective performance of the Executive Board in the first step. In the second step, the Supervisory Board assesses the performance of each individual Executive Board member in terms of integrity and compliance. The Supervisory Board can increase the Governance factor to 1.1 or reduce it to 0.9 on the basis of the collective and individual assessment. If there are no special circumstances in a fiscal year, the Governance factor is 1.0 (normal value).

LTI performance criteria

LTI introductory phase

For members of the Executive Board who were already in office as of January 17, 2019, and in respect of the remuneration components, the remuneration system for the Executive Board generally makes a distinction between months and fiscal years beginning up to and including the month and fiscal year of TRATON SE's IPO in June 2019 (pre-IPO phase) and the months and fiscal years beginning after the month and fiscal year of TRATON SE's IPO (post-IPO phase). For this reason, the employment contracts of Mr. Drees, Professor Intra, Mr. Levin, and Mr. Schulz distinguish between the pre-IPO phase and the post-IPO phase in respect of the target amount for the performance share plan. For performance shares issued up to and including the fiscal year of TRATON SE's IPO, the LTI is based on the performance of Volkswagen AG (fiscal year 2019). For performance shares issued after that date, the LTI is based solely on the performance of TRATON SE (from fiscal year 2020).

In the introductory phase of the performance share plan, those members of the Executive Board who were members of the Executive Board as of January 17, 2019, received advance payments of 80% of their target amount for the first two tranches (2019–2021 tranche and 2020–2022 tranche) of the performance share plan. This affected Mr. Cortes, Mr. Drees, Professor Intra, Mr. Levin, and Mr. Schulz. Mr. Henriksson only received an advance payment for the 2019–2021 tranche. The two advances were each paid after the first year of the performance period. These amounts are offset against the actual achievement of targets at the end of the relevant three-year performance period. The advances on the 2019–2021 tranche were paid out at the start of fiscal year 2020 and reported as remuneration received in the 2019 Remuneration Report. These advances were deducted when calculating the payment amounts from the 2019–2021 tranche. The payment amounts for the 2019–2021 tranche reported as remuneration granted for fiscal year 2022 therefore show the amounts reduced by the advance and thus correspond to the amount actually paid out to the Executive Board members.

EPS target values

The following overviews show the minimum, target, and maximum values defined by the Supervisory Board at the beginning of the relevant 2019–2021, 2020–2022, 2021–2023, 2021–2024, 2022–2024, and 2022–2025 performance periods, and the actual values and target percentage achievement already achieved for individual years in the assessment period. The performance share plans for the 2020–2022, 2021–2023, 2021–2024, 2022–2024, and 2022–2025 performance periods were not yet due and were not paid out in fiscal year 2022; they therefore do not represent remuneration granted or owed in fiscal year 2022.

The performance share plan due for payment in fiscal year 2022 for the 2019–2021 performance period is based on the target achievement of the EPS of Volkswagen preferred shares.

2019–2021 PERFORMANCE PERIOD EPS VOLKSWAGEN PREFERRED SHARES (PRE-IPO)

€	2021	2020	2019
Maximum value	30.00	30.00	30.00
100% target level	20.00	20.00	20.00
Minimum value	10.00	10.00	10.00
Actual	29.60	16.66	26.66
Target achievement (in %)	148.0	83	133.3

2020–2022 PERFORMANCE PERIOD EPS TRATON SHARES (POST-IPO)

€	2022	2021	2020
Maximum value	4.32	4.32	4.32
100% target level	2.90	2.90	2.90
Minimum value	1.95	1.95	1.95
Actual	2.28	0.91	-0.20
Target achievement (in %)	67.37	-	-

2021–2023 PERFORMANCE PERIOD EPS TRATON SHARES

€	2022	2021
Maximum value	4.32	4.32
100% target level	2.90	2.90
Minimum value	1.95	1.95
Actual	2.28	0.91
Target achievement (in %)	67.37	-

2021–2024 PERFORMANCE PERIOD EPS TRATON SHARES

€	2022	2021
Maximum value	4.32	4.32
100% target level	2.90	2.90
Minimum value	1.95	1.95
Actual	2.28	0.91
Target achievement (in %)	67.37	-

**2022–2024 PERFORMANCE PERIOD
EPS TRATON SHARES**

€	2022
Maximum value	4.32
100% target level	2.90
Minimum value	1.95
Actual	2.28
Target achievement (in %)	67.37

**2022–2025 PERFORMANCE PERIOD
EPS TRATON SHARES**

€	2022
Maximum value	4.32
100% target level	2.90
Minimum value	1.95
Actual	2.28
Target achievement (in %)	67.37

Reference prices/dividend equivalent for the performance period

The initial reference price, closing reference price, and dividend equivalent for the 2019–2021 performance period are shown in the following overview. The prices for Volkswagen preferred shares apply to the 2019–2021 performance share plan.

