

# Convocation of the Annual General Meeting

of KION GROUP AG on 11 May 2022  
as a virtual general meeting without  
attendance in person of the shareholders



## Convenience Translation

# KION GROUP AG

Frankfurt am Main

Dear Shareholders,

You are invited to the

Annual General Meeting of KION GROUP AG

to be held at

**10:00 on Wednesday, 11 May 2022** (CEST, corresponds to 8:00 UTC)

as a virtual general meeting

streamed from the Company's premises at

Thea-Rasche-Straße 8, 60549 Frankfurt am Main.

**Please note that it will not be possible for shareholders and their proxies to come to the Company's premises to attend the virtual Annual General Meeting.**

The Annual General Meeting will be held as a virtual general meeting without attendance in person of the shareholders or their proxies, in accordance with section 1(2) of the Act on Measures in Corporate, Cooperative, Association, Foundation and Home Ownership Law to Combat the Effects of the COVID-19 Pandemic of 27 March 2020 (Federal Law Gazette I 2020, p. 570), amended by the Amendment Acts of 22 December 2020 (Federal Law Gazette I 2020, p. 3332), of 7 July 2021 (Federal Law Gazette I 2021, p. 2437) and of 10 September 2021 (Federal Law Gazette I 2021, p. 4153) ("**COVID-19 Measures Act**"). For details of the rights and options of the shareholders and their proxies, please refer to the "Further information and notes" section which is attached to the agenda following the further information about the candidates nominated for election as members of the Supervisory Board in agenda item 7.

## Information on the shares

ISIN: DE 000KGX8881

German securities identification code: KGX888

## Agenda

### 1. **Presentation of the adopted annual financial statements, the approved consolidated financial statements, the summarized management report for KION GROUP AG and the Group, including the explanatory report on the information required pursuant to sections 289a, 315a German Commercial Code as well as the report of the Supervisory Board for the 2021 financial year**

The said documents have been published on the internet at [www.kiongroup.com/agm](http://www.kiongroup.com/agm). They will also be available there during the Annual General Meeting and will be explained in greater detail at the Annual General Meeting by the Executive Board and – as regards the report by the Supervisory Board – by the chairman of the Supervisory Board.

The Supervisory Board has approved the annual financial statements and the consolidated annual financial statements prepared by the Executive Board. This means that the annual financial statements have been adopted pursuant to section 172, sentence 1, phrase 1 German Stock Corporation Act. In accordance with the statutory provisions, no resolution is therefore necessary on this agenda item.

### 2. **Resolution on the appropriation of the balance sheet profit for the 2021 financial year**

The Executive Board and the Supervisory Board propose that the balance sheet profit for the 2021 financial year in the amount of EUR 197,060,632.84 be appropriated as follows:

Payment of a dividend of EUR 1.50 per no-par value share carrying dividend rights	EUR 196,653,634.50
Appropriation to revenue reserves	EUR 0.00
Profit carried forward	EUR 406,998.34
Balance sheet profit	EUR 197,060,632.84

The proposal regarding the appropriation of the balance sheet profit is based on the no-par value shares carrying dividend rights in existence on the date on which the annual financial statements for the completed 2021 financial year were prepared by the Executive Board. This takes into account the fact that the own shares the Company holds carry no entitlement to dividends pursuant to section 71b German Stock Corporation Act. Should the number of no-par value shares carrying dividend rights change before the Annual General Meeting, a suitably amended resolution proposal which contains an unchanged dividend of EUR 1.50 per no-par value share carrying dividend rights for the completed 2021 financial year will be put to the vote at the Annual General Meeting. In such a case, the profit carried forward will be amended accordingly.

According to section 58(4), sentence 2 German Stock Corporation Act, the claim to the dividend is due on the third business day following the resolution by the Annual General Meeting.

### **3. Resolution on the ratification of the actions of the Executive Board of KION GROUP AG for the 2021 financial year**

The Executive Board and the Supervisory Board propose that the actions of the members of the Executive Board of KION GROUP AG in office in the 2021 financial year be ratified for this period.

### **4. Resolution on the ratification of the actions of the Supervisory Board of KION GROUP AG for the 2021 financial year**

The Executive Board and the Supervisory Board propose that the actions of the members of the Supervisory Board of KION GROUP AG in office in the 2021 financial year be ratified for this period.

### **5. Resolution on the appointment of the auditor of the annual financial statements and the auditor of the consolidated financial statements for the 2022 financial year as well as the auditor for the review of the half-yearly financial statements**

The Supervisory Board proposes, based on a corresponding recommendation of its Audit Committee, that Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Munich, be appointed as auditor of the annual financial statements and as auditor of the consolidated financial statements for the 2022 financial year as well as auditor for the review of the abridged financial statements for the Group and the interim management report for the Group for the first six months of the 2022 financial year.

The Audit Committee has declared that its recommendation is free from improper influence by third parties and no clause restricting choice within the meaning of article 16(6) of the EU Audit Regulation was imposed on it (Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC).

### **6. Resolution on the approval of the remuneration report for the 2021 financial year**

According to the German Act Implementing the Second Shareholder Rights Directive (ARUG II) that came into force on 1 January 2020, the Executive Board and the Supervisory Board shall, pursuant to section 162 German Stock Corporation Act, new version, prepare a remuneration report each year that must comply with specific requirements. This remuneration report, which is required by law, has replaced the remuneration report that was so far based on a recommendation of the German Corporate Governance Code in the version of 7 February 2017. The auditor must verify that the remuneration report within the meaning of section 162 German Stock Corporation Act includes all the information required by law and must issue an audit certificate on this. The remuneration report verified in this manner by the auditor must be submitted to the general meeting for approval. The decision of the general meeting on the approval of the remuneration report shall be understood as a recommendation. In the remuneration report for the current financial year, the Executive Board and the Supervisory Board shall explain how they have taken into account the resolution of the general meeting on the approval of the remuneration report for the previous financial year.

According to the applicable transitional legislation, the new provisions of the German Stock Corporation Act on the remuneration report are not to be applied until the financial year beginning after 31 December 2020. This legislation provided that for the preceding financial year a remuneration report pursuant to section 162 German Stock Corporation Act was to be prepared that has been submitted to this Annual General Meeting for approval.

Against this background, the Executive Board and the Supervisory Board propose to the Annual General Meeting to approve the remuneration report attached to the agenda together with the audit certificate as an annex to this agenda item 6.

## **7. Election of Supervisory Board members**

The term of office of Supervisory Board members Birgit A. Behrendt, Dr. Alexander Dibelius, Dr. Michael Macht and Tan Xuguang will expire upon the end of the Annual General Meeting on 11 May 2022. For this reason, a new election of four shareholder representatives on the Supervisory Board is required.

In accordance with section 96(1), section 101(1) German Stock Corporation Act, section 7(1), sentence 1, no. 2, sentence 2 German Act on Employee Co-Determination and article 9(1) of the Articles of Association of KION GROUP AG, the Supervisory Board is made up of eight shareholder representatives and eight employee representatives. According to section 96(2), sentence 1 German Stock Corporation Act, the Supervisory Board is also made up of at least 30% women and at least 30% men. The minimum proportion of 30% women and 30% men is to be fulfilled by the Supervisory Board overall pursuant to section 96(2), sentence 2 German Stock Corporation Act (so-called overall fulfilment) unless the shareholder or employee representatives object to the overall fulfilment pursuant to section 96(2), sentence 3 German Stock Corporation Act on the basis of a resolution adopted by a majority. The Supervisory Board of KION GROUP AG must, due to neither side of the Supervisory Board objecting to the overall fulfilment provided for by law, currently be filled with a total of at least five women and at least five men in order to fulfil the required minimum proportion pursuant to section 96(2), sentence 1 German Stock Corporation Act.

The Supervisory Board – based on a corresponding proposal by the Nomination Committee of the Supervisory Board – proposes resolving that the persons specified below be elected to the Supervisory Board for the period until the end of the general meeting that resolves on the ratification of the actions of the Supervisory Board for the 2026 financial year:

- Ms. Birgit A. Behrendt, resident in Cologne, Germany, independent management consultant in Cologne, Germany;
- Dr. Alexander Dibelius, resident in Berlin, Germany, Managing Partner of CVC Capital Partners (Deutschland) GmbH in Frankfurt am Main, Germany;
- Dr. Michael Macht, resident in Hopfen am See, Germany, independent management consultant in Hopfen am See, Germany;
- Mr. Tan Xuguang, resident in Weifang, People’s Republic of China, Chairman of the Board of Directors and President of Shandong Heavy Industry Group Co. Ltd. in Jinan, People’s Republic of China.

The Supervisory Board's proposals for election take account of the targets determined by the Supervisory Board regarding its composition, and aim at fulfilling the overall profile of required skills and expertise for the entire body as worked out by the Supervisory Board. The intention is to carry out the elections to the Supervisory Board on an individual basis. The Supervisory Board intends to propose again that Dr. Michael Macht be elected as chairman of the Supervisory Board, should he be re-elected to the Supervisory Board of the Company.

### **Information pursuant to section 125(1), sentence 5 German Stock Corporation Act and recommendations C.13 and C.14 of the German Corporate Governance Code**

Memberships in supervisory boards required by law and comparable supervisory bodies:

- All the persons nominated for election are already members of the Supervisory Board of the Company.
- Birgit A. Behrendt is a member of the Board of Directors of the non-listed Infinium Holdings, Inc. in Sacramento (California), USA (non-executive director), a member of the Supervisory Board of (in each case, listed) Umicore S.A. in Brussels, Belgium, of thyssenkrupp AG in Essen, Germany, and of the non-listed Ford-Werke GmbH in Cologne, Germany, a member of the Administrative Board of the non-listed Stulz Verwaltungsgesellschaft mbH & Co. KG in Hamburg, Germany, and a member of the Advisory Board of the non-listed Hydrogenious LOHC Technologies GmbH in Erlangen, Germany.
- Dr. Alexander Dibelius is a member of the Board of Directors of the non-listed CVC Capital Partners (Luxembourg) Sàrl in Luxembourg, Luxembourg, and of the listed Diebold Nixdorf Inc. in North Canton (Ohio), USA (in each case, non-executive director), a member of the Supervisory Board of (in each case, non-listed) Douglas GmbH in Düsseldorf, Germany, of Kirk Beauty Investments S.A. in Luxembourg, Luxembourg, of Syntegon Technology GmbH in Waiblingen, Germany, and of DKV MOBILITY SERVICES HOLDING GmbH & Co. KG in Ratingen, Germany, a member and Chairman of the Administrative Board of the non-listed Breitling S.A. in Grenchen, Switzerland, a member of the Advisory Board of (in each case, non-listed) Messer Industries GmbH in Bad Soden, Germany, and of Messer Industries USA Inc. in Bridgewater (New Jersey), USA, as well as a member of the Shareholders' Committee of the non-listed Tipico Group Ltd. in St. Julian's, Malta.
- Dr. Michael Macht is a member of the Board of Directors of the listed Weichai Power Co., Ltd. in Weifang, People's Republic of China (non-executive director), and of the non-listed McLaren Group Limited in Woking, United Kingdom (non-executive director), a member and Chairman of the Administrative Board of the non-listed Rosenberger Hochfrequenztechnik GmbH & Co. KG in Tittmoning, Germany, and a member of the Supervisory Board of (in each case, non-listed) Mahle Behr GmbH & Co. KG in Stuttgart, Germany, and of Mahle GmbH in Stuttgart, Germany.

Apart from that, the persons nominated for election as members of the Supervisory Board are not members of supervisory boards required by law or of comparable supervisory bodies.

According to the Supervisory Board's assessment, there are no personal or business relationships between the persons nominated for election as members of the Supervisory Board and the Company, the bodies of KION GROUP AG or the shareholders with

a significant stake in KION GROUP AG that go beyond their membership in the Supervisory Board of the Company and the relationships specified below, the disclosure of which relationships is recommended by recommendation C.13 of the German Corporate Governance Code:

- Dr. Michael Macht is a member of the Board of Directors of the listed Weichai Power Co., Ltd. in Weifang, People's Republic of China (non-executive director). Weichai Power Co., Ltd. holds a significant stake in KION GROUP AG.
- Tan Xuguang is Chairman of the Board of Directors and President of the non-listed Shandong Heavy Industry Group Co. Ltd. in Jinan, People's Republic of China, Chairman of the Board of Directors of the non-listed Weichai Holding Group Co., Ltd. in Weifang, People's Republic of China, as well as Chairman of the Board of Directors and Chief Executive Officer of the listed Weichai Power Co., Ltd. in Weifang, People's Republic of China. Shandong Heavy Industry Group Co., Ltd. indirectly holds a significant stake in Weichai Power Co., Ltd., Weichai Holding Group Co., Ltd. directly holds a significant stake in Weichai Power Co., Ltd. Weichai Power Co., Ltd. holds a significant stake in KION GROUP AG. Before being elected as a member of the Supervisory Board of the Company by the Annual General Meeting on 9 May 2019, Tan Xuguang had already been a member of the Supervisory Board of KION GROUP AG for several years up until 30 September 2018.

The candidates' CVs are printed following the agenda and published on the internet at [www.kiongroup.com/agm](http://www.kiongroup.com/agm).

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## Annex to agenda item 6 – remuneration report

### Remuneration report for 2021

In line with section 162 of the German Stock Corporation Act (AktG), this remuneration report explains – in accordance with the statutory requirements – the remuneration granted and owed to the current and former members of the Executive Board and Supervisory Board of KION GROUP AG for the work that they carried out on behalf of the Company and its subsidiaries in 2021.

The basic principles of the Executive Board and Supervisory Board remuneration systems that applied in 2021 are presented here in order to provide greater transparency. A complete description of the Executive Board and Supervisory Board remuneration systems can be found at [www.kiongroup.com/remuneration](http://www.kiongroup.com/remuneration).

In accordance with section 162 (3) AktG, this report has undergone a formal audit by the Company's auditor; the related report is included with this report.

#### Executive Board remuneration

##### Strategic relevance and review

The remuneration of the Executive Board of KION GROUP AG is determined in accordance with the requirements of the AktG and taking account of the recommendations of the German Corporate Governance Code as amended on December 16, 2019 (GCGC). It is focused on the sustainable and long-term growth of the Company.

The total remuneration of the Executive Board comprises a non-performance-related salary, non-performance-related non-cash benefits, pension entitlements, and performance-related (variable) remuneration. The system has specifically been designed so that both positive and negative business as well as the achievement of individual targets developments have a noticeable impact (Pay for Performance).

The remuneration of the Executive Board has been determined so as to reflect the size and complexity of KION GROUP AG and its consolidated subsidiaries (together referred to as the 'KION Group'), its business and financial situation, its performance and future prospects, the normal amount and structure of executive board remuneration in comparable MDAX companies, and the internal salary structure in the KION Group. The Supervisory Board also takes into account the relationship between the Executive Board remuneration and the remuneration paid to senior managers and the workforce as a whole, including changes over time, and has specified how the relevant peer groups are to be defined. The Supervisory Board last carried out such a horizontal and vertical comparison of Executive Board remuneration in 2020 as part of the revision of the Executive Board remuneration system.

When determining the Executive Board remuneration, the Supervisory Board places particular emphasis on sustainability by taking social and ecological aspects into account as well as on the Company's long-term growth and has accordingly highly weighted the variable remuneration components. Social and ecological aspects have been incorporated into the remuneration of the Executive Board in particular through the introduction of ESG targets for both the one-year and the multiple-year variable remuneration. The granting of a long-term incentive in the form of performance shares with a three-year term means that this remuneration component additionally is linked to the share price's long-term performance and thus incentivizes Executive Board members to ensure that the Company performs well over the

long term. In doing so, the remuneration system therefore also takes account of the interests of the shareholders of KION GROUP AG in a positive development of the share price.

Other major criteria used to determine remuneration are the individual responsibilities and personal performance of each member of the Executive Board and their personal contribution to the Company's success. The financial, non-financial and individual targets used in the Executive Board remuneration system are in line with the business strategy. The Supervisory Board regularly reviews the structure and appropriateness of Executive Board remuneration.

