



Declaration on the German Corporate Governance Code pursuant to Section 161 of the German Stock Corporation Act (AktG)

Non-binding English translation of the German original.

The German Corporate Governance Code contains recommendations and suggestions for the management and supervision of German listed companies with regard to shareholders and the Annual General Meeting, the Executive Board and Supervisory Board, transparency, accounting and auditing. German stock corporation law requires the Executive Board and Supervisory Board of a listed company to declare annually which of these recommendations have not been or will not be applied and to provide reasons for this ("comply or explain").

The Executive Board and Supervisory Board identify with the obligation set out in the Code to act in accordance with the principles of the social market economy for the continued existence of the company. The aim is to ensure that the company and its sustainable value creation (corporate interest) and to promote responsible and transparent corporate governance and control.

The Executive Board and Supervisory Board of Wacker Neuson SE hereby declare in accordance with Section 161 AktG:

1. The recommendations of the "Government Commission on the German Corporate Governance Code" in the version dated February 7, 2017 ("**GCGC 2017**") published by the Federal Ministry of Justice in the official section of the Federal Gazette have been complied with since the last declaration of compliance was issued on December 12, 2019, with the exception of the following deviations:

Section 3.8 para. 3 GCGC 2017: The D&O insurance for the Supervisory Board has been taken out without a deductible. The company is of the opinion that the motivation and responsibility with which the members of the Supervisory Board perform their duties are not improved by a deductible. The D&O insurance serves to cover the company's own significant risks and, at best, secondarily to protect the assets of the members of the executive bodies. It was therefore decided not to include a deductible for the members of the Supervisory Board.

Section 4.2.2 para. 2 GCGC 2017: According to Section 4.2.2 para. 2 sentence 3 GCGC 2017, when determining the total remuneration of the individual members of the Executive Board, the Supervisory Board shall also take into account the ratio of the remuneration of the Executive Board to the remuneration of senior management and the workforce as a whole, including its development over time, whereby the Supervisory Board shall determine how senior management and the relevant workforce are to be defined for the comparison. The Supervisory Board has not yet followed this recommendation.



Section 4.2.3 para. 2 sentence 3 GCGC 2017: In some cases, multi-year remuneration components were and are agreed that are not forward-looking. In the opinion of the Supervisory Board, it was not necessary to make all variable remuneration components forward-looking in order to specify the framework within which the Executive Board remuneration is appropriate.

Section 4.2.3 para. 6 GCGC 2017: The Annual General Meeting was not informed separately about the main features of the remuneration system for members of the Executive Board and any changes to it, as the relevant information is already contained in the Group management report, which is available to all shareholders.

Sections 4.2.4, 4.2.5, 5.4.6 para. 3 and 7.1.3 GCGC 2017: The Annual General Meeting has resolved that the remuneration of each individual member of the Executive Board will not be disclosed in the notes to the individual and consolidated financial statements. As a result, the remuneration report and the declaration on corporate governance do not contain any individualized disclosure of the remuneration of the Executive Board or any specific information on the securities-based incentive systems relating to the Executive Board (which do not exist at the company). For this reason, there is also no presentation using the model tables recommended in Section 4.2.5 (3) GCGC 2017.

There was also no individualized disclosure of the remuneration of the individual Supervisory Board members. Remuneration is clearly regulated in the company's Articles of Association. In the opinion of the Executive Board and Supervisory Board, this, together with other legally required disclosures, ensures that investors and the public are adequately informed.

Section 5.3.3 GCGC 2017: The Supervisory Board has not formed a nomination committee. The size of the Supervisory Board (four shareholder representatives) and the shareholder structure do not justify a special committee to propose shareholder candidates for the Supervisory Board.

Section 5.4.1 para. 1 to para. 4 sentences 1 to 3 GCGC 2017: In its election proposals to the Annual General Meeting for the election of shareholder representatives, the Supervisory Board took into account the legal requirements and the recommendations of the Code with regard to the personal requirements for the election of the Supervisory Board members.

