



# Summary of Proposed Changes to the Executive Board Remuneration System

(effective 1 January 2024)



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# Revision of the Remuneration System for the Executive Board

## Key objectives and their implementation

### Objectives

Strict limitation of the discretionary scope of the Supervisory Board

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Focusing on sustainable and long-term development of KION

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Strengthening of the strategic focus

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### Implementation

Elimination of special bonus

Elimination of individual performance multiplier in LTI

Smaller range of individual performance multiplier in STI

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Extension of LTI term to four years  
(three-year performance and one-year waiting period)

Continuation of ESG-targets both in STI and LTI

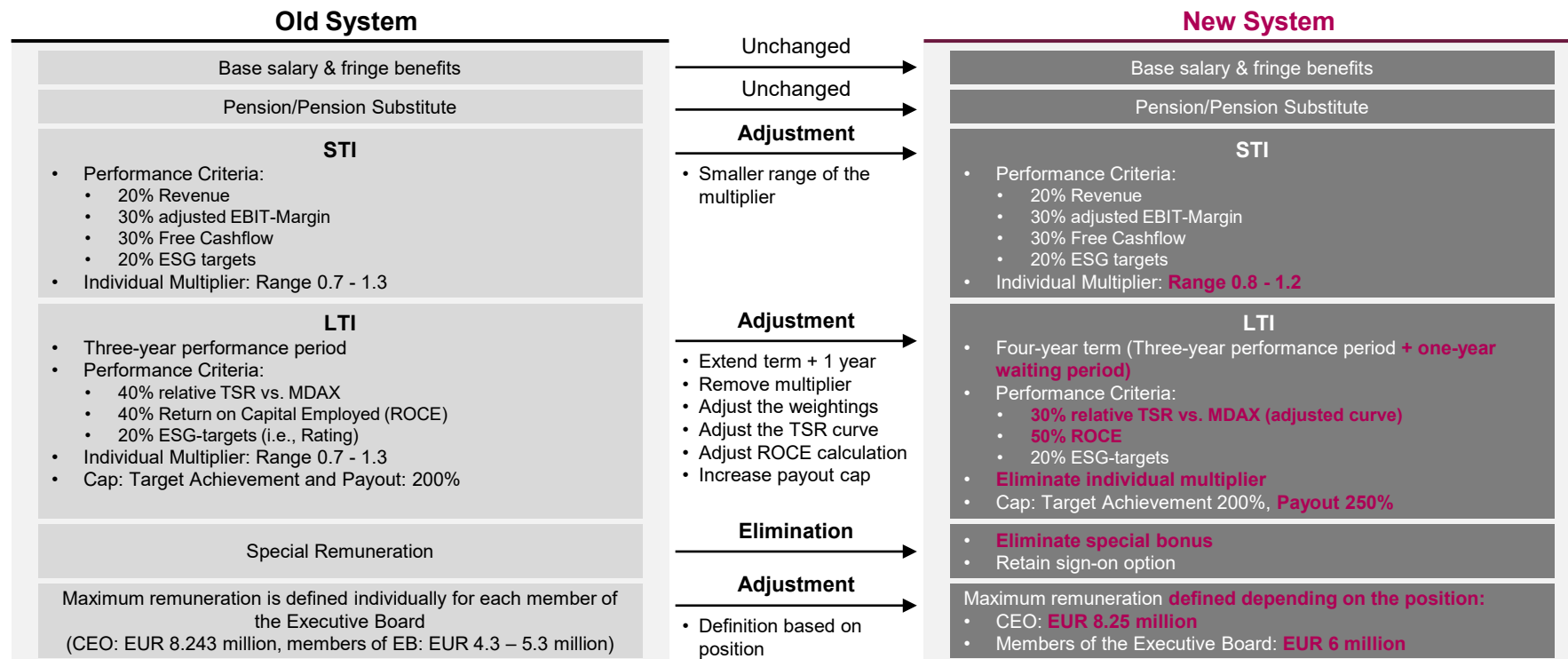
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Efficient use of capital is a key objective of corporate strategy, thus weighting for ROCE in LTI is increased

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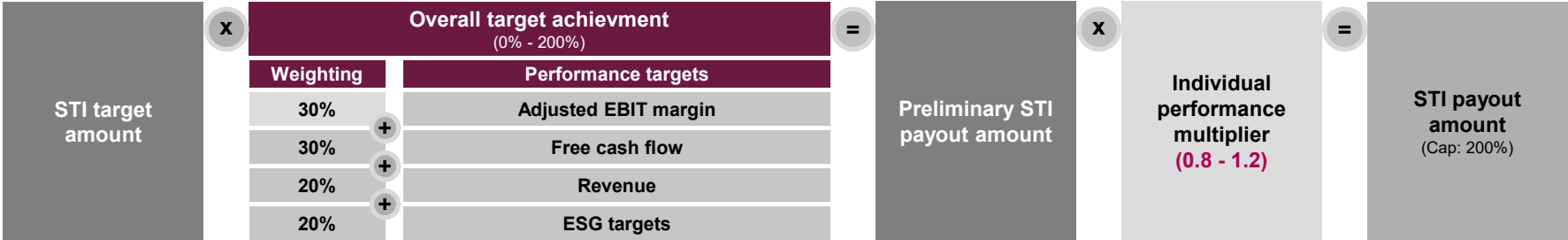
# Adjustments to the Remuneration System for the Executive Board