The remuneration system is thus closely tied to the success of the Company and, with a high proportion of multiple-year variable remuneration, has a long-term focus aimed at promoting the KION Group's sustainable growth.

## Responsibilities

In accordance with section 87a AktG, the Supervisory Board of KION GROUP AG is responsible for setting and regularly reviewing the Executive Board remuneration system and the total pay of the individual members of the Executive Board. Up to and including February 28, 2021, the Executive Committee was responsible for preparing all Supervisory Board resolutions pertaining to the Executive Board's remuneration. Since March 1, 2021, this task has been assigned to the Remuneration Committee, which the Supervisory Board established by way of adoption of a resolution on March 1, 2021.

## Revision of the Executive Board remuneration system

Because the German Act Implementing the Second Shareholder Rights' Directive dated December 12, 2019 (ARUG II, Federal Law Gazette, part I 2019, no. 50 dated December 19, 2019) came into force on January 1, 2020, and considering the recommendations of the GCGC, the Supervisory Board decided on a new remuneration system for the members of the Executive Board of KION GROUP AG on December 17, 2020 based on the Executive Committee's recommendation.

Transparency and clarity surrounding the remuneration system itself and, in particular, the remuneration of the individual members of the Executive Board were crucial in this process and KION GROUP AG considers these to be fundamental to good corporate governance. The Supervisory Board applied the following principles when it revised and updated the Executive Board remuneration system:

**Strategic aspects and sustainability:** The short-term variable remuneration (bonus plan/short-term incentive (STI)) and long-term variable remuneration (performance share plan/long-term incentive (LTI)) of the Executive Board members are both focused on selected performance targets. These challenging targets are derived from the corporate strategy and sustainability strategy and are set at the start of each year.

**Pay for performance:** The Executive Board remuneration system is designed so that remuneration is predominantly based on past performance. This principle is particularly enshrined in the system of individual targets for the individual Executive Board members that determine the individual performance multiples used to calculate the variable remuneration components. In addition, malus and clawback rules have been introduced for the variable remuneration components in accordance with statutory requirements and the recommendations of the GCGC.

**Appropriateness and competitiveness:** The appropriateness and competitiveness of Executive Board remuneration is ensured by comparing it with remuneration of Executive Boards in similar companies (horizontal comparison) and with remuneration structure within the KION Group (vertical comparison).

**Share ownership guidelines:** In the interests of the Company's long-term and sustainable growth, the Executive Board members are obliged to acquire and hold KION shares. This links shareholders' interest in increasing the value of the Company and distributing profits with performance incentives for the Executive Board.

**Transparency:** A robust governance model has been put in place for matters relating to the remuneration of the Executive Board members. A high degree of transparency is ensured with regard to decisions to be made and the information to be provided to stakeholders.

The new remuneration system has applied since January 1, 2021 to all Executive Board members whose service contracts have come into force, been entered into, or been extended since the adoption of the resolution of the Supervisory Board dated December 17, 2020. In 2021, all aspects of the remuneration system – without any exceptions – applied to Executive Board members Andreas Krinninger, Hasan Dandashly, and Dr. Henry Puhl. The remuneration system also applies – without any exceptions – to the new Chief Executive Officer Dr. Richard Robinson ('Rob') Smith, who was appointed in 2021 with effect from January 1, 2022 and whose Executive Board service contract was signed in 2021.

Since January 1, 2021, the new remuneration system has also fundamentally applied to the Executive Board members appointed before January 1, 2021 but with the following exceptions. Malus and clawback rules will not be introduced until their service contracts are extended. Instead of the maximum remuneration defined in the new remuneration system, the existing maximum remuneration rules will continue to apply until their service contracts are extended. In the new system, maximum remuneration also encompasses additional benefits and the service cost of the occupational pension. The aforementioned exceptions applied to Executive Board members Gordon Riske (who stepped down from the Executive Board with effect from the end of December 31, 2021), Dr. Eike Böhm (who stepped down from the Executive Board with effect from the end of June 30, 2021), Anke Groth, and Ching Pong Quek, who were appointed to the Executive Board before December 17, 2020.

## Approval by the Annual General Meeting

The new remuneration system for the members of the Executive Board was presented to the Annual General Meeting on May 11, 2021, at which it was approved with 69.10 percent of the votes cast. In accordance with section 120a AktG, the Supervisory Board will present the remuneration system to the Annual General Meeting for approval whenever there is a material change to the system or otherwise at least every four years.

## Review of the remuneration system

In view of the vote at the Annual General Meeting on May 11, 2021 and taking account of shareholders' and investors' feedback on the Executive Board remuneration system presented to them, the Supervisory Board reviewed the system, focusing in particular on the following elements:

**Individual performance multiples for variable remuneration components:** Some shareholders and investors took a critical view, in particular, of the discretionary elements in the process

for determining the amounts to be paid in respect of the short-term and long-term variable remuneration components. They were concerned that such discretionary elements could erode the principle of pay for performance. This criticism in respect of the Executive Board remuneration system at KION GROUP AG related specifically to the range (from 0.7 to 1.3) within which the individual performance multiples can be set for the long-term and short-term variable remuneration components. The Supervisory Board reached the conclusion that the individual performance multiple actually allows the individual performance – both positive and negative – of the Executive Board members to be evaluated. The discretionary factors are applied strictly in accordance with the rules established in case law and, in any case, on the basis of the individual targets and verifiable criteria for target achievement that were defined on a binding basis in advance. These targets and the degree of target achievement are disclosed transparently in the remuneration report. The Supervisory Board consciously chose a range of 0.7 to 1.3 for the individual performance multiplier. This wide spread enables the Supervisory Board to take greater account of the individual performance – whether positive or negative – of each Executive Board member, thus putting the pay-for-performance principle into practice when determining the amounts to be paid in respect of the variable remuneration components. Moreover, this performance multiple corresponds to the one used when assessing performance for the purposes of the short-term variable remuneration of the KION Group's senior managers. The Supervisory Board believes that, with regard to the variability of remuneration, there should be a correlation between Executive Board members and senior managers in order to avoid creating inappropriate incentives. It has therefore been decided not to revise this element of the Executive Board remuneration system.

**Special remuneration:** Some shareholders and investors also criticized the option provided for in the remuneration system that allows special remuneration to be awarded for exceptional performance in particularly extraordinary situations. They believe that this type of special remuneration runs the risk of effectively compensating for any variable remuneration that Executive Board members missed out on because performance criteria were not satisfied, thereby undermining the pay-for-performance principle. The Supervisory Board believes that this risk has been mitigated because of the responsible manner in which the Supervisory Board carries out its duties, strictly applying the rules established in case law for such special remuneration. When it sets the Executive Board's remuneration, the Supervisory Board of KION GROUP AG is always very aware of its responsibilities and therefore applies the following rules strictly: Special remuneration is awarded only in absolutely exceptional situations and only then if, in the Supervisory Board's view, it is in the Company's interest and creates a future benefit for the Company and thus for shareholders. Furthermore, special remuneration cannot be awarded retrospectively for measures that have already been implemented or for past developments. Any award of special remuneration is made conditional in advance on the achievement of clear performance criteria. The reasons for special remuneration awarded and granted, the related performance criteria, and details of target achievement are disclosed in a transparent and readily comprehensible manner in the Company's remuneration report. The Supervisory Board believes that special remuneration enables special circumstances and matters to be used as the basis for special incentivization, where such special circumstances and matters were not adequately reflected in the financial and non-financial targets for the variable remuneration components and in the related individual targets agreed for the Executive Board members, or where they cannot be adequately reflected due to the nature of the system. In the Supervisory Board's view, special remuneration therefore strongly supports the pay-for-performance principle. This mechanism is backed up by a robust governance process. The agreement of the individual targets and of the related performance criteria is prepared by the Supervisory Board's new Remuneration Committee and then adopted by the Supervisory Board by means of a resolution. The same applies to the determination of each Executive Board member's target achievement. The payment of a special remuneration may not exceed the established maximum remuneration. These material and formal mechanisms

convinced the Supervisory Board that it should not change this element of the Executive Board remuneration system.

**Three-year performance period for long-term variable remuneration:** The Company does not follow recommendation G.10 of the GCGC with regard to defining the performance period for long-term variable remuneration. This fact is also disclosed in the 2021 declaration of conformity. According to recommendation G.10 of the GCGC, Executive Board members should only be able to access long-term variable remuneration components after a period of four years. The timing aspects and, for the most part, the financial aspects of long-term variable remuneration in the KION Group are designed in the same way for both the Executive Board and the senior managers (nearly 500 people worldwide). After due consideration the Supervisory Board decided to retain the three-year performance period for the Executive Board members' long-term remuneration. This should ensure as much timewise correlation as possible between the targets and incentives for the Executive Board and those for the senior managers, along with a long-term horizon. From the Supervisory Board's point of view, a three-year performance period already makes a significant contribution to the long-term development of the Company. In addition, the remuneration system for members of the Executive Board, like that for senior managers, should also be attractive in an international context for highly qualified and appropriately experienced individuals in order to attract them to the Company, which operates globally. The Supervisory Board has therefore decided not to revise this element of the Executive Board remuneration system either.

### Changes to the composition of the Executive Board during the reporting period

There were significant changes to the membership of the Executive Board of KION GROUP AG in 2021:

At the start of the year, the Executive Board was expanded from four members to six. Andreas Krinninger and Hasan Dandashly joined the Executive Board with effect from January 1, 2021, each with operational responsibilities.

Dr. Eike Böhm, who had been Chief Technical Officer (CTO), stepped down from the Executive Board with effect from the end of June 30, 2021. Dr. Henry Puhl took over as CTO on the Executive Board of KION GROUP AG with effect from July 1, 2021.

Finally, the long-serving Chief Executive Officer (CEO) Gordon Riske resigned from the Executive Board with effect from December 31, 2021 because he would soon be reaching the standard retirement age. He was succeeded by the new CEO, Dr. Richard Robinson Smith, with effect from January 1, 2022.

### Overview of the Executive Board remuneration system

The Executive Board's remuneration has a defining influence on the long-term success of the KION Group and makes a significant contribution to the implementation of the Company's strategy and to the achievement of its operational and financial objectives. Accordingly, the variable components of the Executive Board's remuneration reflect both short-term and long-term targets derived from the corporate strategy. They also contain environmental, social, and corporate governance (ESG) targets. At the same time, the Executive Board remuneration system includes suitable incentives that should enable the Company to attract and retain highly qualified Executive Board members, thereby helping to ensure that a long-term perspective is taken in the management of the Company.

The Executive Board members' remuneration comprises fixed and variable components plus share ownership guidelines. It is structured as follows:

## Components of the Executive Board's remuneration

Remuneration component	Measure of performance/parameters	
<b>Fixed remuneration components</b>		
Fixed salary	Generally paid at the end of each month	
Additional benefits	These include in particular: <ul style="list-style-type: none"> <li>- Company car that can also be used privately; use of a driver</li> <li>- Accident insurance</li> <li>- Annual health check with a doctor</li> </ul>	
Occupational pension scheme	Generally: <ul style="list-style-type: none"> <li>- Retirement, invalidity, and surviving dependants' benefits</li> <li>- Paid when the standard retirement age for the statutory pension is reached</li> <li>- Defined-contribution pension scheme, with interest calculated in accordance with the statutory guaranteed return for the life insurance industry as amended from time to time</li> <li>- Annual pension contribution, by arrangement</li> </ul> Alternatively: <ul style="list-style-type: none"> <li>- Annual pension payment</li> </ul>	
<b>Variable remuneration components</b>		
One-year variable remuneration (bonus plan/STI)	Plan type:	Target bonus
	Cap:	200 percent of target value
	Performance criteria:	<ul style="list-style-type: none"> <li>- Revenue (20 percent)</li> <li>- Adjusted EBIT margin (30 percent)</li> <li>- Free cash flow (30 percent)</li> <li>- ESG targets (20 percent)</li> <li>- Individual performance (multiple between 0.7 and 1.3, based on achievement of individually agreed targets)</li> </ul>
	Performance period:	Financial year
	Payment:	In cash with the next possible salary payment following approval of the annual financial statements

## Components of the Executive Board's remuneration (continued)

Remuneration component	Measure of performance/parameters										
<b>Variable remuneration components</b>											
Multiple-year variable remuneration (performance share plan/LTI)	<table border="1"> <tr> <td>Plan type:</td> <td>Performance share plan</td> </tr> <tr> <td>Cap:</td> <td>200 percent of the allocation value</td> </tr> <tr> <td>Performance criteria:</td> <td> <ul style="list-style-type: none"> <li>– Relative TSR MDAX (40 percent)</li> <li>– ROCE (40 percent)</li> <li>– ESG targets (20 percent)</li> <li>– Individual performance (multiple between 0.7 and 1.3, based on achievement of individually agreed collective targets)</li> </ul> </td> </tr> <tr> <td>Performance period:</td> <td>Next three years</td> </tr> <tr> <td>Payment:</td> <td>In cash with the next possible salary payment following adoption of the separate financial statements after the end of the performance period</td> </tr> </table>	Plan type:	Performance share plan	Cap:	200 percent of the allocation value	Performance criteria:	<ul style="list-style-type: none"> <li>– Relative TSR MDAX (40 percent)</li> <li>– ROCE (40 percent)</li> <li>– ESG targets (20 percent)</li> <li>– Individual performance (multiple between 0.7 and 1.3, based on achievement of individually agreed collective targets)</li> </ul>	Performance period:	Next three years	Payment:	In cash with the next possible salary payment following adoption of the separate financial statements after the end of the performance period
Plan type:	Performance share plan										
Cap:	200 percent of the allocation value										
Performance criteria:	<ul style="list-style-type: none"> <li>– Relative TSR MDAX (40 percent)</li> <li>– ROCE (40 percent)</li> <li>– ESG targets (20 percent)</li> <li>– Individual performance (multiple between 0.7 and 1.3, based on achievement of individually agreed collective targets)</li> </ul>										
Performance period:	Next three years										
Payment:	In cash with the next possible salary payment following adoption of the separate financial statements after the end of the performance period										
<b>Other benefits</b>											
Special remuneration	<ul style="list-style-type: none"> <li>– If applicable: by special arrangement with the Executive Board member</li> </ul>										
Time-limited benefits for new Executive Board members	<ul style="list-style-type: none"> <li>– If applicable: payments to offset missed variable remuneration or other disadvantages (evidence must be provided)</li> <li>– If applicable: benefits relating to move to new location</li> <li>– If applicable: guarantee of the target amount for the annual bonus in the first year if joining part way through the year</li> </ul>										
<b>Miscellaneous</b>											
Share ownership guidelines	<ul style="list-style-type: none"> <li>– 100 percent of fixed salary</li> <li>– Four-year ramp-up phase</li> </ul>										
Malus and clawback	<ul style="list-style-type: none"> <li>– For variable remuneration components</li> <li>– In the event of dereliction of duty or if the Company's financial results are restated</li> <li>– Maximum of three years after payment</li> </ul>										

## Remuneration granted and owed in 2021

In accordance with section 162 (1) sentence 1 AktG, the remuneration report must include information on the remuneration granted and owed to each individual Executive Board member in the past financial year. In the description below, these terms are defined as follows:

- The term ‘remuneration granted’ comprises all remuneration for which the related (one-year or multiple-year) work has been performed in full.
- The term ‘remuneration owed’ covers all legal liabilities in respect of remuneration components, where such liabilities have become due for payment but have not yet been paid.

The following descriptions and tables therefore include all remuneration components for which the Executive Board members performed the related (one-year or multiple-year) work in full either in 2021 or – in the case of the multiple-year variable remuneration – by the end of 2021 and that are due for payment but have not yet been paid. The timing of the actual payment is not relevant.