The focus was not on filling out a competence profile or pursuing a diversity concept, but rather – irrespective of nationality and gender – on the professional and personal competence of potential candidates, taking particular account of the company-specific situation. As part of the assessment of competence, the Supervisory Board also took appropriate account of the company's international activities, potential conflicts of interest, the number of independent Supervisory Board members, the fixed age limit for Supervisory Board members and the



principle of diversity and, for the elected employee representatives, the special rules of the co-determination laws. From the determination of a The Supervisory Board has refrained from setting a regular age limit for membership, as the continuity of a family business is paramount in view of the entrepreneurial situation. In addition, a standard age limit is provided for, so that the usual entry age results in a de facto length of membership.

The Supervisory Board does not consider it necessary to specify concrete objectives for its composition or to develop a competence profile or diversity concept for the entire Board, so that the manner or status of implementation of such profiles or concepts – with the exception of the fulfillment of the corresponding legal obligations under the German Act on Equal Participation of Women and Men in Management Positions ("women's quota") – are not explained in the declaration on corporate governance.

Section 5.4.1 para. 5 sentence 2 GCGC 2017: The Supervisory Board considers the information made available for the Annual General Meeting and on the company website in accordance with previous practice to be sufficient – even if it does not comply with the Code recommendation – so that the preparation, publication and updating of more detailed curricula vitae for proposed Supervisory Board members or those already in office, as proposed by the Code, has been dispensed with.

Section 5.4.2, Section 5.4.1 para. 4 sentence 3 and 5.3.2 GCGC 2017: Reference is made to the following facts, which are also described in the Group management report: A consortium agreement exists between some shareholders attributable to the Wacker and Neunteufel families. The parties to this consortium agreement hold a total of around 58 % of Wacker Neuson shares SE and can thus jointly (but not the individual parties to the consortium agreement) control the company. In accordance with the provisions of the consortium agreement, each party to the consortium agreement should exercise its voting rights and rights to apply at the Annual General Meeting in such way that two members of the Wacker family and two members of the Neunteufel family will always be elected as the shareholder representatives of the Supervisory Board members. However, the shareholder representatives elected in this way are in no way bound by the instructions of individual, several or all parties to the consortium agreement and they base all decisions in the Supervisory Board exclusively on the interests of the company.

Even if these shareholder representatives on the Supervisory Board always enjoy the special trust of the parties to the consortium agreement that appoint them, the Supervisory Board is of the opinion that they have no personal or business relationship with a controlling shareholder that could give rise to a material conflict of interest. In the opinion of the Supervisory Board, the shareholder representatives on the Supervisory Board, including the Chairman of the Audit



Committee, are therefore to be regarded as independent. The Supervisory Board therefore has what it considers to be an appropriate number of independent members, particularly in view of the ownership structure. Due to the continuing legal uncertainties regarding the limits of the interpretation of the concept of independence, a deviation is nevertheless declared as a precautionary measure.

In view of the existing independence of all shareholder representatives on the Supervisory Board and the specific facts regarding their election described in detail herein, the Supervisory Board refrains from providing explicit information on what it considers to be the appropriate number of members and their names in the corporate governance declaration.

Section 5.4.3 sentence 3 GCGC 2017: In order for the Supervisory Board to also elect its Chairman impartially, the proposed candidates for the Chair of the Supervisory Board are not disclosed.

Section 5.4.6 para. 2 sentence 2 GCGC 2017: In addition to the fixed remuneration, the members of the Supervisory Board are granted variable remuneration that depends exclusively on the success of the respective financial year. The Executive Board and Supervisory Board are of the opinion that the current remuneration system is appropriate for the tasks and function of the Supervisory Board.

2. On December 16, 2019, the Government Commission on the German Corporate Governance Code published a new version of the German Corporate Governance Code, Code, which came into force through publication in the Federal Gazette on March 20, 2020 ("**GCGC 2020**"). Wacker Neuson SE complies with the recommendations of the GCGC 2020 that apply to it and will continue to do so in the future, with the exception of the following deviations:

Recommendation C.1 GCGC 2020: The Supervisory Board complies with the legal requirements and the recommendations of the Code with regard to the personal requirements for Supervisory Board members when making election proposals to the Annual General Meeting for the election of shareholder representatives.

