

Joint Report
of the Executive Board of KION GROUP AG
and
the Management Board of proplan Transport- und Lagersysteme GmbH
pursuant to section 293a of the German Stock Corporation Act

on the conclusion and content of the
Domination Agreement of 17 February 2015
between KION GROUP AG and
proplan Transport- und Lagersysteme GmbH

I. Introduction

In order to notify their shareholders and to prepare for the adoption of resolution during the general meeting of KION GROUP AG (hereinafter also “**KION**”) on 12 May 2015, the Executive Board of KION and the Management Board of proplan Transport- und Lagersysteme GmbH (hereinafter also “**proplan**”) are preparing the following joint report pursuant to section 293a German Stock Corporation Act on the Domination Agreement of 17 February 2015 between KION and proplan. This Domination Agreement shall be presented to the general meeting of KION on 12 May 2015 for approval.

II. Conclusion and Effectiveness of the Domination Agreement

On 17 February 2015 KION, as the controlling enterprise, concluded a Domination Agreement with proplan, as the dependent company, in accordance with section 291(1), sentence 1, alternative 1 German Stock Corporation Act. In accordance with section 293(1) and (2) German Stock Corporation Act, this Domination Agreement will not become effective unless both the shareholder’s meeting of proplan and the general meeting of KION give their approval. The shareholder’s meeting of proplan has already approved the Domination Agreement by means of a notarised shareholder’s resolution of 19 February 2015. The Executive Board and Supervisory Board of KION propose that the annual general meeting of KION convened for 12 May 2015 also approve the conclusion of the Domination Agreement. Following its approval by the general meeting of KION, according to section 294(2) German Stock Corporation Act the Domination Agreement will become effective until its existence has been entered into the commercial register at the registered office of proplan.

III. Parties to the Agreement

1. KION GROUP AG

KION, the controlling enterprise, is a listed stock corporation under German law. KION has its registered office in Wiesbaden and is registered in the commercial register at the Local Court of Wiesbaden under HRB 27060. KION’s share capital amounts to EUR 98,900,000.00 and is divided into 98,900,000 no-par value bearer shares. KION is the ultimate parent company of the KION Group and, in this capacity, holds indirect and direct interests in proplan, KION Material Handling GmbH, Linde Material Handling GmbH, STILL GmbH as well as in numerous other companies in Germany and abroad.

KION’s financial year shall be the calendar year.

According to the articles of association, KION’s corporate purpose is the holding, acquiring, managing and selling of interests in enterprises of any legal form, in particular enterprises being active in the development, production and sale of industrial trucks, warehouse equipment (mate-

rial handling) and mobile hydraulics including related services and consulting services and similar activities, as well as assuming management holding functions against consideration, other services against payment, and lease financing vis-à-vis affiliated companies.

The current members of KION's Executive Board are Messrs. Gordon Riske (chairman of the Executive Board), Ching Pong Quek and Dr. Thomas Toepfer.

Pursuant to section 7(1) of the articles of association, KION is legally represented by a member of the Executive Board if the Supervisory Board has granted such member the authority to represent the company alone; otherwise KION is legally represented by two Executive Board members or by one Executive Board member acting jointly with a procurator officer (*Prokurist*). With regard to the authority to represent the company, the position of deputy members of the Executive Board shall be equivalent to that of regular members. At present none of the Executive Board members has been granted the power to represent the company alone.

2. proplan Transport- und Lagersysteme GmbH

proplan, the dependent company, is a limited liability company under German law. proplan has its registered office in Aschaffenburg and is registered in the commercial register at the Local Court of Aschaffenburg under HRB 4966. proplan has a share capital of EUR 512,000. The contributions to the share capital have been fully paid.

proplan's financial year shall be the calendar year.

According to the articles of association, proplan's corporate purpose is the development, planning, manufacture and sale of transport and storage systems of all types, as well as parts thereof and all related activities.

The sole shareholder of proplan is KION, which directly holds 100% of the shares in proplan.

The managing directors of proplan are Messrs. Herbert Kunkel and Karl-Heinz Birkner. Each managing director is authorised to represent the company alone and has the power to represent the company when entering into transactions with himself in his own name or as the representative of a third party.

3. Existing profit and loss transfer agreement

There is a profit and loss transfer agreement between proplan and KION. The profit and loss transfer agreement was concluded between proplan, as the controlled company and KION Holding 1 GmbH (at that time operating under the name Neggio Holding 1 GmbH), as the controlling company, on 20 April 2007. KION Holding 1 GmbH changed its legal form and name to KION GROUP AG. The change of legal form was entered in the commercial register on 4 June 2013.

According to the profit and loss transfer agreement, proplan is obliged - for the duration of the agreement - to transfer its entire profit to KION. According to the profit and loss transfer agreement, KION is obliged vis-à-vis proplan - for the duration of the agreement - to assume losses in accordance with the provision of section 302 German Stock Corporation Act.

IV. Legal and economic reasons for the conclusion of the Domination Agreement

The Domination Agreement was concluded, in particular, to ensure a uniform corporate management of proplan. In addition, the Domination Agreement will allow for even closer cooperation between KION and proplan.