Accordingly, the following remuneration components are reported below as remuneration granted and owed in 2021:

- Fixed remuneration paid for 2021
- Additional benefits paid for 2021
- Pension payments for 2021
- Payments under the one-year variable remuneration (STI) for 2021 (payable with the next regular salary payment after the amounts to be paid have been determined by the Supervisory Board)
- Payments under the LTI tranche for the 2019–2021 performance period (payable with the next regular salary payment following adoption of the financial statements after the end of the performance period)
- Special remuneration for 2021 that becomes payable in 2022 after the Supervisory Board has determined target achievement

### **Fixed remuneration components**

#### 1. Fixed salary

Basic provision for the Executive Board members comprises a competitive fixed salary that enables the Company to attract and retain highly qualified Executive Board members as needed to develop and implement the corporate strategy.

The fixed remuneration granted to members of the Executive Board of KION GROUP AG in 2021 is shown in the > table ‘Remuneration granted and owed in 2021’.

The Supervisory Board’s Remuneration Committee reviews the fixed salary at regular intervals and, if applicable, the Supervisory Board makes adjustments at the Remuneration Committee’s recommendation by adopting a resolution. The fixed salary should be appropriate to



the skills, qualifications, and experience of the individual Executive Board members and to their duties and responsibilities; it should also remain competitive.

## 2. [Pension scheme](#)

The pension scheme offered by KION GROUP AG to the Executive Board members should be competitive in comparison with that offered by other companies in the market and should provide former Executive Board members with an appropriate pension. Along with the fixed salary, this enables the Company to attract and retain highly qualified Executive Board members as needed to develop and implement the corporate strategy.

KION GROUP AG generally grants retirement, invalidity, and surviving dependants' benefits to Executive Board members. The individual pension contribution is agreed individually with the Executive Board members and is paid into a pension account each year. The details can be found below under 'Commitments to pay benefits in the event of regular termination of Executive Board role', as these contributions do not constitute remuneration granted and owed for 2021 within the meaning of section 162 (1) AktG.

Instead, KION GROUP AG has agreed a fixed annual pension payment of €250 thousand with Executive Board member Hasan Dandashly. He receives this sum in addition to his fixed remuneration so that he can enter into his own pension arrangements himself.

The following pension payments were granted in 2021 to former members of the Executive Board or – prior to transformation of the Company into a German stock corporation – to former managing directors:

### Pension payments

in € thousand	2021	in %	2020	in %
Klaus Hofer	41	100.0%	41	100.0%
Other former Managing Directors <sup>1</sup>	225	100.0%	225	100.0%
<b>Total</b>	<b>266</b>		<b>266</b>	

1 Former Managing Directors of KION Holding 1 GmbH (before transformation of legal form into KION GROUP AG) who left the Company before January 1, 2012

## 3. [Additional benefits](#)

The additional benefits granted should be competitive in comparison with those offered by other companies in the market. Along with the fixed salary and occupational pension plan, such benefits are a component of a competitive and attractive remuneration package designed to ensure that the Company can attract and retain highly qualified Executive Board members as needed to develop and implement the corporate strategy.

KION GROUP AG generally provides each Executive Board member with a company car that they can also use privately. Alternatively, KION GROUP AG may agree a monthly, fixed car allowance with Executive Board members that they can use to finance a vehicle. The Executive

Board members may use a driver for their company car. The Executive Board members also receive typical additional benefits, such as allowances for healthcare, long-term care, and retirement provision, accident insurance, and an annual health check with a doctor.

The Supervisory Board is entitled to grant additional special benefits to Executive Board members in special cases, particularly in connection with deployment or assignment abroad, such as reimbursement of higher tax or social insurance payments, compensation for exchange-rate fluctuations, additional costs for travel or accommodation, and insurance.

Mr. Quek currently receives such additional special benefits because he has been sent from Singapore to China on foreign assignment.

Under this arrangement, Mr. Quek's remuneration is structured as if he were liable for taxes and social security contributions in Singapore (tax equalization agreement). KION GROUP AG pays the taxes and social security contributions that Mr. Quek incurs in China and Germany over and above the taxes that would theoretically apply in Singapore. In 2021, this additional amount totaled €1,239 thousand (2020: €219 thousand). The additional special benefits also agreed with Mr. Quek include the cost of trips home to Singapore for him and his family, a company car, rental payments in Xiamen, China, and private health insurance. The additional special benefits granted to Mr. Quek for 2021 amounted to a total of €129 thousand (2020: €136 thousand). These additional special benefits will be granted for as long as Mr. Quek's designated place of work is Xiamen or until his service contract with KION GROUP AG ends.

## **Variable remuneration components**

The variable remuneration components should provide performance-related, competitive remuneration for the Executive Board members that is aligned with the principle of pay for performance. This involves setting challenging financial and non-financial targets for all Executive Board members. The financial targets have been derived from the corporate strategy or are directly linked to the Company's business performance. They are aimed at enabling the Company to achieve its strategic objectives or at increasing the Company's effectiveness and growing its value in the short and long term. The non-financial targets have been derived from the sustainability strategy and in particular take social and ecological aspects into account. All variable remuneration components are rounded off with individual targets for the individual Executive Board members, for which measurable performance criteria are defined. Achievement of these targets influences the individual performance multiple, which is used in the calculation of each member's variable remuneration components.

### **1. One-year variable remuneration (bonus plan/STI)**

The one-year variable remuneration is primarily based on target achievement in a particular year. Accordingly, the targets set under the bonus plan tend to be of a short-term nature and are mainly linked to achievement of the targets for key performance indicators in a particular year. These targets are designed to help the Company to achieve the business targets and associated financial targets that it has set itself for the year in question. The non-financial targets under the bonus plan support the achievement of the individual targets set out in the Company's sustainability strategy. In addition, the individual targets of the individual Executive Board members (which form the basis for setting the individual performance multiple) incentivize the individual Executive Board members even more strongly to make improvements in their own areas of responsibility.

The bonus plan comprises a performance-related bonus with a one-year performance period that corresponds to the financial year. Target achievement is measured in two ways.

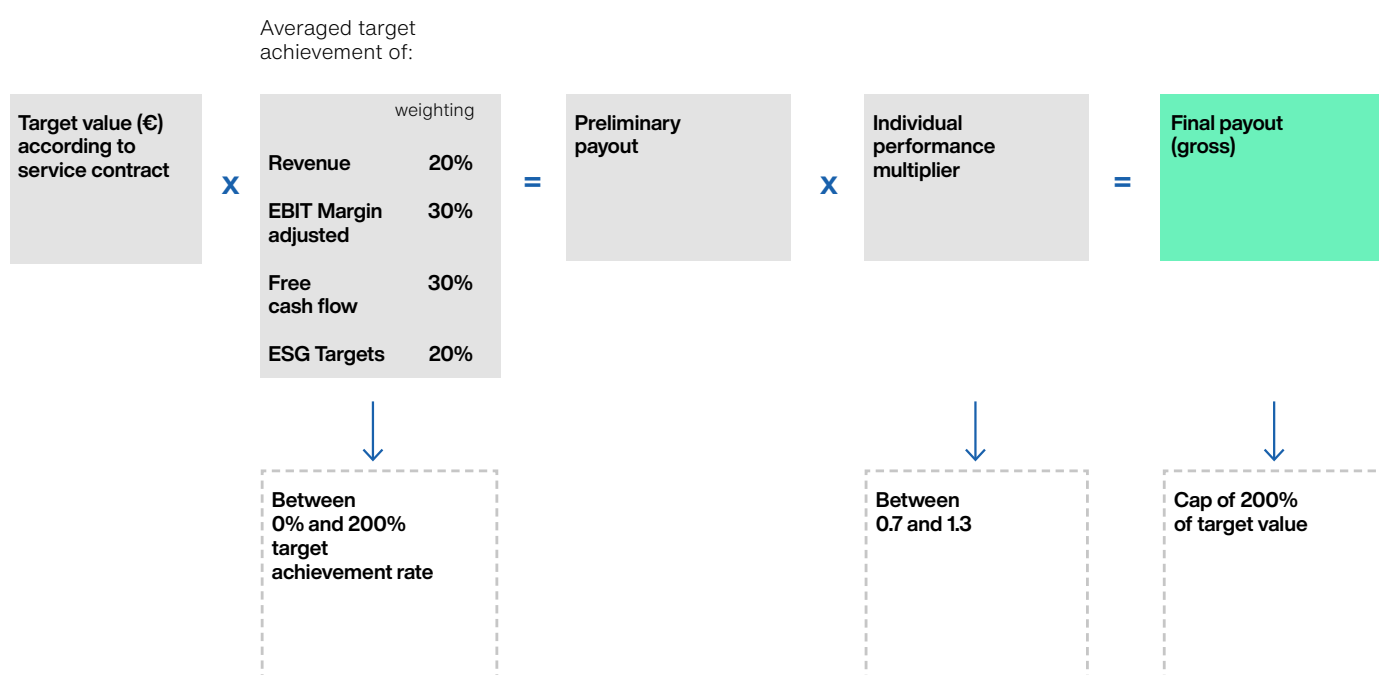
Firstly, it depends on the level of the following financial measures of performance: revenue, adjusted EBIT margin, and free cash flow. The financial indicators used relate in each case to the KION Group as a whole. Explanations of the used financial indicators can be found in the Annual Report 2021 of KION GROUP AG, in particular in the Combined Management Report.

Secondly, the bonus plan is dependent on the non-financial measures of performance relating to the achievement of ESG targets.

The measures of performance are weighted as follows: The adjusted EBIT margin and free cash flow each have a weighting of 30 percent, revenue has a weighting of 20 percent, and the ESG targets have a combined weighting of 20 percent.

The final amount to be paid under the bonus plan is calculated by multiplying the target value agreed in the service contract (in euros) by the weighted arithmetic mean of the target achievement rates for the financial and non-financial measures of performance. The product is then multiplied by the individual performance multiplier, which ranges from 0.7 to 1.3 depending on achievement of the individual targets of the Executive Board members. The maximum bonus payable is capped at 200 percent of the target value. There is no guaranteed minimum target achievement rate.

## STI



### 1.1 Financial and non-financial measures of performance and target achievement for the STI 2021

The financial measures of performance for the STI 2021 – namely revenue, the adjusted EBIT margin, and free cash flow – are each oriented to the Company’s budget for 2021:

- For the adjusted EBIT margin and free cash flow targets, which each have a weighting of 30 percent, the Supervisory Board specified that target achievement is 100 percent if the budgeted figure is achieved. The range for target achievement extends from falling short of the target by 30 percent (= target achievement of 0 percent) to exceeding the target by 30 percent (= target achievement of 200 percent).

- For the revenue target, which has a weighting of 20 percent, the Supervisory Board also specified that target achievement is 100 percent if the budgeted figure is achieved. The range for target achievement extends from falling short of the budgeted revenue figure by 10 percent (= target achievement of 0 percent) to exceeding the budgeted revenue figure by 10 percent (= target achievement of 200 percent).

The non-financial measures of performance are linked to ESG targets. For the STI 2021, the Supervisory Board has defined the following two non-financial targets, each with a weighting of 10 percent:

- The target chosen for the STI 2021 from the ‘occupational health and safety’ category was the KION Group’s lost time injury frequency rate (LTIFR), which indicates the frequency of accidents resulting in lost time of at least one shift per one million hours worked. If the LTIFR for 2021 is 7.8, target achievement is 100 percent. The range for target achievement extends from exceeding this LTIFR by 20 percent, equating to an LTIFR of 9.4 or higher, (= target achievement of 0 percent) to coming in below this LTIFR by 20 percent, equating to an LTIFR of 6.2 or lower (= target achievement of 200 percent).
- The non-financial target defined for the STI 2021 from the ‘sustainability and environment’ category was the number of ISO certifications achieved at KION sites in accordance with environmental and occupational safety criteria (ISO 45001 and ISO 14001). For 2021, the Supervisory Board set a threshold of 0 additional certifications sites for 0 percent target achievement, 21 additional certifications for 100 percent target achievement, and at least 42 additional certifications for the maximum 200 percent target achievement.

The following table shows the target achievement rates of the financial and non-financial target values set by the Supervisory Board for the STI 2021.

### Target achievement for STI 2021

Targets	Weighting	Achieved value	Ratio of achieved value to target value (target achievement 100%)	Target achievement rate for bonus entitlement (capped at 200%)
Revenue <sup>1</sup>	20%	€ 10.294.3 million	110.76%	200.00%
Adjusted EBIT margin <sup>1</sup>	30%	8.2%	99.85%	99.50%
Free cash flow <sup>1</sup>	30%	€ 543.8 million	123.12%	177.05%
ESG (I): LTIFR	10%	7.73	100.88%	104.38%
ESG (II): extent of ISO certification	10%	153	728.57%	200.00%
<b>Total target achievement</b>	<b>100%</b>		<b>171.99%</b>	<b>153.40%</b>

<sup>1</sup> The used financial indicators relate in each case to KION Group as a whole. Explanations of the used financial indicators can be found in the Annual Report 2021 of KION GROUP AG, in particular in the Combined Management Report

## 1.2 Individual performance multiple for the STI 2021

The Supervisory Board uses an individual performance multiple so that it can also take account of the Executive Board members' individual performance alongside the financial and non-financial measures of performance. At the start of each year, the Supervisory Board reaches agreement with the individual Executive Board members regarding the criteria and targets for assessing their individual performance. The specific targets are derived from the tasks of the individual Executive Board member. Each target is underpinned by verifiable target achievement criteria.

After the end of the year, the Supervisory Board defines an individual performance multiple for each Executive Board member based on the achievement of their individual targets. The performance multiple ranges from 0.7 to 1.3.

At the start of 2021, after the Remuneration Committee had carried out its preparatory work, the Supervisory Board set targets for each Executive Board member from their individual areas of responsibility, along with ambitious operational growth targets for the Executive Board members with operational responsibility, in order to apply these mechanisms for the measurement of the individual performance multiples. Based on the individual target achievement rates, the Supervisory Board defined the performance multiples for the individual Executive Board members that are used in the calculation of the final amounts to be paid under the bonus plan.

The following criteria were defined for the individual Executive Board members' individual targets in 2021 and the following target achievement rates and individual performance multiples were determined:

- The individual targets of **Gordon Riske** consist of adapting the Executive Board governance to include the new Executive Board members who joined in 2021, the success of the Company's multi-year SAP S/4HANA-enabled business transformation, and the accelerated expansion of business solutions including digital business models and mobile automation. After evaluating the defined criteria, the Supervisory Board decided that an individual performance multiple for Mr. Riske for the STI of 1.0 was justified overall because the aforementioned activities were driven forward with a sense of focus in 2021.
- The individual targets of **Anke Groth** primarily consist of the further digitalization and automation of finance, efficiency programs and HR aspects. The Supervisory Board determined an individual performance multiple for Ms. Groth for the STI of 1.0 because, overall, she achieved all of the defined targets.
- The individual targets of **Ching Pong Quek** include the achievement of major milestones for China in R&D, production and go to market development and revising the new North America strategy to accelerate growth and its competitiveness in the material handling market. The Supervisory Board determined an individual performance multiple for Mr. Quek for the STI of 1.15. Mr. Quek succeeded in generating growth in China and the United States, and, as a milestone, has been a key driver of the activities of the production site in Jinan. Overall, taking into account the positive business development in China and the USA, Mr. Quek exceeded his targets in the view of the Supervisory Board.
- The individual targets of **Hasan Dandashly** include, in particular, building the capacity and leadership to achieve the significant growth in SCS, further expansion of the service business, development of standard solutions, and the updating of the software strategy and organization. After evaluating the defined budget targets, the Supervisory Board

decided that an individual performance multiple for Mr. Dandashly for the STI of 1.1 was justified overall because sustained growth and the further development of the business in the SCS segment was even more successfully achieved than budgeted.

- The individual targets of **Andreas Krinninger** consist inter alia of the achievement of certain market development and optimization goals as well as the expansion of certain innovation fields. The Supervisory Board decided that an individual performance multiple for Mr. Krinninger for the STI of 1.0 was justified overall because the strategic and operational aspects of the targets were achieved.
- The individual targets of **Dr. Henry Puhl** include, in particular, support for the change process in the restructured CTO organization, the harnessing of potential for greater efficiency in research and development and in procurement, and the successful implementation of new technology and global product programs as well as of the initiatives concerning the use and integration of alternative energy sources. The Supervisory Board determined an individual performance multiple for Dr. Puhl for the STI of 1.0 because, overall, he has successfully driven forward all activities since taking up his post in mid-2021.