€	2019–2021
Initial reference price	147.08
Closing reference price ¹	175.75
Dividend equivalent	
2019	4.86
2020	4.86
2021	4.86

The reference prices and dividend equivalents for the performance periods of the performance share plans not yet due and not yet paid out in fiscal year 2022 are shown in the following overview. The reference prices for these performance share plans are the prices of TRATON shares.

€	2022–2025	2022–2024	2021–2024	2021–2023	2020–2022
Initial reference price	21.70	21.70	22.40	22.40	24.58
Closing reference price ¹			–	–	14.69
Dividend equivalent					1.75
2020			–	–	1.00
2021			0.25	0.25	0.25
2022	0.50	0.50	0.50	0.50	0.50

¹ Determined at the end of the performance period

ALIGNMENT WITH THE REMUNERATION SYSTEM

The remuneration granted and owed to the members of the Executive Board in fiscal year 2021 complies with the requirements of the Executive Board remuneration system. There was no deviation from the valid remuneration system in fiscal year 2021. The bonus payouts and the advance payments on the performance share plan for the 2020–2022 performance period were not reduced because the caps of 180% on the bonus target amount and 200% on the target amount for the performance share plan were not exceeded. Overall, the remuneration granted and owed to the members of the Executive Board in fiscal year 2021 did not exceed the maximum remuneration prescribed by the remuneration system.

BENEFITS AND DEFINED BENEFITS IN CONNECTION WITH TERMINATION

Benefits and defined benefits granted to members of the Executive Board in the event of early termination

The Executive Board remuneration system and employment contracts of the members of the Executive Board prescribe termination periods and severance payments in the event of revocation of the appointment of a member of the Executive Board and the mutual termination of the Executive Board function. If an appointment is revoked without cause within the meaning of section 626 of the *Bürgerliches Gesetzbuch* (BGB — German Civil Code), the employment contract will generally end after a period of 12 months. Other than in cases of cause justifying extraordinary termination of the employment contract by the Company, members of the Executive Board receive a severance payment in the amount of their gross remuneration for the remaining period of the employment contract, capped at two times the annual gross income. As a rule, the annual gross income used as the basis for calculating the severance payment consists of the fixed remuneration paid in the previous year plus the variable remuneration components defined for the previous year.

The severance payment is paid in twelve equal monthly gross installments from the end of the employment contract. Contractual remuneration paid by the Company for the time between termination of the appointment and the end of the employment contract is offset against the severance payment. If a member of the Executive Board takes up a new position after termination of the appointment, the severance payment will be reduced by the income from the new position. If a post-contractual restraint on competition has been agreed, the severance payment will be offset against the waiting allowance. No severance payment will be made if the member of the Executive Board continues to work for the Company or for another Volkswagen Group company in the context of an employment contract.

The members of the Executive Board are also generally entitled to retirement, disability, and surviving dependents' benefits in the event of early termination of their appointment without having entered retirement (cf. the following section for further information), although the minimum plan assets will only be maintained as ratably reduced plan assets pursuant to sections 2 (1) and 2a (1) of the *Gesetz zur Verbesserung der betrieblichen Altersversorgung* (BetrAVG — German Occupational Pensions Act). Pursuant to section 2a (2) item 2a) of the BetrAVG, the maintained portion of the minimum plan assets is adjusted by 1% per annum from the Board member's departure from the Company until the benefits fall due.

Defined benefits granted to members of the Executive Board in the event of regular termination of their role

TRATON SE generally grants retirement, disability, and surviving dependents' benefits to the members of the Executive Board. As a rule, the agreed retirement benefits are paid when the Executive Board member reaches the age of 65. However, Executive Board members who are also members of the Executive Board of a foreign subsidiary of TRATON SE do not receive retirement benefits from TRATON SE but from the respective foreign subsidiary. TRATON SE manages the occupational pension plans for Executive Board members Ms. Danielski, Mr. Osterloh, and Mr. Vlaskamp. The occupational pension plans for the other members of the Executive Board are maintained by Scania CV AB (Mr. Carlbaum and Mr. Levin), TRATON AB (Mr. Levin), and Volkswagen Truck & Bus (Mr. Cortes).