## Overview of key changes



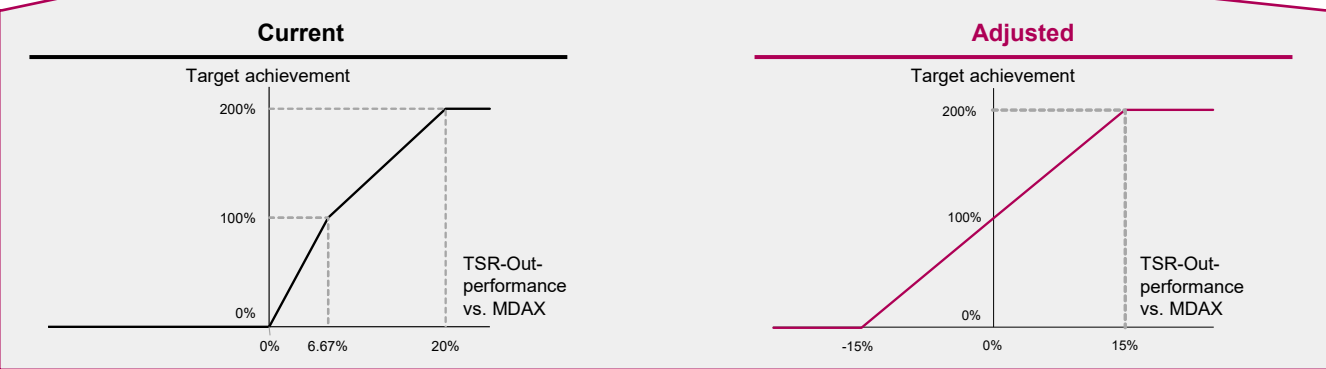
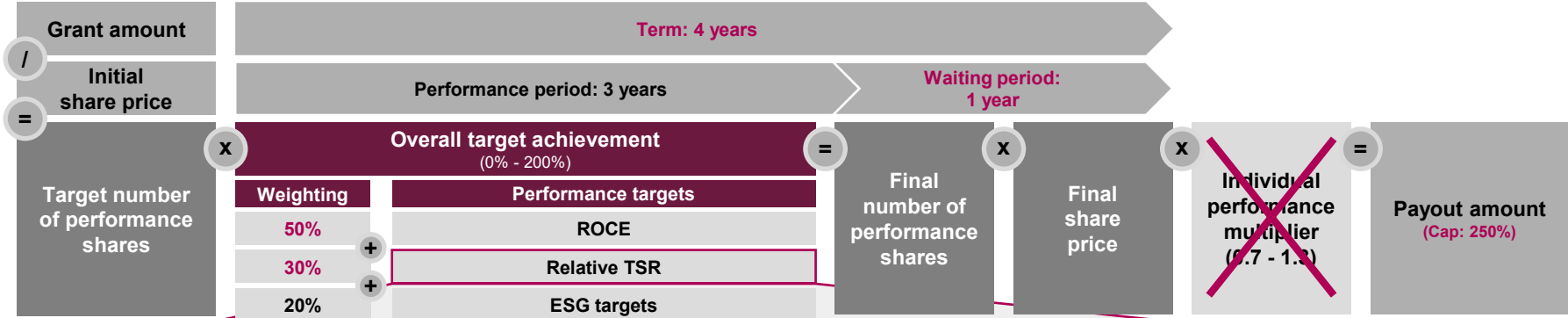
# Adjustments to the Short Term Incentive

The range of the individual performance multiplier is reduced



# Adjustments to the Long Term Incentive

The term is increased to 4 years, the individual multiplier is eliminated, the TSR target achievement calculation is aligned with market practice



The adjusted target achievement curve for relative TSR ensures a balanced risk/reward profile. It provides no incentive for excessive risk-taking and is in line with market practice in Germany, also considering the lower grant amounts compared to the US/UK.

# Revision of the Remuneration System for the Executive Board

## Summary of adjustments and their rationale

Remuneration Component	Adjustment	Rationale
Short Term Incentive (STI)	<ul style="list-style-type: none"> <li>Adjustment of the <b>range</b> of the individual performance multiplier from 0.7 to 1.3 to 0.8 to 1.2.</li> <li>Specification of the categories for selecting individual performance criteria in the remuneration system.</li> </ul>	<ul style="list-style-type: none"> <li>Limitation of the Supervisory Board's discretionary scope and adjustment to market practice.</li> <li>Differentiated promotion of the efficient implementation of strategy-relevant targets at an individual level.</li> </ul>
Long Term Incentive (LTI)	<ul style="list-style-type: none"> <li>Extension of the <b>term</b> from three to four years through the introduction of a one-year waiting period following the three-year performance period.</li> <li>Removal of the <b>individual performance multiplier</b>.</li> <li>Adjustment of the <b>weighting of ROCE</b> from 40% to 50% <b>and of the relative total shareholder return</b> from 40% to 30%.</li> <li>Adjustment of the <b>target achievement curve of the relative total shareholder return</b>.</li> <li>Increase in the <b>payout cap</b> from 200% to 250% of the allocation amount.</li> </ul>	<ul style="list-style-type: none"> <li>Increased focus on the sustainable and long-term development of the company. Consideration of the recommendations of the German Corporate Governance Code.</li> <li>Reduction of the Supervisory Board's discretionary scope. In line with market practice, individual targets are only taken into account in the STI.</li> <li>Focus on long-term efficient use of capital, a key objective of the adjusted corporate strategy.</li> <li>The new target achievement curve for relative total shareholder return ensures a balanced risk/reward profile and is in line with market practice in Germany.</li> <li>The increase in the payout cap also incentivizes a significant increase in the share price in cases of high target achievement. Target achievement is still capped at 200%.</li> </ul>
Special remuneration	<ul style="list-style-type: none"> <li><b>Removing</b> the possibility of <b>special remuneration</b>.</li> </ul>	<ul style="list-style-type: none"> <li>Reduction of discretionary scope to strengthen the pay-for-performance approach.</li> </ul>



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