



# KION GROUP AG Corporate Governance Roadshow

Hans Peter Ring  
Chairman of the Supervisory Board

Frankfurt, 18 January 2024



# Agenda

1. **Management changes**
2. Shareholder Structure / Weichai
3. Supervisory Board
4. Executive Board Compensation

## Executive Board of KION Group

More than 60 years of experience in Supply Chain Solutions und Material Handling



**Rob Smith**  
CEO

Since 01/2022

With KION since 2022  
Appointed until 12/2024

Nationality: American/  
German  
Born in 1965



**Christian Harm**  
CFO

Since 07/2023

With KION since 2003  
Appointed until 07/2026

Nationality: Austrian  
Born in 1968



**Valeria Gargiulo**  
CPSO<sup>1</sup>

Since 05/2023

With KION since  
05/2023  
Appointed until 04/2026

Nationality: Argentinian/  
Italian  
Born in 1972



**Andreas Krinninger**  
President  
KION ITS EMEA  
Since 01/2021

With KION since 2011  
Appointed until 12/2028

Nationality: Austrian  
Born in 1967



**Mike Larsson**  
President KION SCS &  
KION ITS Americas  
Since 01/2024

With KION since 2020  
Appointed until 12/2026

Nationality: Swedish/  
American  
Born in 1965



**Ching Pong Quek**  
CTO & President  
KION ITS Asia Pacific  
Since 01/2013

With KION since 2006  
Appointed until 06/2025

Nationality: Malaysian  
Born in 1967

→ Further details can be found on the [KION Group website](https://www.kion.com)

1. Chief People and Sustainability Officer

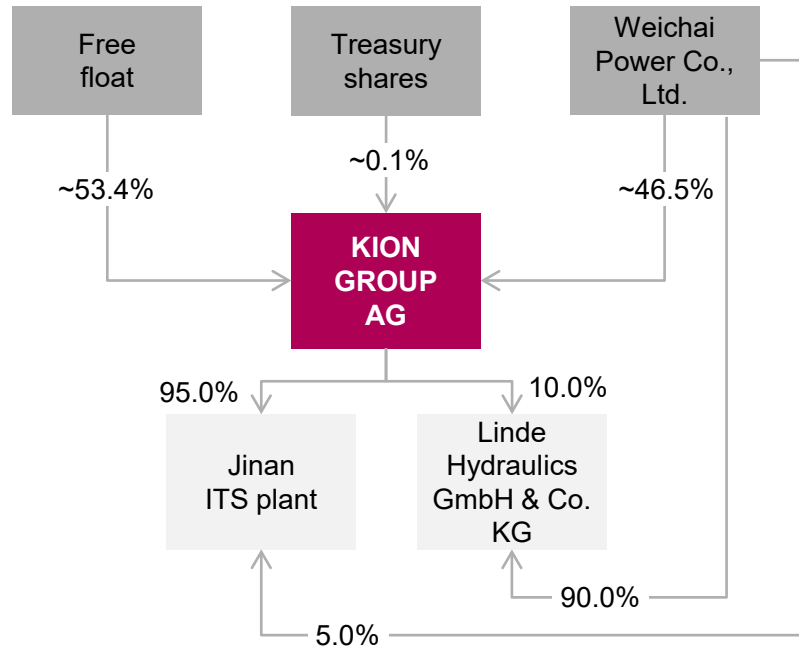
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# Ownership Structure and Weichai Power Partnership

## Weichai Power is KION's strategic anchor shareholder

### Current ownership structure



### Weichai Power partnership

- KION investment**
  - Strategic anchor shareholder
  - held 30% pre-IPO
  - Stepped up from 45.2% to 46.5% in Q4 22
- Linde Hydraulics**
  - Partner and strategic supplier for hydraulic components
  - Captive demand
- Co-operation**
  - Taking advantage of Weichai's customer base
  - Utilization of established relationships and dealership network of Weichai Power in China
  - Supply of components (e.g., Li-Ion batteries)
  - Weichai with 5% stake in JV for Jinan ITS plant