Entitlements to such benefits granted by TRATON SE are accumulated under a defined contribution system, the Capital Account Plan, with the value of benefits dependent upon the performance of certain fund indices. TRATON SE pays an annual contribution of 40% of the contractually agreed fixed remuneration in the calendar year. Executive Board members may elect to make contributions themselves out of their gross salary.

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

At retirement, the beneficiary may elect to receive the balance of the capital account, or at a minimum the total amount of the contributions, as a lump-sum payment, in installments, or as an annuity at an insurance rate valid as of the date of retirement.

In the event of disability or death, the beneficiary is paid the accumulated account balance, or a minimum of €2,000 thousand.

The following overview shows the individual pension entitlements of the members of the Executive Board and their cash value as of December 31, 2022, as well as the associated amount expensed or provided for for post-employment benefits in fiscal year 2022, if applicable considering the special features of the applicable foreign legislation in each case. The measurement of post-employment benefits also includes other pension benefits such as surviving dependents' benefits and the use of company cars, as well as defined contribution plans provided for by foreign legislation where expense is incurred in the year under review.

€ thousand	Cash value	Expense/provisions in fiscal year 2022
Christian Levin (Scania CV AB)	454	1,304
Mathias Carlbaum (Scania CV AB)	210	446
Antonio Roberto Cortes (Volkswagen Truck & Bus)	0	290
Annette Danielski (TRATON SE)	572	182
Bernd Osterloh (TRATON SE)	463	287
Alexander Vlaskamp (TRATON SE)	307	385

In the event of the regular termination of their function, the members of the Executive Board who previously had a company car provided to them by TRATON SE may be able to continue using their company car under certain circumstances. These include the respective Executive Board member having held the function for a total of at least ten years, or having worked for the Company for a total of at least 15 years, or the Supervisory Board considering the provision of a company car in retirement to be appropriate and in the Company's interest.

On account of Mr. Osterloh's long service with the Volkswagen Group, it was agreed in his employment contract that the minimum term of office that is the condition for the use of a company car in retirement should be considered to have been fulfilled when he retires at the end of his term of office.

No changes were made to the commitments explained in this section in fiscal year 2022.

Benefits and defined benefits to members of the Executive Board who stepped down in fiscal year 2022

No Executive Board member stepped down in fiscal year 2022.

NO CLAWBACK IN FISCAL YEAR 2022

There was no clawback of variable remuneration components from individual Executive Board members by TRATON SE in fiscal year 2022. None of the circumstances justifying a clawback existed.

REMUNERATION OF FORMER EXECUTIVE BOARD MEMBERS

In accordance with section 162 (1) sentence 1 of the AktG, the remuneration report must also detail the remuneration granted and owed to former members of the Executive Board.

Remuneration granted and owed in fiscal year 2022 (individual)

In accordance with section 162 (5) sentence 2 of the AktG, the obligation to report individually on the remuneration granted and owed to former members of the Executive Board extends to the remuneration granted and owed until the end of ten years after the fiscal year in which the former Executive Board member ended their role as a member of the Executive or Supervisory Board of TRATON SE.

Table overview

The following tables show the individual remuneration granted and owed in fiscal year 2022 to former members of the Executive Board who stepped down after fiscal year 2012. The profit bonuses for fiscal year 2022 paid out at the start of 2023 as well as the performance share plan with the 2019–2021 tranche paid out in fiscal year 2022 are included in the remuneration granted in fiscal year 2022 for both active and former members of the Executive Board.

JOACHIM DREES

Member of the Executive Board of TRATON SE; CEO of MAN SE and MAN Truck & Bus SE Left July 15, 2020	2022	
	€ thousand	in %
Pension payments	0	0
Base salary	700	39
Fringe benefits	60	3
Profit bonus	556	31
LTI 2019–2021 (performance share plan, three-year term; target amount €650 thousand per annum; minus advance payment ¹)	481	27
Severance payments	0	0
Sum — remuneration granted and owed	1,796	100
Pension expense	0	–

¹ Mr. Drees received an advance payment on the LTI 2019–2021 of €497 thousand at the beginning of fiscal year 2020. The advance payment does not represent remuneration granted in fiscal year 2022 and is therefore not shown in the table.