Under the termination agreement entered into with **Dr. Eike Böhm**, who stepped down from the Executive Board with effect from the end of June 30, 2021, a target achievement of 100 percent and an individual performance multiple of 1.0 were agreed for the STI 2021. The agreed targets are therefore not described individually here. In respect of his active role on the Executive Board of KION GROUP AG, Dr. Böhm is to receive the STI 2021 pro rata for six months. For the remaining six months of 2021, Dr. Böhm is to receive the STI 2021 in accordance with the termination agreement entered into with him (further details can be found below under 'Commitments to pay benefits to former Executive Board members whose role ended during the reporting year').

### 1.3 Amounts to be paid for the STI 2021

Based on the aforementioned determination of target achievement and the individual performance multiples for the Executive Board members, the amounts to be paid to them for the STI 2021 are as follows.

#### Amounts to be paid for the STI 2021

	Target value <sup>1</sup>	Target achievement rate for bonus entitlement	Provisional amount to be paid <sup>1</sup>	Individual performance multiple based on target achievement	Amount to be paid <sup>1</sup>
Gordon Riske	€800 thousand	153.40%	€1,227 thousand	1.00	€1,227 thousand
Dr. Eike Böhm <sup>2</sup>	€400 thousand	100.00%	€400 thousand	1.00	€400 thousand
Hasan Dandashly	€600 thousand	153.40%	€920 thousand	1.10	€1,012 thousand
Anke Groth	€500 thousand	153.40%	€767 thousand	1.00	€767 thousand
Andreas Krinninger	€500 thousand	153.40%	€767 thousand	1.00	€767 thousand
Dr. Henry Puhl <sup>3</sup>	€200 thousand	153.40%	€307 thousand	1.00	€307 thousand
Ching Pong Quek	€470 thousand	153.40%	€721 thousand	1.15	€829 thousand
<b>Total</b>	<b>€3,470 thousand</b>		<b>€5,109 thousand</b>		<b>€5,310 thousand</b>

1 The amount shown for Mr. Quek includes a flat-rate allowance of around 42 percent as part of a tax equalization agreement

2 Stepped down on June 30, 2021; his Executive Board service contract ends with effect from the end of July 31, 2022; Dr. Böhm's STI 2021 is governed by the provisions of the termination agreement; under this agreement, target achievement of 100 percent and an individual performance multiple of 1.0 were defined for the STI 2021; half of the value shown here (six months) relates to Dr. Böhm's active role on the Executive Board in the year 2021 up to June 30, 2021 and the remainder (six months) relates to the period in which he was released from his Executive Board duties in accordance with the termination agreement

3 Appointed to the Executive Board with effect from July 1, 2021

The payments to be made under the STI for 2021 will be paid with the next regular salary payment after the amounts to be paid have been determined by the Supervisory Board. Because the relevant period for target achievement was completely within 2021, which means that all parameters for actual payment are effectively satisfied, the Company considers the payment of the STI for 2021 to be remuneration granted in 2021 within the meaning of section 162 (1) AktG, as explained above.

## 2. Multiple-year variable remuneration (performance share plan/LTI)

Multiple-year variable remuneration is designed to support the Company's long-term growth. To this end, the ambitious targets defined for the performance share plan are derived from the long-term corporate strategy and focus primarily on the Company's value. The Company's value relative to the overall value of the companies in the MDAX – as measured by

relative total shareholder return (relative TSR) – has been defined as a financial measure of performance, thereby including an external evaluation criterion in the assessment of performance. The non-financial targets that have been applied for the first time since the revised Executive Board remuneration system for the LTI tranche 2021 to 2023 support the long-term implementation of the Company's sustainability strategy and underline the KION Group's social and environmental responsibilities. This aligns Executive Board remuneration with the expectations of shareholders and other stakeholders and, moreover, enables the Executive Board members to share in any increase in the Company's value. It also creates an even greater incentive for them to increase the value of the Company on a sustainable and long-term basis. The performance period of three years is consistent with that used for the multiple-year variable remuneration of the senior managers in the KION Group, thereby ensuring consistent systems for both senior managers and Executive Board members, and incentivizing them in the same way. This should help to make sure that the actions of senior managers and Executive Board members are always focused on the Company's long-term growth.

Multiple-year variable remuneration is granted for each year in the form of a performance share plan with a three-year performance period. This period commences at the beginning of January 1 of a given year and ends at the close of December 31 of the second year following that financial year. The performance share plan is a cash-settled long-term incentive plan that does not include the right to receive any actual shares.

Target achievement under the performance share plan is measured using financial and non-financial measures of performance. These apply without change for the whole of the three-year performance period. The financial measures of performance are the relative total shareholder return (relative TSR) for KION shares compared with the MDAX and the return on capital employed (ROCE). Each has a weighting of 40 percent. Explanations of the used financial indicators can be found in the Annual Report 2021 of KION GROUP AG, in particular in the Combined Management Report.

Since the revision of the Executive Board remuneration system, 20 percent of ESG targets have been taken into account as a non-financial measure of performance for the first time for the LTI tranche 2021 to 2023. Each Executive Board member's individual performance is also taken into account using an individual performance multiple.

For each three-year performance period of the LTI, the Executive Board members are conditionally allocated a number of performance shares in the form of phantom shares at the start of each year. The number is determined by dividing the allocation value specified in euros in the service contract for multiple-year variable remuneration by the arithmetic mean of the Xetra closing price of KION shares (WKN: KGX888) on the Frankfurt Stock Exchange (or a successor system that replaces it) over the last 60 trading days prior to the start of the performance period.

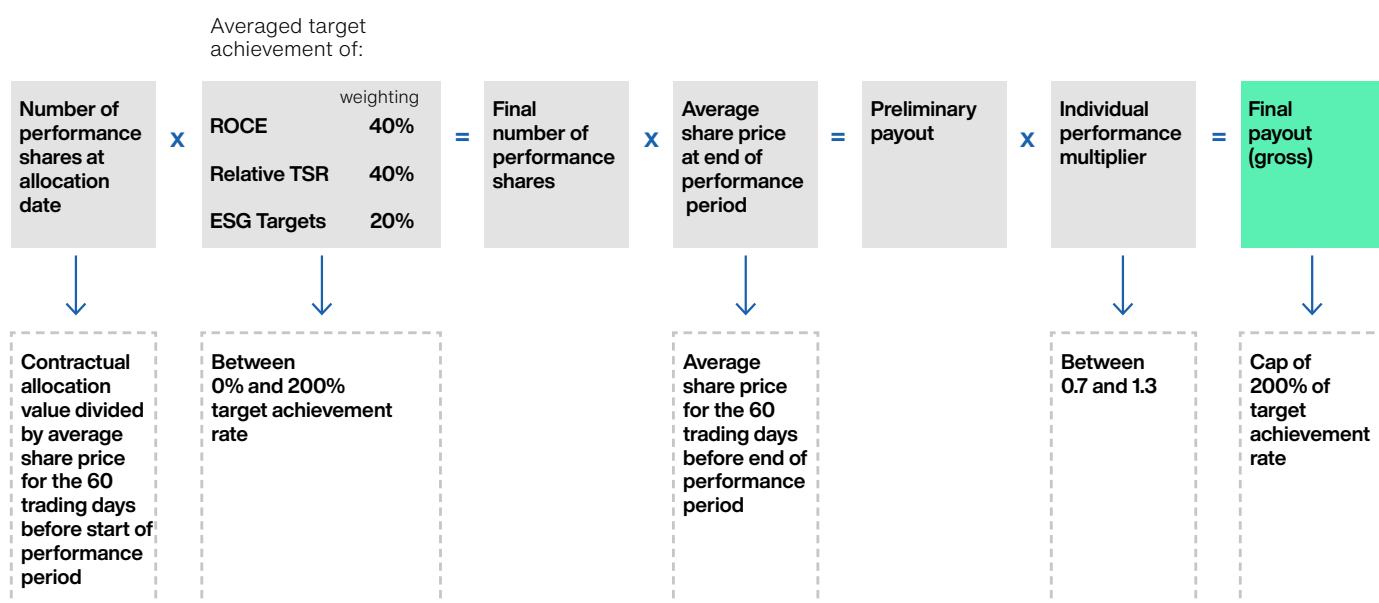
Together with the conditional allocation of phantom shares the Supervisory Board determines the financial, non-financial, and individual measures of performance, including the defined target ranges and payout curves for the tranche of the performance share plan.

The final number of performance shares is calculated by multiplying the number of performance shares conditionally allocated to the Executive Board member by the total target achievement rate for the financial and non-financial targets at the end of the performance period.



The provisional amount to be paid under the performance share plan is then calculated for each Executive Board member by multiplying the final number of performance shares by the end share price to be determined at the end of the performance period. The end share price is the arithmetic mean of the Xetra closing price of KION shares on the Frankfurt Stock Exchange (or a successor system that replaces it) over the last 60 trading days prior to the end of the performance period. The final amount to be paid under the performance share plan is calculated for each Executive Board member by multiplying the provisional amount to be paid by the individual performance multiple, which ranges from 0.7 to 1.3 and is determined by the Supervisory Board on the basis of individually agreed targets. The amount that can be paid out under the performance share plan is capped at 200 percent of the contractual allocation value. If the respective Executive Board service contract is terminated during a current performance period, the respective LTI payment may be reduced pro rata temporis.

## LTI



### 2.1 LTI tranche for the 2019–2021 performance period

The period relevant to target achievement for the 2019–2021 LTI tranche ended at the end of the 2021, which means that all parameters for actual payment of this LTI tranche are effectively satisfied and the related work has been performed in full. As explained above, the Company therefore considers the payment of the 2019–2021 LTI tranche to be remuneration granted in 2021 within the meaning of section 162 (1) AktG.

The granted LTI tranche for the 2019–2021 performance period will be paid in 2022 as scheduled following adoption of the separate financial statements after the end of the performance period. This tranche is based on the Executive Board remuneration system that applied in 2019. Unlike in the current Executive Board remuneration system, performance was measured solely on the basis of financial criteria, namely ROCE and relative TSR, as well as the individual performance multiple.

The following applies for the target achievement of the relative TSR: The minimum threshold is 0 percent outperformance (= equal performance) and corresponds to a 50 percent target achievement rate. An outperformance of 6.67 percent corresponds to a 100 percent target achievement rate. The maximum threshold is an outperformance of 20 percent and corresponds to a 200 percent target achievement rate.

The following applies for the target achievement of the ROCE: The minimum threshold is 70 percent of the budget target. If a value lower than or equal to the minimum threshold is achieved, this corresponds to a 0 percent target achievement rate. If a value is achieved that corresponds to the budget target, this corresponds to a 100 percent target achievement rate. The maximum threshold is 130 percent of the budget target and corresponds to a 200 percent target achievement rate.

The following target achievement rates at the end of the 2019–2021 performance period were determined:

### Target achievement for LTI tranche 2019-2021

Targets	Weighting	Achieved value	Ratio of achieved value to target value (target achievement 100%)	Target achievement rate for bonus entitlement for LTI 2019–2021 (capped at 200%)
ROCE <sup>1</sup>	50%	8.34%	91.05%	70.16%
Relative TSR <sup>1</sup>	50%	50.71%	760.27%	200.00%
<b>Total target achievement</b>	<b>100%</b>		<b>425.66%</b>	<b>135.08%</b>

<sup>1</sup> Explanations of the used financial indicators can be found in the KION GROUP AG Annual Report 2021 of KION GROUP AG, in particular in the Combined Management Report

For the long-term variable remuneration, the Executive Board members have shared individual targets, the achievement of which is used to determine the individual performance multiple for the relevant LTI tranche. The performance multiple ranges from 0.7 to 1.3. The individual targets are derived from the criteria defined in the plan terms (growth of market share, successful innovations, and employee satisfaction). For the LTI tranche for the 2019–2021 performance period, these include targets such as an improvement in market share, technology innovations, the refinement of the global production system, growth in automation business, corporate executive development and succession planning for senior management, and further development of commercial excellence. After the end of the performance period at December 31, 2021, the Supervisory Board decided overall to define an individual performance multiple of 1.0 for all current Executive Board members and Dr. Böhm, who stepped down from the Company’s Executive Board with effect from the end of June 30, 2021, because all of the aforementioned activities were driven forward with a sense of focus during the performance period.

For Dr. Eike Böhm, who stepped down from the Company’s Executive Board with effect from the end of June 30, 2021, 30/36 (thirty months) of the 2019–2021 LTI tranche relates to Dr. Böhm’s active role on the Company’s Executive Board; he is to receive the remaining 6/36 (six months) of the 2019–2021 LTI tranche in accordance with the termination agreement entered into with him (further details can be found below under ‘Commitments to pay benefits to former Executive Board members whose role ended during the reporting year’).

For Ms. Schneeberger, who stepped down from the Executive Board with effect from the end of January 12, 2020 and whose Executive Board service contract ended on March 31, 2020, the provisions of the termination agreement apply. Overall, the LTI tranche for the 2019-2021

performance period was paid pro rata temporis only until the expiry of the Executive Board service contract. In accordance with the termination agreement, Ms. Schneeberger is to receive a payment for 2021 under the LTI for the 2019–2021 performance period on the basis of a performance multiple set at 1.0, i.e. there is no individual adjustment. 12.4/15 (around 12.4 months) of the amount to be paid relates to her active role on the Executive Board; she is to receive the remaining amount in accordance with the termination agreement. No other remuneration was granted to Ms. Schneeberger in the reporting period or for work within the reporting period.

The amounts to be paid for the 2019–2021 LTI tranche were therefore determined as follows:

### Amounts to be paid for the LTI tranche 2019-2021

	Contractual allocation value of the performance share plan on the date of grant	Number of performance shares at time of grant <sup>1</sup>	Target achievement rate for bonus entitlement	Final number of performance shares	Average share price at end of performance period	Provisional amount to be paid <sup>2</sup>	Individual performance multiple based on target achievement	Amount to be paid (capped at 200%) <sup>2</sup>
Gordon Riske	€1,600 thousand	32,868	135.08%	44,398	€94.32	€4,188 thousand	1.0	€3,200 thousand
Dr. Eike Böhm <sup>3</sup>	€1,000 thousand	20,542	135.08%	27,748	€94.32	€2,617 thousand	1.0	€2,000 thousand
Anke Groth	€1,000 thousand	20,542	135.08%	27,748	€94.32	€2,617 thousand	1.0	€2,000 thousand
Ching Pong Quek	€830 thousand	17,050	135.08%	23,031	€94.32	€2,889 thousand	1.0	€2,208 thousand
Susanna Schneeberger <sup>4</sup>	€417 thousand	8,559	135.08%	11,561	€94.32	€1,090 thousand	1.0	€833 thousand
<b>Total</b>	<b>€4,847 thousand</b>	<b>99,561</b>		<b>134,487</b>		<b>€13,402 thousand</b>		<b>€10,241 thousand</b>

1 Fair value per performance share on date of grant €48.68

2 The amount shown for Mr. Quek includes a flat-rate allowance of 33 percent as part of a tax equalization agreement

3 Stepped down on June 30, 2021; his Executive Board service contract ends with effect from the end of July 31, 2022; 30/36 of the value shown here (30 months) relates to Dr. Böhm's active role on the Executive Board up to June 30, 2021 and 6/36 (six months) relates to the period in which he was released from his Executive Board duties in accordance with the termination agreement

4 Stepped down on January 12, 2020; her Executive Board service contract ended with effect from the end of March 31, 2020; the contractual allocation value for the LTI on the date of grant was reduced pro rata; around 12.4/15 of the value shown here (around 12.4 months) relates to Ms. Schneeberger's active role on the Executive Board up to January 12, 2020 and around 2.6/15 (around 2.6 months) relates to the period in which she was released from her Executive Board duties in accordance with the termination agreement

The 2019–2021 LTI tranche is payable in 2022 with the next regular salary payment following adoption of the separate financial statements after the end of the performance period.