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# Diverse and experienced Supervisory Board

## Meeting all competency requirements

### 16 Non-executive Board Members

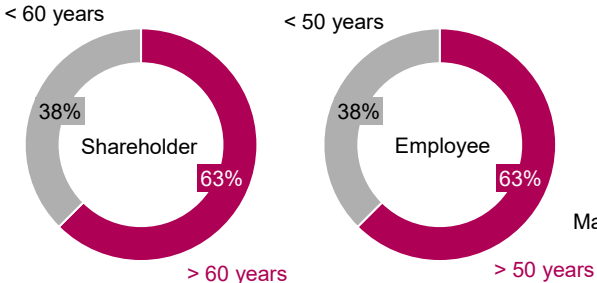
**8 shareholder representatives** (average age 59 years ) elected by the AGM (including 3 Weichai representatives), five-year terms (Staggered Board since 2020), average term 8.0 years

**8 employee representatives** (average age 51 years) elected by the employees of KION Group, average term 5.6 years

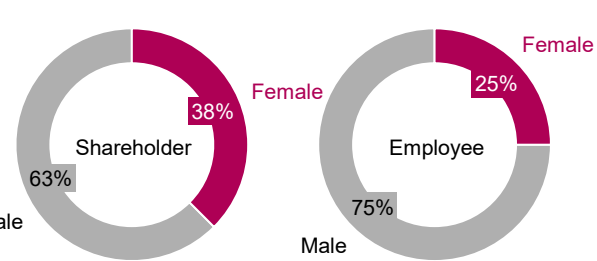
### 5 Committees

- Executive
- Audit (incl. Sustainability)
- Compensation
- Mediation
- Nomination

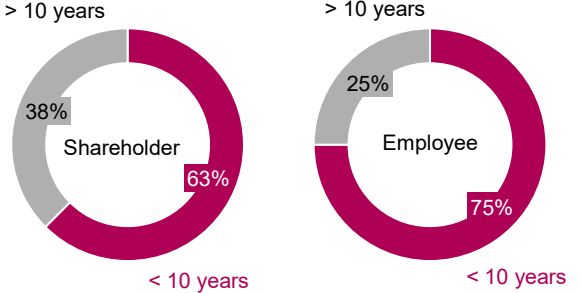
### Age



### Gender



### Board tenure in years



# Supervisory Board Composition

## 63% of shareholder representatives independent

### Shareholder Representatives

**Hans Peter Ring (Chairman) // independent**

Senior Advisor, former CFO of EADS NV (now Airbus SE)

**Birgit A. Behrendt // independent**

Management Consultant, Former Member of the extended Board of Directors of Ford Motor Company

**Dr. Alexander Dibelius // independent**

Managing Partner of CVC Capital Partners (Deutschland) GmbH

**Jiang, Kui // non-independent (Weichai representative)**

Former President of Shandong Heavy Industry Group Co. Ltd.

**Dr. Nicolas Peter // independent**

Chairman of the Board of Trustees of the BMW Foundation Hebert Quandt, former CFO of BMW AG

**Xu, Ping // non-independent (Weichai representative)**

Partner and member of the Management Committee of King & Wood Mallesons

**Dr. Christina Reuter // independent**

Head of Central Manufacturing Engineering & Operational Excellence at Space Equipment Operations at Airbus Defence and Space GmbH

**Tan, Xuguang // non-independent (Weichai representative)**

Chairman of the Board of Directors of Shandong Heavy Industry Group Co. Ltd.