MATTHIAS GRÜNDLER

Chief Executive Officer of TRATON SE Left September 30, 2021	2022	
	€ thousand	in %
Pension payments	0	0
Base salary	1,350	55
Fringe benefits	29	1
Profit bonus	1,072	44
Severance payments	0	0
Sum — remuneration granted and owed	2,450	100
Pension expense	0	–

PROFESSOR CARSTEN INTRA

Member of the Executive Board & <i>Arbeitsdirektor</i> of TRATON SE; Chief Human Resources Officer & <i>Arbeitsdirektor</i> of MAN SE and MAN Truck & Bus SE Left July 15, 2020	2022	
	€ thousand	in %
Pension payments	0	0
Base salary	0	0
Fringe benefits	0	0
Profit bonus	0	0
LTI 2019–2021 (performance share plan, three-year term; target amount €650 thousand per annum; minus advance payment ¹)	481	100
Severance payments	0	0
Sum — remuneration granted and owed	481	100
Pension expense	0	–

¹ Professor Intra received an advance payment on the LTI 2019–2021 of €497 thousand at the beginning of fiscal year 2020. The advance payment does not represent remuneration granted in fiscal year 2022 and is therefore not shown in the table.

CHRISTIAN SCHULZ

Member of the Executive Board of TRATON SE, CFO Left September 30, 2021	2022	
	€ thousand	in %
Pension payments	0	0
Base salary	700	39
Fringe benefits	36	2
Profit bonus	556	31
LTI 2019–2021 (performance share plan, three-year term; target amount €650 thousand per annum; minus advance payment ¹)	481	27
Severance payments	0	0
Sum — remuneration granted and owed	1,773	100
Pension expense	0	–

¹ Mr. Schulz received an advance payment on the LTI 2019–2021 of €497 thousand at the beginning of fiscal year 2020. The advance payment does not represent remuneration granted in fiscal year 2022 and is therefore not shown in the table.

DR. ING. H.C. TOSTMANN

Member of the Executive Board of TRATON SE; CEO of MAN SE ¹ and MAN Truck & Bus SE Left November 24, 2021	2022	
	€ thousand	in %
Pension payments	0	0
Base salary	700	53
Fringe benefits	67	5
Profit bonus	556	42
Severance payments	0	0
Sum — remuneration granted and owed	1,323	100
Pension expense	0	–

¹ Until August 31, 2021 (merger between MAN SE and TRATON SE)

HENRIK HENRIKSSON

Member of the Executive Board of TRATON SE; CEO of Scania CV AB and Scania AB Left April 30, 2021	2022		
	€ thousand	in %	
Pension payments	0	0	
Base salary	0	0	
Fringe benefits	0	0	
Profit bonus	0	0	
LTI 2019–2021 (performance share plan, three-year term; target amount €996 thousand per annum; minus advance payment ¹)	TRATON SE	147	100
	Scania CV AB	590	
Severance payments			
Sum — remuneration granted and owed	TRATON SE	147	100
	Scania CV AB	590	
	Total	737	
Pension expense		36	–

¹ Mr. Henriksson received an advance payment on the LTI 2019–2021 of €152 thousand (TRATON SE) and €609 thousand (Scania CV AB) at the beginning of fiscal year 2020. The advance payment does not represent remuneration granted in fiscal year 2022 and is therefore not shown in the table.

Explanation

In addition to his activity as a member of the Executive Board of TRATON SE, Mr. Drees was a member of the Executive Boards of MAN SE and MAN Truck & Bus SE until his departure effective the end of July 15, 2020. The employment contract between Mr. Drees and TRATON SE will continue until its planned end on January 17, 2024. The Supervisory Board of MAN Truck & Bus SE has resolved that MAN Truck & Bus SE will continue to reimburse TRATON SE for 80% of the expenses for Mr. Drees's remuneration until the regular end of his original appointment as a member of the Executive Board of MAN Truck & Bus SE, i.e., until March 31, 2023.

Professor Intra was a member of the Executive Board of TRATON SE until the end of July 15, 2020. Until this time, Professor Intra was also a member of the Executive Boards of MAN SE and MAN Truck & Bus SE. His employment contracts with TRATON SE and MAN Truck & Bus SE ended when he stepped down from his Executive Board positions. At no time was there an employment contract with MAN SE. In the fiscal year under review, Professor Intra received a payout from the 2019–2021 performance share plan from TRATON SE. The Supervisory Board of MAN Truck & Bus SE has resolved that MAN Truck & Bus SE will reimburse TRATON SE for 20% of the expenses for Professor Intra.

Mr. Henriksson was appointed as a member of the Executive Board of TRATON SE and as President and Chief Executive Officer of Scania CV AB and Scania AB until the end of April 30, 2021. Mr. Henriksson still has rights to payments under the performance share plans that he acquired during his term of office.