Mr. Dandashly, Mr. Krinninger, and Dr. Puhl were not yet members of the Executive Board of KION GROUP AG in 2019, which is why they will not be paid any remuneration for their Executive Board role under the LTI tranche for the 2019–2021 performance period.

## 2.2 Further LTI tranches

The relevant targets for the LTI tranche for the 2020–2022 performance period were defined in 2020. This LTI tranche is based on the Executive Board remuneration system that applied in 2019. Unlike in the current Executive Board remuneration system, performance is measured solely on the basis of financial criteria, namely ROCE and relative TSR, and taking the individual performance multiple into account. The tranche is scheduled for payment in 2023. The Company's Supervisory Board will determine target achievement at the start of 2023 once the performance period has ended. The Company will report on this in the 2022 remuneration report.

The Supervisory Board defined the relevant targets for the LTI tranche for the 2021–2023 performance period in 2021. This tranche will become due for payment in 2024.

In particular, non-financial measures of performance were used for the first time for the 2021–2023 LTI tranche following the introduction of the new Executive Board remuneration system with effect from January 1, 2021. The Supervisory Board has defined the following two non-financial ESG targets, each with a weighting of 10 percent, from the categories 'compliance', 'sustainability and environment', 'customer focus', 'attractiveness as an employer', and 'occupational health and safety':

- In the 'sustainability and environment' category, the score achieved by the KION Group in the S&P Global Corporate Sustainability Assessment (S&P Global CSA), an externally conducted sustainability assessment that is independent of KION Group, is factored into the measurement for the 2021–2023 LTI tranche. The Supervisory Board has defined a score of 63 for the performance period 2021 to 2023 as 100 percent target achievement rate. The target achievement corridor ranges from a minimum score of 61 (target achievement 0 percent) to a score of at least 65 (target achievement 200 percent).
- In the 'attractiveness as an employer' category, the Supervisory Board set targets for employee satisfaction to be achieved in the groupwide employee survey, which was held for the first time in 2021 and will be repeated annually going forward. For target achievement to be 100 percent, the participation rate will need to be 68 percent and the engagement score, which measures employee satisfaction, will need to be 75 by 2023. The target achievement corridor ranges from a minimum participation rate of 60 percent and an engagement score of 73 (target achievement 0 percent) to a minimum participation rate of 76 percent and an engagement score of 77 (target achievement 200 percent). In comparison, in the 2021 employee survey, the participation rate was 64 percent and an engagement score of 74 was achieved.

The Company will provide further details regarding the definition of financial and non-financial measurement criteria for the 2021–2023 LTI tranche in the 2023 remuneration report.

For the long-term variable remuneration, the Executive Board members have shared individual targets, the achievement of which is used to determine the individual performance multiple for the relevant LTI tranche. The performance multiple ranges from 0.7 to 1.3. The individual targets are derived from the criteria defined in the plan terms (growth of market share, successful innovations, and employee satisfaction). For the LTI tranche for the 2021–2023 performance period, these targets are business growth in integrated solutions, the transition to SAP S/4HANA, growth in digitalization and automation solutions, leadership development and succession planning for top management, and the implementation of the growth plan for China.

Each Executive Board member's target achievement rate and individual performance multiple will be determined once the performance period has ended at the end of 2023. The LTI tranche for the 2021–2023 performance period will then be due for payment in 2024. The Company will report on this in the 2023 remuneration report.

## **Malus and clawback rules for variable remuneration**

Malus and clawback rules for variable remuneration were introduced in accordance with the provisions of section 87a (1) no. 6 AktG. They are in accordance with the principle of pay for performance in that they have an adverse impact on Executive Board remuneration in the event of significant misconduct or if the Company's results are not disclosed correctly.

The aforementioned mechanisms for clawing back variable remuneration components were not exercised in 2021. The Supervisory Board did not identify any circumstances that would have given rise to this.

## **Share ownership guidelines**

Alongside the performance share plan, the share ownership guidelines (SOGs) for the Executive Board constitute a further key element of the remuneration system that is aimed at supporting the Company's long-term and sustainable growth as it aligns the interests of the Executive Board and shareholders in increasing the value of the Company.

The Executive Board members are obliged to hold KION GROUP AG shares that, as a minimum, are worth 100 percent of their gross annual fixed salary for as long as they are a member of the Executive Board. The applicable number of shares is calculated on the basis of the KION GROUP AG share price on the last 60 days of trading prior to the start of the service contract (arithmetic mean of the Xetra closing price).

The obligation for Executive Board members to hold the full number of shares begins no later than four years after the start of the obligation to hold shares. In the first four years, they are permitted to increase their shareholding incrementally. The Executive Board members cannot access the shares until the end of their term of office.

The Executive Board members to whom the guidelines apply held the required number of shares as at December 31, 2021 and thus fulfilled the obligation.

## **Other benefits**

### **1. Special remuneration**

The Supervisory Board is entitled to grant appropriate special remuneration to the Executive Board members in the event of extraordinary or unforeseen circumstances. In principle, such special remuneration is also a variable remuneration component. The special remuneration is intended to reward special achievements that bring future-related benefits to the Company as a particular manifestation of the pay for performance principle.

At the beginning of 2021, it became apparent that both the coronavirus pandemic and other disruptive market developments associated with it, in particular disrupted supply chains, the lack of availability of certain components and rapid price developments on the raw materials market and in logistics, would remain extremely challenging for the current fiscal year 2021 with an unknown outcome at that time.

The Supervisory Board has come to the conclusion that this exceptional situation justifies the payment of special remuneration to individual members of the Executive Board and such special remuneration will help to stabilize the Company and position it for the future. The Supervisory Board believed that it was in the Company's interests and beneficial to its future success to award the special remuneration in order to maintain the Executive Board members' motivation to deliver excellence and in order to ensure they remain with the Company despite the crisis situation. Particularly in view of the challenging economic and social conditions created by the coronavirus pandemic and the aforementioned disruptive changes to conditions in the markets and supply chains, the Supervisory Board believes that retaining the Executive Board members is vital to ensure the stable and sustainable long-term growth of the Company, job stability for the workforce, and an increase in the Company's value in the interests of shareholders.

In view of the aforementioned considerations, the Supervisory Board awarded special remuneration of not more than €650,000 for the CEO Mr. Riske and of not more than €400,000 each for the other Executive Board members Dr. Böhm, Ms. Groth, and Mr. Quek (before taking into account his tax equalization agreement) for 2021 on the basis of individual agreements reached with them. This remuneration was awarded for successfully leading the Company through coronavirus pandemic and dealing with the aforementioned additional challenges faced by the Company. In this context, short-term and medium-term collective goals were agreed with these Executive Board members. The short term goals include ensuring the stability of operating processes and production despite supply bottlenecks and the situation created by the pandemic. The medium-term goals include the sustainable strengthening of the Company's high-growth fields of digitalization and automation despite the aforementioned disruptive market developments in 2021.

Following lengthy discussions, the Supervisory Board concluded after the end of 2021 that the agreed goals for successfully leading the Company through the coronavirus pandemic and dealing with the aforementioned disruptive developments in the markets had been achieved in full or even exceeded in many cases (e.g. in respect of the Company's extremely positive operating performance despite the urgent measures taken to overcome the crisis). Overall, the Executive Board members assumed responsibility for the Company in an exemplary manner in 2021. For example, it was possible to reduce the personal financial impact of the pandemic on the workforce, retain highly valuable workers despite the crisis situation and the pandemic-related production outages in the Company, and utilize production capacity to the greatest possible extent, primarily by implementing short-time working, topping up the short-time working allowance, and introducing working hours and production times that were tailored to the situation created by the pandemic and the availability of materials. These measures, combined with a reduction in fixed costs and the Company's focus on the high-growth fields of digitalization and automation, allow the Company to become more resilient to the ongoing coronavirus pandemic and aforementioned disruptive developments in the markets, although the targets set for the future fields of automation and digitization have not yet been fully achieved.

Overall, the Supervisory Board believes that the Executive Board overcame all the aforementioned challenges in 2021 in an extremely satisfactory manner. After examining all of the circumstances, the Supervisory Board decided to set the rate of target achievement for the awarded special remuneration at 90 percent (out of 100 percent maximum) in view of the particular achievements of the Executive Board members and the aforementioned considerations regarding the achievement of the agreed targets. The following special remuneration was therefore granted to the Executive Board members for 2021:

## Special remuneration for 2021

	Target value <sup>1</sup>	Target achievement rate for bonus entitlement	Amount to be paid <sup>1</sup>
Gordon Riske	€650 thousand	90.00%	€585 thousand
Dr. Eike Böhm <sup>2</sup>	€200 thousand	90.00%	€180 thousand
Anke Groth	€400 thousand	90.00%	€360 thousand
Ching Pong Quek	€566 thousand	90.00%	€510 thousand
<b>Total</b>	<b>€1,816 thousand</b>		<b>€1,635 thousand</b>

1 The amount shown for Mr. Quek includes a flat-rate allowance of around 42 percent as part of a tax equalization agreement

2 Stepped down on June 30, 2021; his Executive Board service contract ends with effect from the end of July 31, 2022; the special remuneration was granted pro rata for Dr. Böhm's active role on the Executive Board in the reporting year up to June 30, 2021

Dr. Böhm will receive pro rata special remuneration because he stepped down from the Executive Board with effect from June 30, 2021.

The special remuneration for the applicable Executive Board members becomes payable in 2022 with the next regular salary payment after the Supervisory Board has determined target achievement. Because the relevant period for target achievement was completely within 2021 and the work related to the special remuneration was performed in full in 2021, the Company considers the payment of this special remuneration to be remuneration granted in 2021 within the meaning of section 162 (1) AktG, as explained above.

## 2. Time-limited benefits

The Supervisory Board is also entitled to grant time-limited benefits to new members of the Executive Board. Examples include payments to offset missed variable remuneration from a former employer or other disadvantages (evidence must be provided) and benefits relating to a move to a new location. Such benefits are intended to attract highly qualified members to the Company's Executive Board.

In 2021, the Company promised to reimburse Dr. Puhl for removal costs resulting from moving his place of residence from Hamburg to Frankfurt and, for twelve months from the start of his appointment to the Executive Board on July 1, 2021, to pay travel and accommodation costs for trips between Hamburg and Frankfurt.

## Maximum remuneration

There is an upper limit on the absolute amount of total remuneration granted for a year (maximum remuneration). By setting a maximum remuneration amount, the maximum payment obligations for Executive Board remuneration become calculable for the Company.

As a rule, the maximum remuneration comprises the fixed salary paid for the year in question, the service cost of the occupational pension, the additional benefits granted, the variable

remuneration granted for the year in question, in each case payable after the lapse of the relevant performance period (bonus plan and performance share plan) – irrespective of the timing of payment – and any special remuneration granted for the year in question, plus an appropriate buffer

If the Supervisory Board grants time-limited benefits to new Executive Board members, these benefits also count toward the maximum remuneration for the year in which they are granted.

In 2021, the agreed maximum remuneration for Mr. Riske was EUR 8,243,000 gross, for Ms. Groth EUR 4,050,000 gross, for Dr. Böhm and Dr. Puhl (appointed as successor to Dr. Böhm as of July 1, 2021) EUR 4,343,000 gross, for Mr. Krinninger EUR 4,852,000 gross, for Mr. Dandashly EUR 5,387,000 gross and for Mr. Quek EUR 4,842,000 gross. For the purpose of assessing compliance with the maximum remuneration, the fixed salary in 2021, the fringe benefits granted in 2021, the pension expense attributable to the fiscal year 2021, the STI in 2021 and the special remuneration in 2021 are taken into account. The 2021-2023 LTI tranche is also included in the analysis, which was allocated in 2021 and will not be paid out until the end of the three-year performance period in 2024. Compliance with the maximum remuneration for 2021 can therefore only be assessed conclusively in 2024. However, based on current estimates, compliance with the maximum remuneration in 2021 is already ensured. Even if the 2021-2023 LTI tranche is paid out in the maximum possible amount of 200 percent of the grant value, the maximum remuneration for 2021 will in all probability not be exceeded for any of the Executive Board members named.

The final assessment of compliance with the maximum remuneration for 2021 will be reported in the remuneration report 2023.

For Ms. Schneeberger, who left the Executive Board in 2020 and for whom only a payment for the 2019-2021 LTI tranche is to be made for 2021 in accordance with the termination agreement with Ms. Schneeberger, no maximum remuneration was set under the Executive Board remuneration system applicable before 2021.

### **Table providing an overview of the remuneration granted and owed to the Executive Board members for 2021**

In accordance with section 162 (1) sentence 1 and sentence 2 no. 1 AktG, the remuneration granted and owed to the current and former members of the Executive Board is shown in the following table, along with the percentage share of their total remuneration attributable to the individual remuneration components, and applying the terms 'granted' and 'owed' as defined above pursuant to section 162 (1) sentence 1 AktG. The additional benefits were measured at the value calculated for tax purposes.



## Remuneration granted and owed in 2021

		Gordon Riske				Dr. Eike Böhm <sup>1</sup>			
		CEO of KION GROUP AG				CTO of KION GROUP AG Stepped down on June 30, 2021; his Executive Board service contract ends on July 31, 2022			
€ thousand		2021	in %	2020	in %	2021	in %	2020	in %
Non-performance-related components	Fixed remuneration	1,400	21.7%	1,400	97.6%	650	20.0%	650	97.0%
	Non-cash remuneration and other benefits <sup>2</sup>	35	0.5%	35	2.4%	16	0.5%	20	3.0%
	<b>Total</b>	<b>1,435</b>	<b>22.3%</b>	<b>1,435</b>	<b>100.0%</b>	<b>666</b>	<b>20.5%</b>	<b>670</b>	<b>100.0%</b>
Performance-related components	<b>One-year variable remuneration</b>	<b>1,812</b>	<b>28.1%</b>	<b>0</b>	<b>-</b>	<b>580</b>	<b>17.9%</b>	<b>0</b>	<b>-</b>
	Short-term incentive								
	One-year variable remuneration (STI 2020) <sup>3</sup>	-	-	-	-	-	-	-	-
	One-year variable remuneration (STI 2021) <sup>4</sup>	1,227	19.0%	-	-	400	12.3%	-	-
	One-off, variable special remuneration	585	9.1%	-	-	180	5.5%	-	-
	<b>Multiple-year variable remuneration</b>	<b>3,200</b>	<b>49.6%</b>	<b>0</b>	<b>-</b>	<b>2,000</b>	<b>61.6%</b>	<b>0</b>	<b>-</b>
	Share-based long-term incentive								
Performance Share Plan (Jan. 1, 2018 – Dec. 31, 2020) <sup>5</sup>	-	-	-	-	-	-	-	-	
Performance Share Plan (Jan. 1, 2019 – Dec. 31, 2021)	3,200	49.6%	-	-	2,000	61.6%	-	-	
<b>Total remuneration</b>	<b>6,447</b>	<b>100.0%</b>	<b>1,435</b>	<b>100.0%</b>	<b>3,246</b>	<b>100.0%</b>	<b>670</b>	<b>100.0%</b>	

1 Stepped down on June 30, 2021; his Executive Board service contract ends on July 31, 2022; the values shown here for 2021 include the values for the period of his active role on the Executive Board and the corresponding pro rata values for 2021 in accordance with the termination agreement

2 Non-performance related, non-cash remuneration and other benefits include expenses and/or benefits in kind, such as the use of a company car and housing costs

3 The Executive Board waived its variable remuneration for 2020 as part of the agreement of the KfW liquidity line

4 For Dr. Böhm, the provisions in the termination agreement apply here. Target achievement of 100 percent and a individual performance multiple of 1.0 were set for Dr. Böhm for 2021

5 The Executive Board waived its variable remuneration for 2020 (LTI tranche 2018-2020) as part of the agreement of the KfW liquidity line