### Employee Representatives

**Özcan Pancarci (Deputy Chairman)**

Chairman of the works council of plants I & II of LMH GmbH, Chairman of the group works council of KION Group

**Jan Bergemann**

Senior Director Order Processing at STILL GmbH

**Martin Fahrendorf**

Chairman of the works council of Dematic GmbH and Dematic Services GmbH

**Dominique Lembke**

Head of the Collective Bargaining Department of IG Metall Bezirksleitung Küste

**Thomas Mainka**

Chairman of the Group Works Council for main branch Hamburg/Bremen at STILL GmbH, member of the Group Works Council of the German KION Group

**Jörg Milla**

Chairman of the works council of STILL GmbH

**Alexandra Schädler**

Trade union secretary of the Managing Board of IG Metall

**Claudia Wenzel**

Full-time works council member, HQ and plant II at LMH GmbH

→ Further details can be found on the [KION Group website](#)



## Diversity Profile of Supervisory Board Members Shareholder Representatives (1/2)

	Ring	Behrendt	Dr. Dibelius	Jiang
<b>Length of service</b>				
– Appointed to SB	06/2013	01/2015	03/2007	12/2012
– Appointed until	AGM 2025	AGM 2027	AGM 2027	AGM 2025
<b>Diversity</b>				
– Year of birth	1951	1959	1959	1964
– Gender	male	female	male	male
– Nationality	German	German	German	Chinese
<b>Independence</b>	✓	✓	✓	
<b>Current (executive) Profession</b>	Senior Advisor	Management Consultant	Managing Partner of CVC Capital Partners (Deutschland) GmbH (including additional non-executive mandates within CVC Group)	-
<b>Other non-executive Mandates</b>				
– at listed companies	-	3	-	-
– at non-listed companies	1	2	4	-

→ Further details can be found on the [KION Group website](#)

## Diversity Profile of Supervisory Board Members Shareholder Representatives (2/2)

	Dr. Peter	Dr. Reuter	Tan	Xu
<b>Length of service</b>				
– Appointed to SB	05/2023	05/2016	05/2019	01/2015
– Appointed until	AGM 2027	AGM 2025	AGM 2027	AGM 2025
<b>Diversity</b>				
– Year of birth	1962	1985	1961	1972
– Gender	male	female	male	female
– Nationality	German/French	German	Chinese	Chinese
<b>Independence</b>	✓	✓		
<b>Current (executive) Profession</b>	Chairman of the Board of Trustees of the BMW Foundation Herbert Quandt	Head of Central Manufacturing Engineering & Operational Excellence at Space Equipment Operations at Airbus Defence and Space GmbH	Chairman of Board of Directors of Shandong Heavy Industry Group Co. Ltd. (incl. additional executive and non-executive mandates within SHIG Group, thereof two mandates at listed companies)*	Partner and member of the Management Committee of King & Wood Mallesons
			* currently in the process of being updated	
<b>Other non-executive Mandates</b>				
– at listed companies	1	-	1	-
– at non-listed companies	-	1	6 (at Chinese federations and state organizations)	1

➔ Further details can be found on the [KION Group website](#)

# Diversity Profile of Supervisory Board Members

## Employee Representatives

	Pancarci	Bergemann	Fahrendorf	Lembke	Mainka	Milla	Schädler	Wenzel
<b>Length of service</b>								
– Appointed to SB	06/2013	05/2022	05/2018	05/2022	05/2022	11/2015	10/2013	11/2016
– Appointed until	AGM 2027	AGM 2027	AGM 2027	AGM 2027	AGM 2027	AGM 2027	AGM 2027	AGM 2027
<b>Diversity</b>								
– Year of birth	1969	1966	1965	1987	1982	1967	1971	1966
– Gender	male	male	male	male	male	male	female	female
– Nationality	German	German	German	German	German	German	German	German
<b>Independence</b>	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>Current (executive) Profession</b>	Chairman of the works council of plants I & II of LMH GmbH, Chairman of the group works council of KION Group	Senior Director Order Processing at STILL GmbH	Chairman of the works council of Dematic GmbH and Dematic Services GmbH	Head of the Collective Bargaining Department of IG Metall Bezirksleitung Küste	Chairman of the Group Works Council for main branch Hamburg/Bremen at STILL GmbH, member of the Group Works Council of the German KION Group	Chairman of the works council of STILL GmbH	Trade union secretary of the Managing Board of IG Metall	Full-time works council member, HQ and plant II at LMH GmbH
<b>Other non-executive Mandates</b>								
– at listed companies	-	-	-	-	-	-	-	-
– at non-listed companies	1	-	1	1	1	1	2	-