Mr. Schulz left the Executive Board of TRATON SE effective the end of September 30, 2021. He was originally appointed as a member of the Executive Board until January 17, 2024. The employment contract between Mr. Schulz and TRATON SE continued until December 31, 2022.

Mr. Gründler was also a member of the Executive Board of TRATON SE until the end of September 30, 2021, and was appointed Chairman of the Executive Board. Mr. Gründler's employment contract with TRATON SE runs until the end of its regular termination effective the end of July 15, 2023.

Dr. Ing. h.c. Tostmann was appointed as a member of the Executive Board of TRATON SE until November 24, 2021, as Chairman of the Executive Board of MAN SE until August 31, 2021, and as Chairman of the Executive Board of MAN Truck & Bus SE until November 24, 2021. Dr. Ing. h.c. Tostmann's employment contract with TRATON SE runs until the end of its regular termination effective the end of July 15, 2023. The Supervisory Board of MAN Truck & Bus SE has resolved that MAN Truck & Bus SE will reimburse TRATON SE for 80% of the expenses for Dr. Ing. h.c. Tostmann.

Comparative presentation

The following table shows a year-on-year comparison of the percentage change in remuneration for the members of the Executive Board with the earnings performance of TRATON SE and with the average remuneration for employees on FTE basis.

Earnings performance is calculated using the following earnings-related indicators of TRATON SE and the TRATON GROUP, which are published in TRATON SE's annual reports: the earnings after tax of TRATON SE in accordance with German GAAP and the TRATON GROUP's operating return on sales.

The development of the average remuneration of employees is shown on the basis of two indicators. First, the average remuneration of employees is calculated by adjusting TRATON SE's personnel expenses as reported in the single-entity financial statements of TRATON SE to exclude the remuneration of the Group's Executive Board members. The adjusted personnel expenses are divided by the number of TRATON SE employees (284.2 employees) on FTE basis as of December 31, 2022, excluding the members of the Group's Executive Board (employees of TRATON SE). Second, the personnel expenses of the TRATON GROUP, as reported in the notes to the consolidated financial statements, adjusted to exclude the remuneration of the Group's Executive Board members, are divided by the number of employees of the TRATON GROUP (total headcount of 104,032 in accordance with internal reporting, including performance-related wage earners, salaried staff, and vocational trainees) (employees of the TRATON GROUP).

Annual change in %	2022 compared with 2021 ²	2021 compared with 2020 ²
Executive Board remuneration¹		
Carlbaum, Mathias ³	431.3%	–
Cortes, Antonio Roberto	27.3%	–10.6%
Danielski, Annette ³	597.2%	–
Drees, Joachim	19.5%	3.8%
Gründler, Matthias	68.8%	69.0%
Henriksson, Henrik	176.3%	–85.0%
Intra, Professor Carsten	19.4%	–59.5%
Levin, Christian	96.1%	25.1%
Osterloh, Bernd ³	152.2%	–
Schulz, Christian	16.2%	6.1%
Tostmann, Dr. Andreas	–22.5%	96.9%
Vlaskamp, Alexander ³	1,542.7%	–
Earnings performance		
Earnings after tax of TRATON SE in accordance with German GAAP ⁴	–	–
Operating return on sales of the TRATON GROUP	+2.6 pp	0.9 pp
Development of employee remuneration⁵		
Employees of TRATON SE	–7.0%	7.5%
Employees of the TRATON GROUP	0.5%	1.1%

1 Remuneration granted and owed within the meaning of section 162 (1) sentence 1 of the AktG

2 In accordance with the transitional provision of section 26j (2) sentence 2 of the EGAktG, only the average remuneration for the period from fiscal year 2020 and not the average remuneration for the past five fiscal years must be included in the comparison until the end of fiscal year 2025.

3 Only joined in fiscal year 2021 or 2022

4 Percentage change in earnings after tax of TRATON SE in accordance with German GAAP cannot be presented because there were negative earnings from fiscal year 2020 through fiscal year 2022.