## Remuneration granted and owed in 2021 (continued)

		Hasan Dandashly <sup>1</sup>				Anke Groth			
		President KION Supply Chain Solutions KION GROUP AG from January 1, 2021				CFO of KION GROUP AG			
€ thousand		2021	in %	2020	in %	2021	in %	2020	in %
Non-performance-related components	Fixed remuneration	817	38.5%			800	20.3%	800	98.3%
	Non-cash remuneration and other benefits <sup>2</sup>	294	13.8%			14	0.4%	14	1.7%
	<b>Total</b>	<b>1,111</b>	<b>52.3%</b>			<b>814</b>	<b>20.7%</b>	<b>814</b>	<b>100.0%</b>
Performance-related components	<b>One-year variable remuneration</b>	<b>1,012</b>	<b>47.7%</b>			<b>1,127</b>	<b>28.6%</b>	<b>0</b>	<b>-</b>
	Short-term incentive								
	One-year variable remuneration (STI 2020) <sup>3</sup>		-				-		-
	One-year variable remuneration (STI 2021) <sup>4</sup>	1,012	47.7%			767	19.5%		-
	One-off, variable special remuneration		-			360	9.1%		-
	<b>Multiple-year variable remuneration</b>	<b>0</b>	<b>-</b>			<b>2,000</b>	<b>50.7%</b>	<b>0</b>	<b>-</b>
	Share-based long-term incentive								
Performance Share Plan (Jan. 1, 2018 – Dec. 31, 2020) <sup>5</sup>		-				-		-	
Performance Share Plan (Jan. 1, 2019 – Dec. 31, 2021)		-			2,000	50.7%		-	
	<b>Total remuneration</b>	<b>2,123</b>	<b>100.0%</b>			<b>3,941</b>	<b>100.0%</b>	<b>814</b>	<b>100.0%</b>

1 In the case of Mr. Dandashly, the values include exchange-rate differences

2 Non-performance related, non-cash remuneration and other benefits include expenses and/or benefits in kind, such as the use of a company car and housing costs. In the case of Mr. Dandashly, the pension payment is also included

3 The Executive Board waived its variable remuneration for 2020 as part of the agreement of the KfW liquidity line

4 In the case of Mr. Dandashly, there may still be exchange-rate differences when the payment is made

5 The Executive Board waived its variable remuneration for 2020 (LTI tranche 2018-2020) as part of the agreement of the KfW liquidity line

## Remuneration granted and owed in 2021 (continued)

		Andreas Krinninger				Dr. Henry Puhl			
		President KION ITS EMEA KION GROUP AG from January 1, 2021				CTO KION GROUP AG from July 1, 2021			
€ thousand		2021	in %	2020	in %	2021	in %	2020	in %
Non-performance-related components	Fixed remuneration	775	49.8%			325	49.4%		
	Non-cash remuneration and other benefits <sup>1</sup>	13	0.8%			26	4.0%		
	<b>Total</b>	<b>788</b>	<b>50.7%</b>			<b>351</b>	<b>53.3%</b>		
	<b>One-year variable remuneration</b>	<b>767</b>	<b>49.3%</b>			<b>307</b>	<b>46.7%</b>		
Short-term incentive	One-year variable remuneration (STI 2020)		-				-		
	One-year variable remuneration (STI 2021)	767	49.3%			307	46.7%		
	One-off, variable special remuneration		-				-		
Performance-related components	<b>Multiple-year variable remuneration</b>	<b>0</b>	<b>-</b>			<b>0</b>	<b>-</b>		
	Share-based long-term incentive								
	Performance Share Plan (Jan. 1, 2018 – Dec. 31, 2020)		-				-		
	Performance Share Plan (Jan. 1, 2019 – Dec. 31, 2021)		-				-		
	<b>Total remuneration</b>	<b>1,555</b>	<b>100.0%</b>			<b>658</b>	<b>100.0%</b>		

1 Non-performance related, non-cash remuneration and other benefits include expenses and/or benefits in kind, such as the use of a company car and housing costs

## Remuneration granted and owed in 2021 (continued)

		Ching Pong Quek				Susanna Schneeberger <sup>1</sup>				
		President KION ITS Asia Pacific & Americas KION GROUP AG				CDO KION GROUP AG Stepped down on January 12, 2020; her Executive Board service contract ended on March 31, 2020				
€ thousand		2021	in %	2020	in %	2021	in %	2020	in %	
Non-performance-related components	Fixed remuneration	865	19.0%	771	85.0%	–	–	163	3.5%	
	Non-cash remuneration and other benefits <sup>2</sup>	129	2.8%	136	15.0%	–	–	4,321	93.1%	
	<b>Total</b>	<b>994</b>	<b>21.9%</b>	<b>907</b>	<b>100.0%</b>	<b>–</b>	<b>–</b>	<b>4,484</b>	<b>96.6%</b>	
Performance-related components	<b>One-year variable remuneration</b>	<b>1,339</b>	<b>29.5%</b>	<b>0</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>0</b>	<b>–</b>	
	Short-term incentive	One-year variable remuneration (STI 2020) <sup>3</sup>	–	–	–	–	–	–	0	–
		One-year variable remuneration (STI 2021) <sup>4</sup>	829	18.3%	–	–	–	–	–	–
	Share-based long-term incentive	One-off, variable special remuneration	510	11.2%	–	–	–	–	–	–
		<b>Multiple-year variable remuneration</b>	<b>2,208</b>	<b>48.6%</b>	<b>0</b>	<b>–</b>	<b>833</b>	<b>100.0%</b>	<b>157</b>	<b>3.4%</b>
		Performance Share Plan (Jan. 1, 2018 – Dec. 31, 2020) <sup>5</sup>	–	–	–	–	–	–	157	3.4%
	Performance Share Plan (Jan. 1, 2019 – Dec. 31, 2021)	2,208	48.6%	–	–	833	100.0%	–	–	
<b>Total remuneration</b>	<b>4,541</b>	<b>100.0%</b>	<b>907</b>	<b>100.0%</b>	<b>833</b>	<b>100.0%</b>	<b>4,641</b>	<b>100.0%</b>		

- 1 Stepped down on January 12, 2020; her Executive Board service contract ended on March 31, 2020; the values shown here include the values for the period of her active role on the Executive Board and the corresponding pro rata values which relate to the period in which she was released from her Executive Board duties in accordance with the termination agreement
- 2 Non-performance related, non-cash remuneration and other benefits include expenses and/or benefits in kind, such as the use of a company car and housing costs. For Ms. Schneeberger, payments in connection with her departure are also included for 2020
- 3 The Executive Board waived its variable remuneration for 2020 as part of the agreement of the KfW liquidity line. However, this did not apply to Ms. Schneeberger, for whom the provisions in the termination agreement apply here. The individual performance multiple for Ms. Schneeberger was set to 1.0 for 2020
- 4 The amount shown for Mr. Quek for 2021 includes a flat-rate allowance of around 42 percent as part of a tax equalization agreement
- 5 The Executive Board waived its variable remuneration for 2020 (LTI tranche 2018-2020) as part of the agreement of the KfW liquidity line. However, this did not apply to Ms. Schneeberger, for whom the provisions in the termination agreement apply here. The individual performance multiple for Ms. Schneeberger was set to 1.0 for 2020
- 6 The amount shown for Mr. Quek for 2021 includes a flat-rate allowance of 33 percent as part of a tax equalization agreement

Pension payments made to former members of the Executive Board or former managing directors in fiscal year 2021 are presented above under '2. Pension scheme'.

In 2021, no advances were made to members of the Executive Board, and there were no loans. No benefits from a third party were promised or granted to any Executive Board member in 2021 for their work as an Executive Board member.

### **Commitments to pay benefits in the event of early termination of Executive Board role (section 162 (2) no. 2 AktG)**

If the service agreement ends because the Company has terminated it in the event of termination of the appointment by mutual consent or through revocation of the appointment or in the event of the member's resignation, the Executive Board members have a claim to a severance payment amounting to the benefits due for the remaining term of the service agreement, but not in excess of two years' remuneration (cap on severance). There is no claim to a severance payment where the service agreement is terminated for cause or in the event of the Executive Board member resigning without having due cause to do so. The annual income relevant for calculating the severance amount is made up of the fixed salary and the variable remuneration components based on target achievement of 100 percent for the last full financial year before the service agreement ends. Benefits in kind and other fringe benefits are not taken into account when calculating the severance amount.

Additionally, the Company may agree a post-contractual non-compete covenant for a maximum of two years with members of the Executive Board. For the period of any post-contractual non-compete covenant, the Executive Board members are entitled to compensation for observing it. Other Executive Board member income as well as any severance payment paid by the Company is set off against the compensation for observing the post-contractual non-compete covenant.

### **Commitments to pay benefits in the event of regular termination of Executive Board role (section 162 (2) no. 3 AktG)**

In the event of the regular termination of their Executive Board role, Executive Board members generally receive retirement, invalidity, and surviving dependants' benefits as described above under '2. Pension scheme'.

Fixed annual contributions of €250 thousand for Ms. Groth, €124.5 thousand for Mr. Quek, €250 thousand for Mr. Krinninger, and €150 thousand for Dr. Puhl are paid into their pension accounts for the duration of the member's period of service on the Executive Board. In 2021, the above amounts for Ms. Groth, Mr. Quek, and Mr. Krinninger were paid in full into their pension accounts. A pro rata amount of €75 thousand was paid into Dr. Puhl's pension account for his membership of the Executive Board from July 1, 2021. A sum of €150 thousand was paid in for his predecessor, Dr. Böhm, who was a member of the Executive Board until June 30, 2021. Half of that amount (€75 thousand) was attributable to the period in which he had an active role on the Executive Board.

For the former Chief Executive Officer Mr. Riske, whose existing Executive Board service contract will end at the end of June 30, 2022 due to his reaching the standard retirement age of 65 and who resigned as Chief Executive Officer and stepped down from the Executive Board with effect from December 31, 2021, the old entitlement under previous contractual arrangements has been maintained: Mr. Riske has a defined benefit entitlement that was granted in his previous service contract and was transferred to his Executive Board service contract when the Company changed its legal form to become KION GROUP AG. The amount

of the entitlement is dependent on the number of years of service and amounts to a maximum of 50 percent of the most recent fixed annual salary awarded in the original service contract after the end of the tenth year of service. From July 1, 2022, Mr. Riske will receive the retirement pension of €300 thousand gross per year that has been promised by the Company.

The amounts expensed or for which a provision has been recognized, along with the present values of the pension entitlements of the Executive Board members who were in office during 2021 are shown in the following tables (in accordance with International Financial Reporting Standards (IFRS) and German Commercial Code (HGB)):

### Pension entitlements under IFRS

€ thousand	Service cost 2021	Service cost 2020	Present value (DBO) Dec. 31, 2021	Present value (DBO) Dec. 31, 2020
Gordon Riske		296	8,454	8,805
Dr. Eike Böhm <sup>1</sup>	151	152	1,108	913
Anke Groth	262	264	991	695
Andreas Krinninger			790	
Dr. Henry Puhl <sup>2</sup>			497	
Ching Pong Quek	126	126	1,337	1,127
Susanna Schneeberger <sup>3</sup>		41		240
<b>Total</b>	<b>539</b>	<b>879</b>	<b>13,177</b>	<b>11,780</b>

1 Stepped down on June 30, 2021; his Executive Board service contract ends on July 31, 2022

2 Appointed to the Executive Board with effect from July 1, 2021

3 Stepped down on January 12, 2020; her Executive Board service contract ended on March 31, 2020

### Pension entitlements under HGB

€ thousand	Service cost 2021	Service cost 2020	Present value (DBO) Dec. 31, 2021	Present value (DBO) Dec. 31, 2020
Gordon Riske		234	7,565	7,127
Dr. Eike Böhm <sup>1</sup>	153	154	1,108	913
Anke Groth	256	257	991	689
Andreas Krinninger			790	
Dr. Henry Puhl <sup>2</sup>			497	
Ching Pong Quek	127	128	1,337	1,127
Susanna Schneeberger <sup>3</sup>		39		240
<b>Total</b>	<b>536</b>	<b>812</b>	<b>12,288</b>	<b>10,096</b>

1 Stepped down on June 30, 2021; his Executive Board service contract ends on July 31, 2022

2 Appointed to the Executive Board with effect from July 1, 2021

3 Stepped down on January 12, 2020; her Executive Board service contract ended on March 31, 2020

## **Commitments to pay benefits to former Executive Board members whose role ended during the reporting year (section 162 (2) no. 4 AktG)**

During 2021, Dr. Böhm stepped down from the Executive Board of KION GROUP AG with effect from the end of June 30, 2021. The following agreements were reached with Dr. Böhm in connection with the ending of his role on the Executive Board:

- The service contract of Dr. Böhm is due to end at the end of July 31, 2022. Dr. Böhm has been released from his duties as CTO since July 1, 2021.
- Unless otherwise explained below, all benefits – including additional benefits, the STI, and the LTI pursuant to his service contract – will continue to be granted until the end of his service contract in accordance with that contract (in the case of the LTI, for the last time for the 2022–2024 performance period). No additional or special benefits have been agreed.
- The amounts to be paid for the STI 2021 and STI 2022 will be calculated by applying a target achievement rate of 100 percent and an individual performance multiple of 1.0. His individual performance will not be assessed.
- Amounts to be paid under the LTI tranches for the 2020–2022, 2021–2023, and 2022–2024 performance periods to which Dr. Böhm is contractually entitled will be determined by applying a target achievement rate of 100 percent and an individual performance multiple of 1.0, without any individual targets being set and without individual target achievement being assessed.
- The Company decided not to agree a post-contractual non-compete clause with Dr. Böhm.

In 2020, the Company recognized a provision of €2,406 thousand for the aforementioned commitments to Dr. Böhm starting July 1, 2021.

In 2021, the following agreements were reached with Mr. Riske in view of the early termination of his Executive Board role with effect from December 31, 2021. Mr. Riske was Chief Executive Officer until December 31, 2021, when he stepped down from the Executive Board ahead of time.

- The service contract of Mr. Riske is due to end at the end of June 30, 2022 due to his reaching the standard retirement age of 65. Mr. Riske has been released from his duties as Chief Executive Officer since January 1, 2022. From this date until the end of his service contract, he is available to the Company in an advisory capacity.
- All benefits – including additional benefits, the STI, and the LTI pursuant to his service contract – will continue to be granted until the end of his service contract in accordance with that contract (in the case of the LTI, for the last time for the 2022–2024 performance period). No additional or special benefits have been agreed.
- The Company decided not to agree a post-contractual non-compete clause with Mr. Riske.
- From July 1, 2022, Mr. Riske will receive the retirement pension of €300 thousand gross per year that has been promised by the Company.

In 2021, the Company recognized a provision of €2,120 thousand for the aforementioned commitments to Mr. Riske.

## Supervisory Board remuneration

### Remuneration system

The structure and amount of Supervisory Board remuneration is decided upon by the Annual General Meeting. The Supervisory Board's remuneration is defined in article 18 of KION GROUP AG's articles of association.

This ensures that the remuneration of Supervisory Board members is always in line with the remuneration system decided upon by the Annual General Meeting.

Supervisory Board remuneration is not based on performance. Each member of the Supervisory Board receives fixed remuneration plus attendance fees and reimbursement of expenses. Variable remuneration is not granted to Supervisory Board members, primarily in order to ensure that they are independent of the Company. The Company thus complies with recommendation G.18 of the GCGC.

Members of the Supervisory Board receive fixed remuneration plus reimbursement of out-of-pocket expenses. The fixed annual remuneration of an ordinary member amounts to €55,000. The chairman of the Supervisory Board receives three times the amount of an ordinary member, i.e. €165,000, and his deputy receives two times the amount of an ordinary member, i.e. €110,000.