➔ Further details can be found on the [KION Group website](#)

# Skills and Expertise Profile of Supervisory Board Members

## Self Evaluation (Status March 2023)

### Self-evaluation – Profile of skills and expertise for the Supervisory Board

#	Competency profile / experience and/ or expertise in the areas	Dr. Macht	Pancarci	Behrendt	Bergemann	Dr. Dibellus	Fahrendorf	Jiang	Lembke	Mainka	Milla	Dr. Reuter	Ring	Schädler	Tan	Wenzel	Xu	Number achieved/ minimum number
1	Material handling and intralogistics as well as related industries, including components and drive technology	✓	✓	✓	✓		✓			✓	✓	✓	✓	✓	✓	✓	✓	13/4
2	Technological development and assessment including in particular environmentally friendly technologies, products and solutions, such as alternative energy sources	✓	✓	✓			✓	✓		✓		✓					✓	9/4
3	Service/after-sales business, and technological developments in these areas	✓	✓	✓			✓			✓	✓	✓					✓	9/4
4	Digitalization and automation	✓	✓	✓		✓	✓	✓		✓	✓	✓				✓	✓	12/4
5	Development of international marketing and product range strategies	✓	✓	✓		✓		✓					✓			✓	✓	8/2
6	Business acquisitions and cooperations	✓	✓	✓		✓		✓					✓	✓		✓	✓	9/2
7	Environment, Social & Governance (ESG), in particular																	
	– Environmental protection	✓		✓						✓	✓	✓	✓	✓	✓	✓	✓	9/2
	– Social & labour conditions, including equal opportunities, social partnership, co-determination and transformation skills	✓	✓	✓			✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	13/2
	– Corporate governance	✓	✓	✓						✓		✓	✓	✓	✓	✓	✓	9/2
8	Accounting								✓	✓	✓		✓	✓	✓	✓	✓	8/1
	– Auditing	✓	✓	✓					✓	✓	✓	✓	✓	✓	✓	✓	✓	11/1
9	Capital markets and international financing	✓	✓	✓		✓							✓	✓	✓	✓	✓	8/2
10	Supervisory Board and/or Executive Management process and organization in companies with an international presence, including corporate culture	✓	✓	✓		✓		✓	✓		✓	✓	✓	✓	✓	✓	✓	13/6
11	Economic areas of particular importance for the company																	
	– EMEA	✓	✓	✓		✓	✓		✓	✓	✓		✓	✓	✓	✓	✓	12/2
	– North and South America	✓	✓	✓		✓							✓		✓	✓	✓	7/2
	– China	✓	✓	✓		✓		✓					✓	✓	✓	✓	✓	9/2
	– rest of Asia	✓		✓		✓		✓							✓	✓	✓	6/2

➔ **Note:** Skills and Expertise Profile is currently in the process of being updated in the course of the preparation of the Annual Report 2023