5 Personnel expenses additionally adjusted for exceptional project profit sharing by selected managers in 2021

Peer group

The remuneration amount, the maximum remuneration, and the targets agreed individually are regularly reviewed by the Supervisory Board and adjusted if necessary. As part of this process, the Supervisory Board carries out a vertical comparison with the remuneration and employment conditions of the Company's employees and a horizontal comparison with the remuneration and employment conditions of executive board members of other companies. In order to assess how customary the total remuneration of specific Executive Board members is compared to other companies, the Supervisory Board uses a peer group comparison method. This peer group is reviewed and adjusted on a regular basis, most recently in December 2022. The peer group currently comprises the following companies: Caterpillar Inc., Continental AG, Cummins Inc., Daimler Truck AG, Deere & Company, Henkel AG & Co. KGaA, Komatsu Kabushiki kaisha, Magna International Inc., Mitsubishi Motors Corporation, Paccar Inc., Schaeffler AG, Tata Motors Ltd., Thyssenkrupp AG, Volvo AB.

REMUNERATION OF THE MEMBERS OF THE SUPERVISORY BOARD

Principles of Supervisory Board remuneration

The remuneration of the members of the Supervisory Board is regulated in Article 16 of the Articles of Association of TRATON SE. According to section 113 (3) of the AktG, which has been amended on the basis of the ARUG II, the annual general meeting of a listed company must resolve on the remuneration of its supervisory board members at least every four years. It is permissible to confirm the existing remuneration. Moreover, information must be provided about the remuneration system for supervisory board members. In preparing the resolution for the Annual General Meeting, the Executive Board and Supervisory Board review whether the remuneration, especially its amount and structure, is still in the interest of TRATON SE and whether it is commensurate with the tasks performed by the members of the Supervisory Board and with the position of TRATON SE. In the Annual General Meeting on June 30, 2021, the Supervisory Board and Executive Board presented the existing remuneration

for members of the Supervisory Board for confirmation and the remuneration system for a resolution to be adopted. The remuneration was confirmed and the remuneration system approved by 99.99% of the votes cast in the Annual General Meeting on June 30, 2021.

Overview of the remuneration

Remuneration components

The remuneration of the members of the Supervisory Board consists of annual fixed remuneration and an attendance fee.

The annual fixed remuneration is €225 thousand for the Chairman of the Supervisory Board, €150 thousand for the Deputy Chairman of the Supervisory Board, and €75 thousand for each further member of the Supervisory Board.

For their work on committees, the members of the Supervisory Board receive additional annual fixed remuneration per committee provided the committee has met at least once per year for the performance of its duties. The annual fixed remuneration is €80 thousand for the chair of a committee, €60 thousand for the deputy chair of a committee, and €40 thousand for each further member of a committee. No remuneration will be paid for membership of the Nomination Committee or the Mediation Committee within the meaning of section 27 (3) of the *Mitbestimmungsgesetz* (MitBestG — German Codetermination Act), should such a committee be established in the future. If a member of the Supervisory Board is a member of several committees, remuneration will be paid only for the two committee functions with the highest fixed annual remuneration. The remuneration of the members of the Supervisory Board thus also complies with recommendation G.17 of the German Corporate Governance Code, which specifies that appropriate consideration be given to the greater investment of time required from the Chairman and Deputy Chairman of the Supervisory Board as well as from the chairs and members of the committees.

The Supervisory Board members each receive an attendance fee of €1 thousand for attending a meeting of the Supervisory Board or of a committee. The attendance fee is paid only once, even if several meetings are held in one day.

The fixed annual remuneration becomes due after the end of the Annual General Meeting that accepts or decides to approve the consolidated financial statements for the fiscal year for which the remuneration is paid. The fixed annual remuneration will be reduced pro rata temporis if a member of the Supervisory Board or of a committee is not a member for the full fiscal year or does not hold the office of Chairman or Deputy Chairman of the Supervisory Board or chair or deputy chair of the committee for the full fiscal year. TRATON SE will reimburse any value-added tax that may be payable on the remuneration and expenses of Supervisory Board members.

TRATON SE will also ensure that liability insurance with a deductible is taken out for the members of the Supervisory Board.

Former members of the Supervisory Board of TRATON SE do not receive any further remuneration for the period following the termination of office.

How the remuneration contributes to promoting the long-term development of TRATON SE

The remuneration of the members of the Supervisory Board considers both the nature and extent of what is required of a member of the Supervisory Board of TRATON SE, especially the associated investment of time and the associated responsibility. The remuneration is in line with standard market practice in terms of its structure, and the amount is commensurate with the tasks of the members of the Supervisory Board and with the position of TRATON SE, also in comparison with the remuneration of the members of the supervisory boards of other listed companies of a similar size in Germany.

