

Brief overview of the remuneration system for the members of the Executive Board from the financial year 2021

The Supervisory Board of KION GROUP AG revised the remuneration system of the Executive Board members in the financial year 2020.

The current remuneration system for the members of the Executive Board of KION GROUP AG is applicable since 1 January 2021 for all Executive Board members whose service contracts have come into force since that date or have been extended or newly concluded.

The Executive Board remuneration system will be submitted to the Annual General Meeting of KION GROUP AG on 11 May 2021 for approval.

The remuneration of the members of the Executive Board is made up of fixed and variable components: Fixed components of the remuneration of the Executive Board members are generally the monthly salary payments, fringe benefits and the company pension.

Variable components are the Short-Term Incentive with a one-year performance period and the Performance Share Plan with a three-year performance period. Furthermore, the remuneration system provides for an obligation to acquire and hold shares for the Executive Board members.

The main aspects on which the Supervisory Board based the adjustment of the Executive Board remuneration system were as follows:

<p>Strategic aspects and sustainability:</p>	<p>Short-term variable remuneration (Short Term Incentive) and long-term variable remuneration (Performance Share Plan) of the members of the Executive Board are each aligned to selected economic performance targets with ambitious objectives, which are set annually in advance:</p> <ul style="list-style-type: none"> • The performance targets are derived from the Company's strategy, with special consideration given to the sustainability strategy. • The financial targets (sales, adjusted EBIT margin and free cash flow for the Short-Term Incentive, and relative TSR MDAX and ROCE for the Performance Share Plan) are geared to profitable growth and to share-price-oriented parameters. • The non-financial targets from the area of environmental, social and governance (ESG) include various targets from the areas of "compliance," "sustainability & environment," "customer orientation," "employer attractiveness" and "occupational health & safety" for both the Short Term Incentive and the Performance Share Plan. These are derived from the sustainability strategy.
<p>Share acquisition and - holding obligation:</p>	<p>The share acquisition and holding obligation aims to promote the long-term and sustainable development of the Company:</p> <ul style="list-style-type: none"> • Each Executive Board member is obliged to invest a fixed annual salary in shares of KION GROUP AG. • The share portfolio is to be built up over a period of no more than four years since the onset of this obligation.

<p>Penalty and Clawback:</p>	<p>In line with the recommendations of the German Corporate Governance Code, penalty and clawback rules have been introduced for variable remuneration components:</p> <ul style="list-style-type: none"> • Penalty and clawback rules apply to both breaches of duty and corrections to annual financial statements.
<p>Appropriateness of remuneration</p>	<p>The appropriateness of the Executive Board's remuneration is ensured by applying various benchmarks:</p> <ul style="list-style-type: none"> • Vertical and horizontal comparisons were made. • Fixed and variable remuneration components are in appropriate proportion to each other; • An appropriate maximum remuneration for the individual members of the Executive Board was determined on a market customary basis. • In the event of exceptional developments, the Supervisory Board is entitled to adjust the individual performance multiplier of each Executive Board member for both the Short-Term Incentive and the Performance Share Plan appropriately at its discretion. • A contribution-based pension commitment or a fixed annual pension payment is granted.
<p>Pay for Performance:</p>	<p>The Executive Board remuneration system is designed in such a way that remuneration components are linked in principle to services rendered:</p> <ul style="list-style-type: none"> • Short Term Incentive and Performance Share Plan have measurable performance criteria, which are defined before the start of the respective performance period. • The determination of personal performance multipliers of between 0.7 and 1.3 for the Short Term Incentive and the Performance Share Plan is based on the extent to which the individual Executive Board members have achieved their individual targets (up to five in each case) using measurable criteria; in particular, this allows the performance of the individual Executive Board member to be taken into account when determining the variable remuneration. • An appropriate special remuneration for outstanding performance can only be granted on a case-by-case basis if this is in the interests of the Company. For this purpose, a separate agreement must be concluded in advance in which the performance criteria are defined. • Penalty and clawback rules take effect in the event of misconduct or corrections to annual financial statements.
<p>Governance / Transparency:</p>	<p>A robust governance has been implemented for issues relating to the remuneration of Executive Board members, and a high level of transparency is practiced with regard to the decisions to be made and the information provided to stakeholders:</p> <ul style="list-style-type: none"> • All major issues relating to Executive Board remuneration are prepared by a specially established Remuneration Committee of the Supervisory Board; the resolutions are the responsibility of the full Supervisory Board. These include, for example, the determination of remuneration and the preparation of recurring decisions on variable remuneration, in particular the setting of targets as well as the determination of target achievement. • The remuneration system is regularly submitted to the Annual General Meeting for approval. • The Company's annual remuneration report contains an overview of the remuneration system and a transparent presentation of the remuneration of the Executive Board members, the financial, non-financial and individual

	target values, target achievement curves and the respective target achievement of each Executive Board member.
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For a full description of the remuneration system for Executive Board members and further details, please refer to the convocation to the Annual General Meeting 2021 ("[Convocation with agenda](#)") under agenda item 6 "Resolution on the approval of the remuneration system for members of the Executive Board".

The new remuneration system at a glance:

Remuneration component	Assessment basis / parameters	
Fixed remuneration components		
Fixed Salary	In principle at the end of each month	
Fringe benefits	In particular: company car also for private use, driver pool accident insurance one annual medical check-up	
Company pension	Generally:	
	old-age, disability and surviving dependants' pension generally upon reaching the standard retirement age under the statutory pension insurance contribution-based pension scheme, bearing interest according to the applicable statutory guaranteed interest rate for the life insurance industry annual pension contribution as agreed	
	Alternatively:	
	annual pension payment	
Variable remuneration components		
One-year variable remuneration (Short Term Incentive/STI)	Type of plan: Limitation: Performance criteria: Performance period: Payment:	STI Plan 200% of the target amount Revenue (20%), Adjusted EBIT margin (30%) Free cash flow (30%) ESG Targets (20%) Individual performance (multiplier 0.7-1.3 based on the achievement of individually agreed targets) Financial year In cash with the next possible salary statement following approval of the annual financial statements
Multi-year variable remuneration (Performance Share Plan/LTI)	Type of plan: Limitation:	Performance Share Plan 200% of the grant value

Remuneration component	Assessment basis / parameters	
	Performance criterion: Performance period: Payment:	Relative TSR as compared to MDAX (40%) ROCE (40%) ESG Targets (20%) Individual performance (multiplier 0.7-1.3 based on the achievement of individually agreed collective targets) Three financial years, future-oriented In cash with the next possible salary statement which, following approval of the annual financial statements, follows the end of the performance period
Other benefits		
Special remuneration		If applicable, based on a separate agreement with the Executive Board member
Benefits that are temporary for new Executive Board members		If applicable, payments to compensate for demonstrably forfeited variable remuneration or other disadvantages If applicable, benefits in connection with a relocation If applicable, guarantee of a 100 % target achievement for the Short Term Incentive in the first financial year in the case of a mid-year entry
Miscellaneous		
Obligation to acquire and hold shares (Share Ownership Guideline)		100% of the Fixed Salary Four-year development phase
Penalty and Clawback		For variable remuneration components In cases of breach of duty/subsequent amendment of the corporate result At most three years after payment

Disclaimer: The content of this document reflects the key points of the remuneration system for the members of the Executive Board of KION GROUP AG. For a detailed and decisive description of the remuneration system, please refer to the convocation to the Annual General Meeting under item 6 "Resolution on the approval of the remuneration system for the members of the Executive Board".