# Supervisory Board Committees Overview

## High degree of independence across shareholder representatives in all Committees

<b>Executive Committee</b> (75% independent shareholder representatives)	<b>Audit Committee</b> (100% independent shareholder representatives)	<b>Compensation Committee</b> (67% independent shareholder representatives)	<b>Mediation Committee</b> (100% independent shareholder representatives)	<b>Nomination Committee</b> (67% independent shareholder representatives)
<ul style="list-style-type: none"> <li>Preparation of Supervisory Board meetings and resolutions</li> <li>Approval of side activities of Executive Board members</li> <li>Personnel and organizational matters relating to the Executive Board, including succession planning (excluding remuneration)</li> </ul>	<ul style="list-style-type: none"> <li>Review of financial and non-financial reporting, internal control, risk and compliance management system and internal audit</li> <li>Matters related to the audit, its quality control, independence of the auditors, audit of separate and consolidated financial statements (FY and quarterly)</li> <li>Sustainability and ESG related topics</li> </ul>	<ul style="list-style-type: none"> <li>Executive Board compensation system</li> <li>Target setting and target achievement with regard to the variable compensation components of the Executive Board members</li> <li>Regular benchmark analysis of Executive Board compensation</li> </ul>	<ul style="list-style-type: none"> <li>Mediation in case of disagreement between shareholder and employee representatives on the appointment of Executive Board members</li> </ul>	<ul style="list-style-type: none"> <li>Preparation of election proposals to the shareholder meeting for new/replacement shareholder representatives in the Supervisory Board</li> </ul>
<p><b>Hans Peter Ring, Chairman*</b>                      Özcan Pancarci, Deputy Chairman  <b>Dr. Alexander Dibelius*</b>  <b>Jiang, Kui**</b>                      Jörg Milla  <b>Dr. Nicolas Peter*</b>                      Alexandra Schädler                      Claudia Wenzel</p>	<p><b>Dr. Nicolas Peter, Chairman*</b>                      Alexandra Schädler, Deputy Chairman  <b>Hans Peter Ring*</b>                      Jörg Milla</p>	<p><b>Hans Peter Ring, Chairman*</b>                      Özcan Pancarci, Deputy Chairman  <b>Jiang, Kui</b>  <b>Dr. Nicolas Peter*</b>                      Alexandra Schädler</p>	<p><b>Hans Peter Ring, Chairman*</b>                      Özcan Pancarci, Deputy Chairman                      Jörg Milla  <b>Dr. Nicolas Peter*</b></p>	<p><b>Hans Peter Ring, Chairman*</b>  <b>Dr. Alexander Dibelius, Deputy Chairman*</b>                      Birgit A. Behrendt  <b>Jiang, Kui**</b></p>

\* Independent shareholder representative; \*\*Non-independent shareholder representative; Employee representative

# Supervisory Board Compensation System

## In line with G.17 of the German Corporate Governance Code

### Fixed remuneration

- 1 Supervisory Board**  
Chairman: €165,000 p.a.  
Deputy Chairman: €110,000 p.a.  
Other Members: €55,000 p.a.
- 2 Audit Committee**  
Chairman: €55,000 p.a.  
Deputy Chairman: €30,000 p.a.  
Other Members: €15,000 p.a.
- 3 Executive Committee**  
Chairman / Deputy Chairman: €16,000 p.a.  
Other Members: €8,000 p.a.

### Attendance fees and others

- 1** €1,500 per meeting day for each participation in a meeting of the Supervisory Board and its committees
- 2** Attendance fee paid only once if several meetings on a single day
- 3** Supervisory Board Members included in D&O insurance taken by KION GROUP AG
- 4** Supervisory Board Members also receive the value-added tax payable on their earnings as well as reimbursement of their expenses (in particular travelling expenses)

→ The AGM resolves on the Supervisory Board remuneration at least every four years (last resolution at AGM 2021)

→ Further details can be found on the [KION Group website](#)

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4. **Executive Board Compensation**

# Executive Board Compensation System

## ESG-linked compensation system, introduced in 2021

### Components

- 1 **Fixed:** (CEO: 40-50%, others 35-45%)
  - Monthly salaries, fringe benefits, pension
- 2 **Variable:** (CEO: 45-65%, others 50-75%)
  - Short-Term Incentive (one-year performance) (CEO: 15-25%, others 15-25%), multiplier 0.7 to 1.3x\*
  - Performance Share Plan (three-year performance\*) (CEO: 30-40%, others 35-50%), multiplier 0.7 to 1.3x\*
- 3 **Other benefits:**
  - Special remuneration\*
  - Temporary benefits for new Executive Board Members
- 4 **Miscellaneous**
  - Obligation to acquire and hold shares representing one fixed annual salary over four years<sup>1</sup>
  - Malus and Clawback