The remuneration makes it possible to attract suitable and qualified candidates as Supervisory Board members. Therefore, the remuneration of the members of the Supervisory Board contributes to enabling the Supervisory Board as a whole to exercise its governance role and advise the Executive Board appropriately and competently. The restriction to just one fixed remuneration is also in line with these Supervisory Board tasks. It is an incentive to the members of the Supervisory Board to ask appropriate questions when exercising their governance role and advising the Executive Board, without primarily focusing on the development of operational performance indicators. Together with the Executive Board, the Supervisory Board thus promotes the business strategy and long-term development of TRATON SE. Moreover, the restriction to just one fixed remuneration is in line with suggestion G.18 sentence 1 of the German Corporate Governance Code.

REMUNERATION OF SUPERVISORY BOARD MEMBERS IN FISCAL YEAR 2022

Remuneration granted and owed to the Supervisory Board members in office in fiscal year 2022

The following table shows the members of the Supervisory Board of TRATON SE in office in fiscal year 2022 and the remuneration granted and owed to the individual members of the Supervisory Board in fiscal year 2022. Remuneration “granted and owed” has the same meaning as described for members of the Executive Board. The remuneration shown in the table therefore represents the amounts actually received in fiscal year 2022, i.e., the remuneration paid to the members of the Supervisory Board for their roles on the Supervisory Board in fiscal year 2022, even if the remuneration is not owed until the year following the end of the Annual General Meeting.

	Fixed remuneration		Work in the committees		Attendance fees		Total	Remuneration from other Group appointments
	2022		2022		2022		2022	2022
	€ thousand	in %	€ thousand	in %	€ thousand	in %	€ thousand	€ thousand
Pötsch, Hans Dieter	225	72	80	26	7	2	312	-
Lyngsie, Michael ^{2,3}	-	-	-	-	-	-	-	-
Bechstädt, Torsten ¹	75	51	60	41	11	8	146	-
Carlquist, Mari ^{2,3}	-	-	-	-	-	-	-	-
Cavallo, Daniela ¹	75	63	40	33	5	4	120	-
Döss, Dr. Manfred ²	-	-	-	-	-	-	-	-
Kerner, Jürgen ¹	75	61	40	33	7	6	122	21
Kilian, Gunnar ²	-	-	-	-	-	-	-	-
Kirchmann, Dr. Albert X.	75	91	-	-	7	9	82	21
Kuhn-Piëch, Dr. Julia	75	60	40	32	10	8	125	67
Lorentzon, Lisa ^{2,3}	-	-	-	-	-	-	-	-
Luthin, Bo ^{2,3}	-	-	-	-	-	-	-	-
Macpherson, Nina	75	60	40	32	9	7	124	67
Porsche, Dr. Dr. Christian	75	62	40	33	6	5	121	67
Schmid, Dr. Wolf-Michael	75	91	-	-	7	9	82	-
Schnur, Karina ¹	75	60	40	32	10	8	125	20
Sedlmaier, Josef ¹	0	0	-	-	-	-	0	-
Wansch, Markus ¹	75	93	-	-	6	7	81	21
Witter, Frank	75	45	80	48	10	6	165	-
Zieger, Steffen ¹	74	94	-	-	6	8	80	23

1 These employee representatives have stated that they will transfer their Supervisory Board remuneration to the Hans Böckler Foundation in accordance with the guidelines issued by the German Confederation of Trade Unions (DGB).

2 Remuneration for fiscal year 2022 was waived in full.

3 In view of the waivers, the Executive Board of TRATON SE decided that it will make a contribution of €507 thousand to “Scania Personalstiftelse 1996” after the 2023 Annual General Meeting.

Comparative presentation

The following table shows a year-on-year comparison of the percentage change in remuneration for the members of the Supervisory Board with the earnings performance of TRATON SE and with the average remuneration for employees on FTE basis.

Earnings performance is calculated using the following earnings-related indicators of TRATON SE and the TRATON GROUP, which are published in TRATON SE's annual reports: the earnings after tax of TRATON SE in accordance with German GAAP and the TRATON GROUP's operating return on sales.

The development of the average remuneration of employees is shown on the basis of two indicators. First, the average remuneration of employees is calculated by adjusting TRATON SE's personnel expenses as reported in the single-entity financial statements of TRATON SE to exclude the remuneration of the Group's Executive Board members. The adjusted personnel expenses are divided by the number of TRATON SE employees on FTE basis as of December 31, 2022, excluding the members of the Group's Executive Board (employees of TRATON SE). Second, the personnel expenses of the TRATON GROUP, as reported in the notes to the consolidated financial statements, adjusted to exclude the remuneration of the Group's Executive Board members, are divided by the number of employees of the TRATON GROUP (headcount) (employees of the TRATON GROUP).