The focus here is not on filling out a competence profile or the Supervisory Board does not pursue a diversity concept, but rather – irrespective of nationality and gender – the professional and personal competence of potential candidates, paying particular attention to the company-specific situation. As part of the assessment of competence, the Supervisory Board also takes appropriate account of the company's international activities, potential conflicts of interest, the number of independent Supervisory Board members, the fixed age limit for Supervisory



Board members and the principle of diversity, as well as the special rules of the co-determination laws for the elected employee representatives.

The Supervisory Board does not consider it necessary to specify concrete objectives for its composition or to develop a specific competence profile taking diversity into account for the entire Board, so that the manner or status of implementation of such profiles or concepts – with the exception of the fulfillment of the corresponding legal obligations under the Act on Equal Participation of Women and Men in Management Positions ("women's quota") – are not explained in the declaration on corporate governance.

In view of the explanations on the independence of the Supervisory Board members contained in this Declaration of Conformity, the Supervisory Board also refrains from publishing a statement on corporate governance (which in turn contains the text of this Declaration of Conformity). The Supervisory is once again explicitly informed about what it considers to be the appropriate number of members and their names.

Recommendation C.14 GCGC 2020: The Supervisory Board considers the information made available to the Annual General Meeting and permanently on the company website in accordance with previous practice to be sufficient, so that the preparation, publication and updating of more detailed curriculum vitae for proposed Supervisory Board members or those already in office will continue to be refrained from.

Recommendation D.1 GCGC 2020: As not yet recommended by the GCGC 2017, the Supervisory Board has not yet published its rules of procedure on the Internet. These rules of procedure are currently being revised; once adopted, the Supervisory Board intends to publish the updated version of its rules of procedure online. Rules of Procedure on the company's website.

Recommendation D.5 GCGC 2020: The Supervisory Board did not form a Nomination Committee. The size of the Supervisory Board (four shareholder representatives) does not justify a special committee to propose shareholder candidates for the Supervisory Board.

Section G.I. GCGC 2020: Section G.I. of the GCGC 2020 contains new and in some cases amended recommendations on the remuneration of the Executive Board. The company's remuneration system for the members of the Executive Board does not yet comply with the following recommendations, or does not fully comply with them: G.1 (Determination of the Remuneration System), G.2 (Determination of the Specific Total Remuneration), G.3 (Vertical Comparison), G.4 (Horizontal Comparison), G.6 (Predominance of Long-term Remuneration Components), G.7 (Determination of Variable Remuneration Components), G.10 (Share-based Remuneration), G.11 sentence 2 (Possibility of Withholding and



Reclaiming Variable Remuneration Components). At the time this declaration of conformity was issued, the Supervisory Board had not yet adopted a new system for the remuneration of Executive Board members that complies with the requirements of the Act Implementing the Second Shareholders' Rights Directive (ARUG II).

However, the Supervisory Board will present a remuneration system for the Executive Board to the Annual General Meeting in the first half of 2021 after its timely adoption, which will fulfill all recommendations of section G.I. GCGC 2020 in addition to the legal requirements.

All new Executive Board contracts concluded or due for renewal from October 2020 will also already comply with the principles of this new remuneration system and therefore the recommendations of Section G.I. GCGC 2020, unless a deviation is explained below.

Recommendations G.6, G.7 and G.10 GCGC 2020: Mr. Kurt Helletzgruber has been appointed to the Executive Board by the Supervisory Board for a period of seven months since December 1, 2020. In this respect, the Supervisory Board has opted for a different remuneration structure that takes account of the special situation.

Recommendation G.18 GCGC 2020: The current remuneration of the Supervisory Board includes short-term performance-related remuneration. This model should be retained, as it is not to be regarded as a management incentive or bonus for the Supervisory Board for the long-term development of the company, but rather allows the remuneration to breathe in less successful years.

Munich, December 22, 2020

Wacker Neuson SE

Executive Board and Supervisory Board

Martin Lehner
Chief Executive Officer

Hans Neunteufel
Chairman of the Supervisory Board