### ESG linked targets

- 1 Occupational Health & Safety: (STI) **Lost Time Injury Frequency Rate<sup>2</sup>**
- 2 Environmental Management System: (STI) **ISO 14001 and ISO 45001 certification**
- 3 ESG performance: (LTI) **S&P Global Corporate Sustainability Assessment**
- 4 Employer attractiveness: (LTI) **Employee Survey Score**

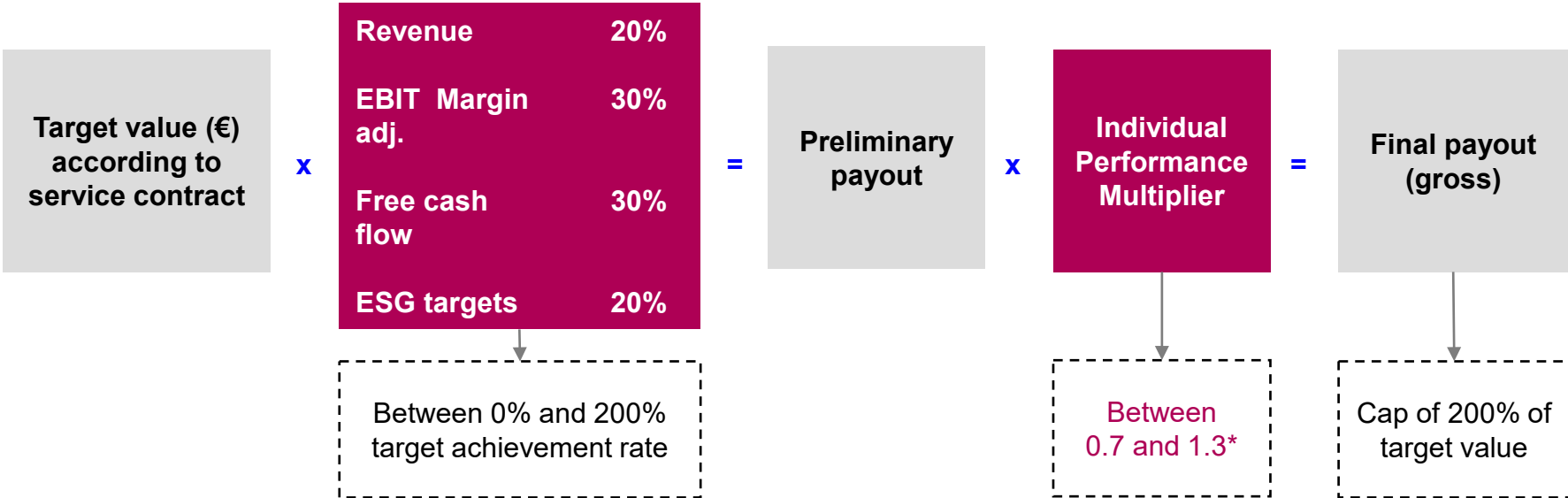
1. All Executive Board Members by the end of 2023 have fulfilled their obligation hours worked \* Criticized by investor community 2. Lost time injury frequency rate: Occupational accidents of active employees with one or more working days lost per million