Annual change in %	2022 compared with 2021 ²	2021 compared with 2020 ²
Supervisory Board remuneration¹		
Pötsch, Hans Dieter	0.0%	0.3%
Lyngsie, Michael	0.0%	0.0%
Bechstädt, Torsten	0.7%	-1.4%
Carlquist, Mari	0.0%	0.0%
Cavallo, Daniela ³	73.9%	-
Döss, Dr. Manfred	0.0%	0.0%
Kerner, Jürgen	-10.6%	-18.8%
Kilian, Gunnar	0.0%	0.0%
Kirchmann, Dr. Albert X.	4.0%	15.1%
Kuhn-Piëch, Dr. Julia	27.2%	-16.6%
Lorentzon, Lisa	0.0%	0.0%
Luthin, Bo	0.0%	0.0%
Macpherson, Nina	0.0%	-1.5%
Porsche, Dr. Dr. Christian	25.3%	17.2%
Schmid, Dr. Wolf-Michael	0.0%	-1.2%
Schnur, Karina	-16.2%	-16.0%
Sedlmaier, Josef ³	-	-
Wansch, Markus ³	43.7%	-
Witter, Frank	103.7%	-
Zieger, Steffen	-1.0%	-16.1%
Earnings performance		
Earnings after tax of TRATON SE in accordance with German GAAP ⁴	-	-
Operating return on sales of the TRATON GROUP	+2.6 pp	0.9 pp
Development of employee remuneration⁵		
Employees of TRATON SE	-7.0%	7.5%
Employees of the TRATON GROUP	0.5%	1.1%

1 Remuneration granted and owed within the meaning of section 162 (1) sentence 1 of the AktG

2 In accordance with the transitional provision of section 26j (2) sentence 2 of the EGAktG, only the average remuneration for the period from fiscal year 2020 and not the average remuneration for the past five fiscal years must be included in the comparison until the end of fiscal year 2025.

3 Only joined in fiscal year 2021 or 2022

4 Percentage change in earnings after tax of TRATON SE in accordance with German GAAP cannot be presented because there were negative earnings from fiscal year 2020 through fiscal year 2022.

5 Personnel expenses additionally adjusted for exceptional project profit sharing by selected managers in 2021

Independent auditor's report

To TRATON SE

We have audited the attached remuneration report of TRATON SE, Munich prepared to comply with Sec. 162 AktG ["Aktiengesetz": German Stock Corporation Act] for the fiscal year from 1st January 2022 to 31st December 2022 and the related disclosures.

Responsibilities of the executive directors and the supervisory board

The executive directors and supervisory board of TRATON SE are responsible for the preparation of the remuneration report and the related disclosures in compliance with the requirements of Sec. 162 AktG. In addition, the executive directors and supervisory board are responsible for such internal control as they determine is necessary to enable the preparation of a remuneration report and the related disclosures that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on this remuneration report and the related disclosures based on our audit. We conducted our audit in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report and the related disclosures are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts in the remuneration report and the related disclosures. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the remuneration report and the related disclosures, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation of the remuneration report and the related disclosures in order to plan and perform audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the accounting policies used and the reasonableness of accounting estimates made by the executive directors and supervisory board, as well as evaluating the overall presentation of the remuneration report and the related disclosures.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, on the basis of the knowledge obtained in the audit, the remuneration report for the fiscal year from 1st January 2022 to 31st December 2022 and the related disclosures comply, in all material respects, with the financial reporting provisions of Sec. 162 AktG.

Other matter – formal audit of the remuneration report

The audit of the content of the remuneration report described in this auditor's report comprises the formal audit of the remuneration report required by Sec. 162 (3) AktG and the issue of a report on this audit. As we are issuing an unqualified opinion on the audit of the content of the remuneration report, this also includes the opinion that the disclosures pursuant to Sec. 162 (1) and (2) AktG are made in the remuneration report in all material respects.

Limitation of liability

The "General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms]" as issued by the IDW on 1st January 2017, which are attached to this report, are applicable to this engagement and also govern our responsibility and liability to third parties in the context of this engagement.

Munich, February 22, 2023

Ernst & Young GmbH

Wirtschaftsprüfungsgesellschaft

Meyer
Wirtschaftsprüfer
[German Public Auditor]

Hummel
Wirtschaftsprüfer
[German Public Auditor]