Additional remuneration is paid for being a member or chairman of a committee, although this does not apply in the case of the Mediation Committee pursuant to section 27 (3) of the German Codetermination Act (MitbestG), the Nomination Committee, or the Remuneration Committee. The annual remuneration for members of the Executive Committee is usually €8,000, while the chairman of the Executive Committee receives double this amount, i.e. €16,000. The chairman of the Audit Committee receives €45,000 per year, his deputy €30,000, and each ordinary member €15,000 in view of their greater responsibilities and thus the greater amount of their time taken up.

If a member of the Supervisory Board or one of its committees does not hold his or her position for a full financial year, remuneration is reduced pro rata. The same applies if the chairman of the Supervisory Board or one of its committees does not hold their position for a full financial year.

The members of the Supervisory Board receive an attendance fee of €1,500 per day for meetings of the Supervisory Board and its committees, although they only receive this amount once if they attend more than one meeting on the same day.

The Company reimburses each member for any VAT incurred in connection with his or her remuneration.

In the interests of the Company, a D&O insurance policy without a deductible has been taken out for the members of the Supervisory Board. The Company pays the premiums for this.

The remuneration of the members of the Supervisory Board is reviewed at appropriate intervals. This review includes a comparison with supervisory board remuneration in companies that are similar in terms of size, sector, and complexity and examination of the time expected to be taken up by the members' work on the Supervisory Board and its committees. The Supervisory Board's remuneration was last adjusted on June 1, 2017.



The reason for any adjustments by the shareholders is KION GROUP AG's significant interest in attracting and retaining highly qualified Supervisory Board members in order to ensure the efficiency and quality of the Supervisory Board's work and thus to support KION GROUP AG's short-term and long-term growth.

The existing remuneration system for the Supervisory Board was confirmed at the Annual General Meeting on May 11, 2021, at which it was approved with 99.60 percent of the votes cast. In accordance with section 113 (3) AktG, the Annual General Meeting will decide on the Supervisory Board members' remuneration at least every four years going forward.

## Remuneration granted and owed in 2021

All aspects of the Supervisory Board remuneration system pursuant to article 18 of KION GROUP AG's articles of association were applied without any exceptions in 2021.

The following table shows the remuneration granted and owed to the individual Supervisory Board members for 2021, along with the percentage share of their total remuneration.

### Granted and owed remuneration of the Supervisory Board of KION GROUP AG in 2021 (net)

€ thousand	Fixed remuneration	in percent <sup>1</sup>	Committee remuneration (fixed)	in percent <sup>2</sup>	Attendance fee	in percent <sup>3</sup>	Total
Birgit Behrendt	55	83.3%		0.0%	11	16.7%	66
Dr. Alexander Dibelius	55	68.8%	8	10.0%	17	21.3%	80
Kui Jiang*	55	68.8%	8	10.0%	17	21.3%	80
Dr. Michael Macht	165	75.3%	31	14.2%	23	10.5%	219
Dr. Christina Reuter	55	85.9%		0.0%	9	14.1%	64
Hans Peter Ring	55	42.0%	53	40.5%	23	17.6%	131
Xuguang Tan*	55	94.8%		0.0%	3	5.2%	58
Ping Xu*	55	87.3%		0.0%	8	12.7%	63
Stefan Casper	55	85.9%		0.0%	9	14.1%	64
Martin Fahrendorf	55	85.9%		0.0%	9	14.1%	64
Olaf Kunz	55	70.5%	8	10.3%	15	19.2%	78
Jörg Milla	55	55.6%	23	23.2%	21	21.2%	99
Özcan Pancarci	110	81.5%	8	5.9%	17	12.6%	135
Alexandra Schädler	55	53.9%	30	29.4%	17	16.7%	102
Dr. Frank Schepp	55	85.9%		0.0%	9	14.1%	64
Claudia Wenzel	55	70.5%	8	10.3%	15	19.2%	78
<b>Total</b>	<b>1,045</b>	<b>72.3%</b>	<b>177</b>	<b>12.2%</b>	<b>223</b>	<b>15.4%</b>	<b>1,445</b>
* Withholding tax (pursuant to section 50a of the German Income Tax Act (EStG)) incl. the reunification surcharge was also paid over in the following amounts:	76		4		13		93

- 1 Relative share of fixed remuneration to total compensation
- 2 Relative share of committee remuneration (fixed) to total compensation
- 3 Relative share of attendance fee to total compensation

Apart from regular salary payments to employee representatives for their work under their employment contracts, no company in the KION Group paid or granted any remuneration or other benefits to members of the Supervisory Board in 2021 for services provided as individuals, such as providing consultancy or acting as an agent. Nor were any advances or loans granted to members of the Supervisory Board.

## **Presentation of the year-on-year changes in the remuneration and the earnings of the Company**

In accordance with section 162 (1) no. 2 AktG, the following table presents the changes in the remuneration of the Executive Board and Supervisory Board members in the past five years (2017 to 2021), the changes in the financial performance of KION GROUP AG and the KION Group in the past five years (2017 to 2021), and the average remuneration of employees (on the basis of full-time equivalents, FTEs) in 2021 compared with 2020.

Earnings performance depicts the change in the profit for the year of KION GROUP AG pursuant to section 275 (2) no. 17 German Commercial Code (HGB) in accordance with the annual financial statements of KION GROUP AG prepared in accordance with HGB. Adjusted EBIT for the entire Group is also stated as a financial indicator, as this is a key factor determining the amount of the variable remuneration components paid to the Executive Board members. Explanations of the financial indicators used can be found in the Annual Report 2021 of KION GROUP AG, in particular in the Combined Management Report.

To ensure comparability, remuneration for active periods of service on the Executive Board were included and also subsequent payments after a member had stepped down from the Executive Board until termination of the relevant service agreements. The remuneration granted and owed within the meaning of section 162 (1) sentence 1 AktG as reported above was included in the comparative analysis in each case.

The comparison with the change in the average remuneration of employees is based on the average remuneration of the workforce of the German companies in the KION Group. The remuneration of all KION Group employees in Germany, including executives within the meaning of section 5 (3) of the German Labor Relations Act (BetrVG), was included. Owing to the different remuneration structures in subsidiaries, particularly those outside Germany, the average remuneration of their workforce was not included in the comparison in order to ensure comparability. Only in a handful of one-off cases that had only an immaterial impact on the results were the salaries of employees in dependent permanent establishments of German companies in the KION Group outside Germany also included in the comparison due to the system used to capture salary data. The comparison included all collectively agreed salary components and agreed fixed salaries, agreed bonuses and supplements, and any variable compensation components attributable to the financial year 2021, such as bonuses or special payments. In principle, therefore, the compensation granted and owed within the meaning of section 162 (1) sentence 1 AktG is considered in the same way as for the members of the Executive Board and Supervisory Board.

## Year-on-year change

	2017 compared with 2016	2018 compared with 2017	2019 compared with 2018	2020 compared with 2019	2021 compared with 2020
<b>Current Supervisory Board members</b>					
Birgit Behrendt	7.7%	5.6%	-2.3%	2.4%	<b>3.1%</b>
Dr. Alexander Dibelius	11.2%	1.2%	0.0%	2.0%	<b>2.6%</b>
Kui Jiang	5.4%	2.9%	0.0%	2.0%	<b>2.6%</b>
Dr. Michael Macht <sup>1</sup>	-	-	1,005.5%	29.6%	<b>0.2%</b>
Dr. Christina Reuter <sup>2</sup>	67.1%	3.2%	0.0%	2.4%	<b>0.0%</b>
Hans Peter Ring	26.7%	13.1%	0.0%	2.4%	<b>0.4%</b>
Xuguang Tan <sup>3</sup>	7.2%	-11.8%	-19.2%	48.0%	<b>2.7%</b>
Ping Xu	12.7%	3.2%	0.0%	2.4%	<b>-1.6%</b>
Stefan Casper <sup>4</sup>	-	29.5%	2.3%	0.0%	<b>-4.5%</b>
Martin Fahrendorf <sup>5</sup>	-	-	46.7%	0.0%	<b>-4.5%</b>
Olaf Kunz	15.9%	0.8%	0.0%	1.9%	<b>-3.7%</b>
Jörg Milla <sup>6</sup>	47.7%	12.6%	4.3%	1.5%	<b>-4.3%</b>
Özcan Pancarci <sup>7</sup>	39.8%	6.5%	0.0%	0.0%	<b>-0.7%</b>
Alexandra Schädler	28.8%	9.2%	0.0%	0.0%	<b>-2.4%</b>
Dr. Frank Schepp <sup>8</sup>	-	36.5%	0.0%	0.0%	<b>-4.5%</b>
Claudia Wenzel <sup>9</sup>	679.2%	4.0%	0.0%	0.0%	<b>-3.7%</b>

1 Supervisory Board member since October 9, 2018, chairman since May 9, 2019

2 Supervisory Board member since May 12, 2016

3 Supervisory Board member until September 30, 2018, and since May 9, 2019

4 Supervisory Board member since May 11, 2017

5 Supervisory Board member since May 10, 2018

6 Committee member since November 1, 2016

7 Deputy Supervisory Board chairman, committee member since November 1, 2016

8 Supervisory Board member since May 11, 2017

9 Supervisory Board member since November 1, 2016, committee member since May 11, 2017

## Year-on-year change (continued)

	2017 compared with 2016	2018 compared with 2017	2019 compared with 2018	2020 compared with 2019	2021 compared with 2020
<b>Current Executive Board members</b>					
Gordon Riske	6.5%	-37.5%	19.1%	-61.1%	<b>349.1%</b>
Dr. Eike Böhm <sup>10</sup>	166.3%	-40.2%	18.8%	-62.9%	<b>384.8%</b>
Hasan Dandashly <sup>11</sup>	-	-	-	-	-
Anke Groth <sup>12</sup>	-	-	51.0%	-47.6%	<b>384.2%</b>
Andreas Krinninger <sup>13</sup>	-	-	-	-	-
Dr. Henry Puhl <sup>14</sup>	-	-	-	-	-
Ching Pong Quek	-1.4%	-51.7%	21.9%	-59.4%	<b>400.5%</b>
<b>Former Executive Board members</b>					
Susanna Schneeberger <sup>15</sup>	-	-	127.7%	253.2%	<b>-82.0%</b>
<b>Pension payments to former Executive Board members and Managing Directors</b>					
Klaus Hofer	1.7%	1.7%	1.7%	1.5%	<b>0.0%</b>
Former Managing Directors <sup>16</sup>	1.8%	1.6%	1.7%	1.5%	<b>0.0%</b>
<b>Earnings performance</b>					
Profit for the year of KION GROUP AG <sup>17</sup>	29.9%	-29.6%	-33.6%	-104.1%	<b>&gt; 100%</b>
Adjusted EBIT <sup>18</sup>	44.7%	1.6%	7.7%	-35.7%	<b>53.9%</b>
<b>Average remuneration on the basis of full-time equivalents (FTEs)</b>					
Employees of the KION Group in Germany <sup>19</sup>					<b>6.5%</b>

10 Stepped down on June 30, 2021; his Executive Board service contract ends on July 31, 2022

11 Appointed to the Executive Board with effect from January 1, 2021

12 Appointed to the Executive Board with effect from June 1, 2018

13 Appointed to the Executive Board with effect from January 1, 2021

14 Appointed to the Executive Board with effect from July 1, 2021

15 Appointed to the Executive Board with effect from October 1, 2018; stepped down on January 12, 2020; her Executive Board service contract ended on March 31, 2020

16 Former Managing Directors of KION Holding 1 GmbH (before transformation of legal form into KION GROUP AG) who left the Company before January 1, 2012

17 Annual result of the KION GROUP AG pursuant to section 275 (2) No. 17 German Commercial Code (HGB) as stated in the annual financial statements of the KION GROUP AG. For the value 2021 compared with 2020, the change was given as > 100 percent because the value was negative in the year 2020 and positive in the year 2021

18 The used financial indicator relates to KION Group as a whole. Explanations of the used financial indicators can be found in the Annual Report 2021 of KION GROUP AG, in particular in the Combined Management Report

19 With regard to the comparative presentation of the average change in employee compensation, the Company is making use of the transitional provision under section 26j (2) sentence 2 of the Introductory Act to the German Stock Corporation Act (EGAktG) and will build up the presentation successively over a five-year period

The increase in the remuneration of the Executive Board members Gordon Riske, Anke Groth, Dr. Eike Böhm and Ching Pong Quek in financial year 2021 compared with financial year 2020 results from the complete waiver of payment of variable remuneration (STI and LTI) declared by the aforementioned Executive Board members for financial year 2020. The variable remuneration was paid again for 2021, with the KION Group's very good business performance being reflected in the amounts of the variable remuneration components.

On behalf of the  
Executive Board



Dr. Richard Robinson Smith  
CEO  
KION GROUP AG



Anke Groth  
CFO  
KION GROUP AG

On behalf of the  
Supervisory Board



Dr. Michael Macht  
Chairman of Supervisory Board  
KION GROUP AG

## Notes

This Remuneration Report is available in German and English at [www.kiongroup.com/remuneration](http://www.kiongroup.com/remuneration). The content of the German version is binding.

Explanations of the financial indicators used in this report can be found in the Annual Report 2021 of KION GROUP AG, in particular in the Combined Management Report. The financial indicators presented in KION GROUP AG's Annual Report 2021 are relevant for assessing the financial position and financial performance of the KION Group; the financial indicators used in this report should not be viewed in isolation.

## Report of the independent auditor

### Report of the Independent Auditor on the Audit of the Remuneration Report in accordance with Section 162 (3) AktG

To KION GROUP AG, Frankfurt am Main/Germany

#### Audit Opinion

We conducted a formal audit of the remuneration report of KION GROUP AG, Frankfurt am Main/Germany, for the financial year from 1 January to 31 December 2021, to assess whether the disclosures required under Section 162 (1) and (2) German Stock Corporation Act (AktG) have been made in the remuneration report. In accordance with Section 162 (3) AktG, we did not audit the content of the remuneration report.

In our opinion, the disclosures required under Section 162 (1) and (2) AktG have been made, in all material respects, in the accompanying remuneration report. Our audit opinion does not cover the content of the remuneration report.

#### Basis for the Audit Opinion

We conducted our audit of the remuneration report in accordance with Section 162 (3) AktG and in compliance with the IDW Auditing Standard: Audit of the Remuneration Report pursuant to Section 162 (3) AktG (IDW AuS 870 (08.2021)). Our responsibilities under those requirements and this standard are further described in the “Auditor’s Responsibilities” section of our auditor’s report. Our audit firm has applied the requirements of the IDW Quality Assurance Standard: Quality Assurance Requirements in Audit Practices (IDW QS 1). We have fulfilled our professional responsibilities in accordance with the German Public Auditor Act (WPO) and the Professional Charter for German Public Auditors and German Sworn Auditors (BS WP/vBP) including the requirements on independence.

#### Responsibilities of the Executive Board and the Supervisory Board

The executive board and the supervisory board are responsible for the preparation of the remuneration report, including the related disclosures, that complies with the requirements of Section 162 AktG. In addition, they are responsible for such internal control as they consider necessary to enable the preparation of a remuneration report, including the related disclosures, that is free from material misstatement, whether due to fraud or error.

#### Auditor’s Responsibilities

Our objectives are to obtain reasonable assurance about whether the disclosures required under Section 162 (1) and (2) AktG have been made in the remuneration report, in all material respects, and to express an audit opinion thereon as part of an auditor’s report.

We planned and conducted our audit so as to be able to determine whether the remuneration report is formally complete by comparing the disclosures made in the remuneration report with the disclosures required under Section 162 (1) and (2) AktG. In accordance with Section 162 (3) AktG, we did neither audit whether the contents of these disclosures are correct, nor whether the contents of individual disclosures are complete, nor whether the remuneration report has been reasonably presented.

## Handling of possible misrepresentations

In connection with our audit, our responsibility is to read the remuneration report taking into account our knowledge obtained in the financial statement audit while remaining attentive to any signs of misrepresentations in the remuneration report regarding the correctness of the disclosures' contents, the completeness of individual disclosures' contents or the reasonable presentation of the remuneration report.