# Executive Board Compensation System

## Short Term Incentive (STI) – 1-year performance period

*Average target achievement of:*



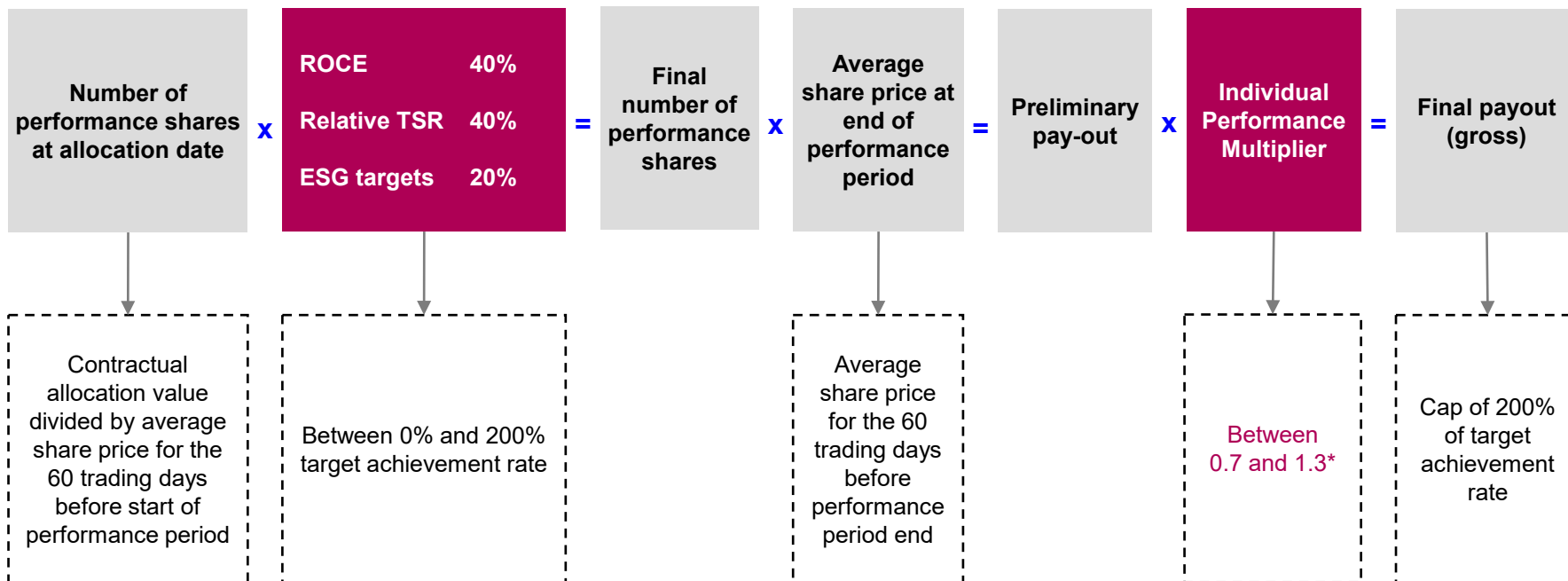
\* Criticized by investor community

# Executive Board Compensation System

## Performance Share Plan (LTI) – 3-year performance period

\* Criticized by investor community

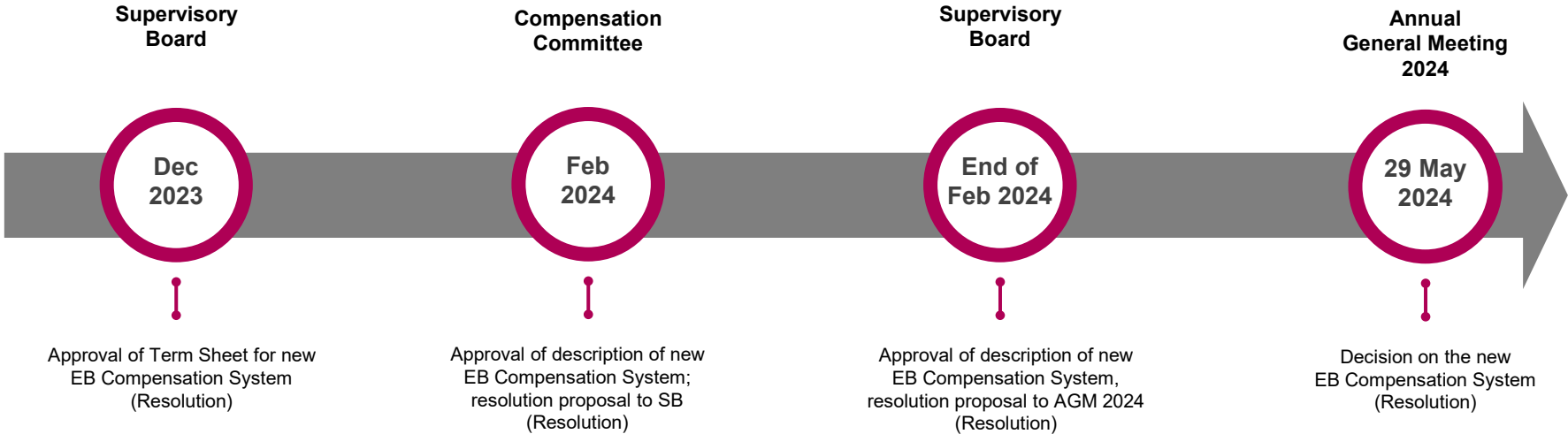
Average target achievement of:

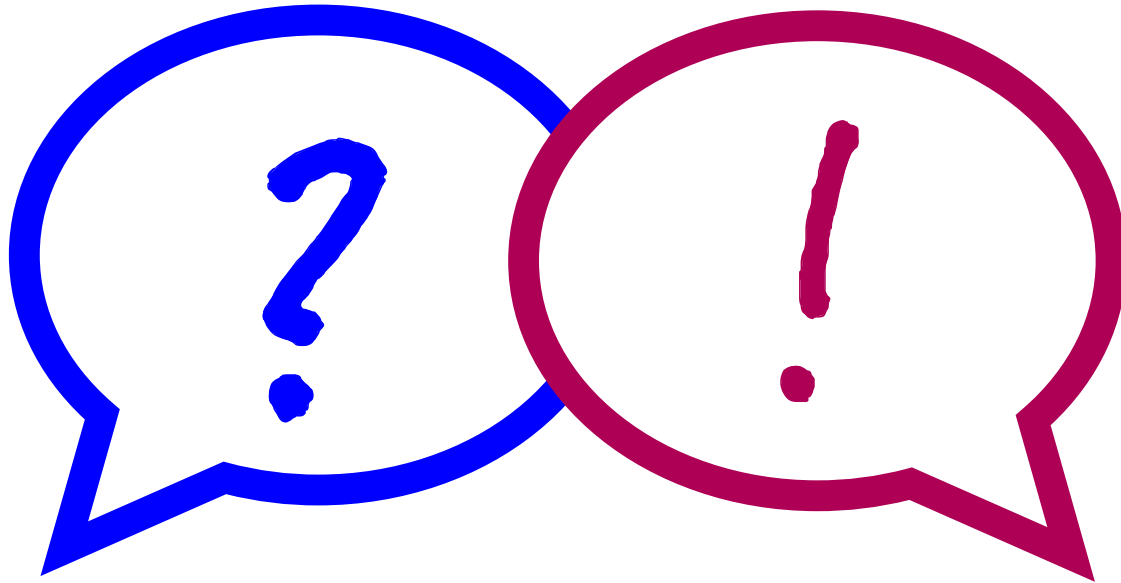


\* Criticized by investor community

# Executive Board Compensation System Review and Adjustment in 2024 - Outlook

Supervisory Board considered the feedback and criticism of investor community relating to the Executive Board Compensation System and decided in December 2023 to amend the Executive Board Compensation System subject to approval by the Annual General Meeting (29 May 2024). Detailed documentation of the new Compensation System is currently developed and will be published together with the invitation to the Annual General Meeting 2024.





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