Even without the conclusion of a Domination Agreement, the shareholder's meeting of proplan has a right to give instructions to the managing directors. Whereas the scope of the right of the shareholder's meeting to give instructions is not clearly defined by law, such right can be established in a clear and legally certain manner by means of a Domination Agreement. Since, after the conclusion of the Domination Agreement, a shareholder's resolution for carrying out management measures will not always have to be adopted in order to exercise the right to give instructions, the management of the subsidiary will become more practical and efficient. Moreover, conclusion of the Domination Agreement will allow for a uniform management of group subsidiaries to be achieved. KION can make use of its management mechanisms in a way that is more focused and more economically advantageous for the group than it can without the Domination Agreement.

In addition, the conclusion of the Domination Agreement strengthens the organisational integration of proplan into KION, which is necessary for the companies to be regarded as a fiscal unity for VAT purposes. The existing fiscal unity for VAT purposes is economically advantageous for the KION Group.

V. Explanation of the Domination Agreement

The main content of the Domination Agreement can be summarised and explained as follows:

1. Domination

In accordance with section 1 of the Domination Agreement, proplan submits its management to the control of KION, as the controlling enterprise. KION is thus entitled to give instructions to the Management Board of proplan with respect to the conduct of proplan. proplan is obliged to follow the instructions given by KION. Notwithstanding this right to give instructions, the management and representation of proplan remains incumbent on proplan's Management Board.

2. Assumption of loss

In order to ensure a uniform arrangement, the already existing profit and loss transfer agreement between proplan and KION is taken as a basis in section 2 of the Domination Agreement with regard to the assumption of loss. For so long as this profit and loss transfer agreement remains valid, KION shall be obliged vis-à-vis proplan to assume losses pursuant to section 2 of the profit and loss transfer agreement. If the profit and loss transfer agreement is terminated, rescinded or otherwise terminated, KION is obliged, based on the Domination Agreement, to compensate any annual net loss otherwise incurred by proplan during the term of the Agreement unless this is compensated by having amounts drawn from the revenue reserves that were transferred there during the term of the Agreement. Section 302 German Stock Corporation Act, as amended from time to time, then applies to the Domination Agreement *mutatis mutandis*. A modified legal situation is taken into account by means of the dynamic reference to section 302 German Stock Corporation Act. The Domination Agreement is thus formulated in a future-proof manner.

3. Effectiveness, application

Section 3 of the Domination Agreement stipulates that, in order to become effective, the Domination Agreement requires approval by the shareholder's meeting of proplan as well as the general meeting of KION. Moreover, the Agreement will not take effect until its existence has been registered in the commercial register of proplan. The shareholder's meeting of proplan already approved the Agreement on 19 February 2015.

4. Term, termination

Section 4 of the Domination Agreement contains provisions on the term of the Agreement and termination possibilities. The Domination Agreement, which has been concluded for an indefinite term, may be terminated by one of the parties, subject to a termination period of three months, with effect as of the end of any business year of the dependent company. The termination notice must be given in writing. Moreover, the Domination Agreement may also be terminated, in writing, for good cause without adhering to a notice period – also during the course of a year. Some examples of good cause are referred to in the Agreement and are present, for instance,

- if KION ceases to hold the majority of voting rights arising from its participation in proplan within the meaning of section 14(1), sentence 1, no. 1 German Corporation Tax Act;
- in case of a merger or split of either KION or proplan;
- in case of the liquidation of either KION or proplan.

5. Final provisions

Section 5.1 of the Domination Agreement specifies that any amendments or supplements thereto must be made in writing unless a notarial deed is required by law. Section 5.2 of the Domination Agreement states that the German version of the Agreement is binding. The “severability clause” in section 5.3 of the Domination Agreement safeguards the effectiveness and operability of the Agreement in the event that individual clauses are or become invalid or inoperable or in the event that there is an omission in the Agreement. In the cases specified, the validity of the remaining provisions shall remain unaffected. In place of the invalid or inoperable provision or in order to fill the gap, the parties in this case undertake to agree on an appropriate provision that, within the framework of what is legally permissible, comes closest to what the parties intended or would have intended in accordance with the purpose of the Agreement, had they considered the matter at the outset.

VI. No compensation or consideration pursuant to sections 304, 305 German Stock Corporation Act, no review of Agreement

KION holds 100% of the shares in proplan. Since proplan does not have any external shareholders, appropriate compensation within the meaning of section 304 German Stock Corporation Act does not have to be specified in the Domination Agreement. Nor does, for this reason, consideration have to be specified or a valuation of the companies involved carried out to determine an appropriate compensation and appropriate consideration. Since KION directly holds all of the shares in proplan, it is also not necessary to have the Domination Agreement reviewed by an expert auditor pursuant to section 293b(1) German Stock Corporation Act.

Wiesbaden, 5 March 2015

KION GROUP AG



Gordon Riske



Dr. Thomas Toepfer



Ching Pong Quek

Aschaffenburg, den 26. Februar 2015

proplan Transport- und Lagersysteme GmbH



Herbert Kunkel



Karl-Heinz Birkner