If, based on the work we have performed, we conclude that there is such a misrepresentation, we are required to report that fact. We have nothing to report in this regard.

Frankfurt am Main/Germany, 2 March 2022

### **Deloitte GmbH**

Wirtschaftsprüfungsgesellschaft

(Annika Deutsch)  
Wirtschaftsprüferin  
(German Public Auditor)

(Stefan Dorissen)  
Wirtschaftsprüfer  
(German Public Auditor)

## Further information about the candidates nominated for election as members of the Supervisory Board in agenda item 7

**Birgit A. Behrendt**, Cologne, Germany

Member of the Supervisory Board of KION GROUP AG since January 2015

### Personal Information:

Year of birth: 1959

Nationality: German

### Current profession:

Independent management consultant in Cologne, Germany (since 2019)

### Career:

Since 2020	Venture Partner at AP Ventures LLP in London, United Kingdom
2013 - 2019	Corporate Officer at Ford Motor Company in Dearborn (Michigan), USA
2018 - 2019	Vice President (Joint Ventures, Alliances & Commercial Affairs) and member of the Board of Directors of Ford of Europe GmbH in Cologne, Germany
2013 - 2017	Vice President (Global Purchasing) at Ford Motor Company in Dearborn (Michigan), USA
2010 - 2013	Executive Director (Global Programs and the Americas Purchasing) at Ford Motor Company in Dearborn (Michigan), USA
2004 - 2010	Vice President (Purchasing Europe) and member of the Board of Directors of Ford of Europe GmbH in Cologne, Germany
2000 - 2004	Director (Global Body and Exterior Purchasing) at Ford Motor Company in Dearborn (Michigan), USA
1998 - 2000	Manager of Global Strategy for the Purchasing Business Office at Ford Motor Company in Dearborn (Michigan), USA
1980 - 1998	Various management positions in Purchasing as well as Material Planning and Logistic at Ford-Werke AG in Cologne, Germany

### Education:

1986 - 1989	Studied business administration at the Academy of Administration and Economics in Cologne, Germany, graduating in business administration (VWA)
1978 - 1979	Commercial apprentice at Ford-Werke GmbH in Cologne, Germany

### Relevant knowledge, skills and professional experience:

Birgit A. Behrendt has experience/expertise in the areas of material handling and intralogistics as well as related areas (including components and drive technology). In addition, she has experience/expertise in the development and assessment of technologies (including in particular environmentally friendly technologies, products and solutions, such as alternative energy sources) as well as in the service/after-sales business and technological development in these areas. Furthermore, Birgit A. Behrendt has experience/expertise in the areas of digitalization and automation, business acquisitions and cooperations as well as in the development of international marketing and product range strategies. She also has experience/expertise in the area of Environment, Social & Governance (ESG), especially in environmental protection, on social and working conditions (including equal opportunities) and corporate governance. Birgit A. Behrendt also has experience/expertise in the areas of auditing, capital markets and international financing as well as in the areas of supervisory board and management board processes and organization in companies with an international presence, including corporate culture. In addition, Birgit A. Behrendt has experience/expertise in the



economic regions of particular importance to the company, namely EMEA, North and South America, China and the rest of Asia.

Other substantial activities:

Since 2021	Member of the Supervisory Board of the listed Umicore S.A. in Brussels, Belgium
Since 2021	Member of the Board of Directors of the non-listed Infinium Holdings, Inc. in Sacramento (California), USA (non-executive director)
Since 2020	Member of the Supervisory Board of the listed thyssenkrupp AG in Essen, Germany
Since 2020	Member of the Administrative Board of the non-listed Stulz Verwaltungsgesellschaft mbH & Co. KG in Hamburg, Germany
Since 2020	Member of the Advisory Board of the non-listed Hydrogenious LOHC Technologies GmbH in Erlangen, Germany
Since 2017	Member of the Supervisory Board of the non-listed Ford-Werke GmbH in Cologne, Germany

**Dr. Alexander Dibelius**, Berlin, Germany

Member of the Supervisory Board of KION GROUP AG  
(and its legal predecessor KION Holding 1 GmbH) since March 2007

Personal Information:

Year of birth: 1959

Nationality: German

Current profession:

Managing Partner of CVC Capital Partners (Deutschland) GmbH in Frankfurt am Main, Germany (since 2015)

Career:

1993 - 2015	<ul style="list-style-type: none"><li>- Partner and Managing Director at Goldman Sachs, Inc. in New York City, USA</li><li>- Partner and Managing Director at Goldman Sachs International in London, United Kingdom</li><li>- Chief Executive Officer at Goldman Sachs AG (and managing director at its legal predecessor, Goldman, Sachs &amp; Co. oHG, respectively) in Frankfurt am Main, Germany</li><li>- Director at Goldman Sachs OOO in Moscow, Russia</li></ul>
1987 - 1992	Partner at McKinsey & Company in Vienna, Austria and Munich, Germany
1986 - 1987	Surgeon at Freiburg University Hospital in Freiburg, Germany
1985 - 1986	Military service at Ernst-von-Bergmann-Kaserne in Munich, Germany
1984 - 1985	<ul style="list-style-type: none"><li>- Surgical intern at Baragwanath Hospital in Johannesburg, South Africa</li><li>- Surgical intern at Grootteschuur Hospital in Cape Town, South Africa</li></ul>

Education:

1987	Doctor of Medicine awarded by Ludwig-Maximilian-University in Munich, Germany
1978 - 1984	Medical studies at Ludwig-Maximilian-University in Munich, Germany

Relevant knowledge, skills and professional experience:

Dr. Alexander Dibelius has experience/expertise in the areas of digitalization and automation, in the development of international marketing and product portfolio strategies as well

as in the area of business acquisitions and cooperations. Furthermore, he has experience/expertise in the areas of capital markets and international financing as well as in the areas of supervisory and management board processes and organization in companies with an international presence, including corporate culture. In addition, Dr. Alexander Dibelius has experience/expertise in the economic areas of particular importance to the company, namely EMEA, North and South America, China and the rest of Asia.

Other substantial activities:

Within the CVC Group:

- Since 2016 Member of the Supervisory Board of the non-listed Douglas GmbH in Düsseldorf, Germany
- Since 2016 Member of the Supervisory Board of the non-listed Kirk Beauty Investments S.A. in Luxembourg, Luxemburg
- Since 2016 Member of the Board of Directors of the non-listed CVC Capital Partners (Luxembourg) Sàrl in Luxembourg, Luxemburg (non-executive director)

Within the Messer Group:

- Since 2018 Member of the Advisory Board of the non-listed Messer Industries GmbH in Bad Soden, Germany
- Since 2018 Member of the Advisory Board of the non-listed Messer Industries USA Inc. in Bridgewater (New Jersey), USA

Other:

- Since 2020 Member of the Supervisory Board of the non-listed Syntegon Technology GmbH in Waiblingen, Germany
- Since 2019 Member of the Supervisory Board of the non-listed DKV MOBILITY SERVICES HOLDING GmbH & Co. KG in Ratingen, Germany
- Since 2017 Member and Chairman of the Administrative Board of the non-listed Breitling S.A. in Grenchen, Switzerland
- Since 2017 Member of the Shareholders' Committee of the non-listed Tipico Group Ltd. in St. Julian's, Malta
- Since 2016 Member of the Board of Directors of the listed Diebold Nixdorf Inc. in North Canton (Ohio), USA (non-executive director)

**Dr. Michael Macht**, Hopfen am See, Germany

Chairman of the Supervisory Board of KION GROUP AG since May 2019, Member of the Supervisory Board of KION GROUP AG since October 2018

Personal Information:

Year of birth: 1960

Nationality: German

Current profession:

Independent management consultant in Hopfen am See, Germany

Career:

- 2010 - 2014 Member of the Group Executive Board of VOLKSWAGEN AKTIEN-GESELLSCHAFT in Wolfsburg, Germany
- 2009 - 2010 Member of the Executive Board and Chief Executive Officer of Dr. Ing. h.c. F. Porsche AG in Stuttgart, Germany
- 2009 - 2010 Member of the Executive Board of Porsche Automobil Holding SE in Stuttgart, Germany

- 1998 - 2009 Member of the Executive Board of Dr. Ing. h.c. F. Porsche AG in Stuttgart, Germany
- 1994 - 1998 Managing Director of Porsche Consulting GmbH in Bietigheim-Bissingen, Germany
- 1993 - 1994 Personal Advisor to the Chief Executive Officer of Dr. Ing. h.c. F. Porsche AG in Stuttgart, Germany
- 1992 - 1993 Personal Advisor to the member of the Executive Board for Production and Material Management at Dr. Ing. h.c. F. Porsche AG in Stuttgart, Germany
- 1991 - 1992 Subject Specialist for Engine Planning at Dr. Ing. h.c. F. Porsche AG in Stuttgart, Germany

Education:

- 1986 - 1990 Fraunhofer-Institute Stuttgart, Research Assistant for Labor Economics and Organization in Stuttgart, Germany
- 1981 - 1986 Stuttgart University, Degree in Mechanical Engineering in Stuttgart, Germany

Relevant knowledge, skills and professional experience:

Dr. Michael Macht has experience/expertise in material handling and intralogistics as well as related industries (including components and drive technology). In addition, he has experience/expertise in the technological development and assessment (including in particular environmentally friendly technologies, products and solutions, such as alternative energy sources) as well as in the service/after-sales business and technological development in these areas. Furthermore, Dr. Michael Macht has experience/expertise in the development of international marketing and product range strategies as well as in the areas of business acquisitions and cooperations. He also has experience/expertise in the area of Environment, Social & Governance (ESG), in particular with regard to corporate governance. He also has experience/expertise in the areas of supervisory board and management processes and organization in companies with an international presence, including corporate culture. Furthermore, Dr. Michael Macht has experience/expertise in the economic areas of particular importance to the company, namely EMEA, North and South America, China and the rest of Asia.

Other substantial activities:

Within the Weichai Group

- Since 2018 Member of the Board of Directors of the listed Weichai Power Co., Ltd. in Weifang, People's Republic of China (non-executive director)

Other:

- Since 2021 Member of the Supervisory Board of the non-listed Mahle Behr GmbH & Co. KG in Stuttgart, Germany
- Since 2021 Member and Chairman of the Administrative Board of the non-listed Rosenberger Hochfrequenztechnik GmbH & Co.KG in Tittmoning, Germany
- Since 2021 Member of the Board of Directors of the non-listed McLaren Group Limited in Woking, United Kingdom (non-executive director)
- Since 2020 Member of the Supervisory Board of the non-listed Mahle GmbH in Stuttgart, Germany

**Tan Xuguang**, Weifang, People's Republic of China

Member of the Supervisory Board of KION GROUP AG since May 2019

Personal Information:

Year of birth: 1961

Nationality: Chinese

Current profession:

Chairman of the Board of Directors and President of the non-listed Shandong Heavy Industry Group Co. Ltd. in Jinan, People's Republic of China (since 2009)

Career:

- Since 2018 Chairman of the Board of Directors of the non-listed China National Heavy Duty Truck Group Co., Ltd. in Jinan, People's Republic of China
- Since 2012 Chairman of the Board of Directors of the non-listed Ferretti S.p.A. in Cattolica, Italy
- Since 2009 Chairman of the Board of Directors of the non-listed Weichai Holding Group Co., Ltd. in Weifang, People's Republic of China
- Since 2007 Chairman of the Board of Directors of the non-listed Shaanxi Heavy-Duty Automobile Co., Ltd. in Xi'an, People's Republic of China
- Since 2007 Chairman of the Board of Directors of the non-listed Shaanxi Fast Gear Co., Ltd. in Xi'an, People's Republic of China
- Since 2002 Chairman of the Board of Directors and Chief Executive Officer of the listed Weichai Power Co., Ltd. in Weifang, People's Republic of China
- 1998 - 2002 Director of Weifang Diesel Engine Works in Weifang, People's Republic of China
- 1977 - 1998
  - Technologist at Weifang Diesel Engine Works in Weifang, People's Republic of China
  - General manager of Weichai Import & Export Company in Weifang, People's Republic of China

Education:

- 2004 - 2008 Tianjin University in Tianjin, People's Republic of China (PhD in Mechanical Manufacturing and Automation)
- 2002 - 2003 Tianjin University in Tianjin, People's Republic of China (Master of Power Engineering)
- 1994 - 1997 Shandong Cadres Correspondence University in Jinan, People's Republic of China (Bachelor of Economic Management)

Relevant knowledge, skills and professional experience:

Tan Xuguang has experience/expertise in the areas of material handling and intralogistics as well as related areas (including components and drive technology). In addition, he has experience/expertise in the development and assessment of technologies (including in particular environmentally friendly technologies, products and solutions, such as alternative energy sources) as well as in the service/after-sales business and technological development in these areas. Furthermore, Tan Xuguang has experience/expertise in the areas of digitalization and automation, business acquisitions and cooperations as well as in the development of international marketing and product range strategies. He also has experience/expertise in the area of Environment, Social & Governance (ESG), especially in environmental protection, on social and working conditions (including equal opportunities) and corporate governance. Tan Xuguang also has experience/expertise in the areas of accounting and auditing, capital markets and international financing as well as in the areas of supervisory board and man-

agement board processes and organization in companies with an international presence, including corporate culture. In addition, Tan Xuguang has experience/expertise in the economic regions of particular importance to the company, namely EMEA, North and South America, China and the rest of Asia.

Other substantial activities:

- |            |  |
|------------|--|
| Since 2020 | Vice President of the non-listed Chinese Society for Internal Combustion Engines, People's Republic of China                                     |
| Since 2020 | Chief Industrial Engineering Expert of the non-listed China Machinery Enterprise Management Association, People's Republic of China              |
| Since 2018 | Honorary Chairman of the non-listed China Internal Combustion Engine Industry Association, People's Republic of China                            |
| Since 2018 | Director of the non-listed State Key Laboratory of Engine Reliability, People's Republic of China  |
| Since 2018 | Member of the academic committee of the non-listed Key Laboratory of Quality, Supervision, Inspection and Quarantine, People's Republic of China |
| Since 2011 | President of the non-listed China Federation of Industrial Economics Committee, People's Republic of China                                       |
| Since 2008 | Vice Chairman of the non-listed China Machinery Industry Federation, People's Republic of China  |

## Further information and notes

### I. Total number of shares and voting rights

As at the date of the invitation to the Annual General Meeting, the share capital of the Company amounts to EUR 131,198,647.00 and is divided into 131,198,647 no-par value shares, each of which grants one vote. This total number includes 96,224 own shares held by the Company as at the date of the invitation; pursuant to section 71b German Stock Corporation Act, the Company does not have any rights in respect of these own shares.

### II. Requirements for exercising voting rights and other rights and options in connection with the virtual Annual General Meeting

With the approval of the Supervisory Board, the Executive Board decided to hold the Annual General Meeting as a virtual general meeting without attendance in person of the shareholders or their proxies in accordance with section 1(2) of the COVID-19 Measures Act.

#### 1. Registration for the virtual Annual General Meeting and evidence of eligibility

Pursuant to article 20(1) of the Articles of Association, only those shareholders who have registered with the Company in a timely manner prior to the meeting are entitled to exercise rights and options in connection with the virtual Annual General Meeting, in particular voting rights. Notice of registration must be given in either German or English.

Shareholders must provide evidence of their right to exercise rights and options in connection with the virtual Annual General Meeting, in particular voting rights (article 20(2) of the Articles of Association). Evidence of their shareholding issued in text form by the custodian bank or evidence pursuant to section 67c(3) German Stock Corporation Act (in each case “evidence of eligibility”) will be sufficient for this purpose. This evidence of eligibility must relate to the beginning of the twenty-first day (local time at the Company’s registered office) prior to the Annual General Meeting, i.e. to **0:00 on 20 April 2022** (CEST) (“record date”).

Only persons who have furnished evidence of eligibility will be deemed to be shareholders of the Company for the purpose of exercising the rights and options in connection with the virtual Annual General Meeting, in particular voting rights. This means that shareholders who have only acquired their shares after the record date will not be able to exercise rights and options in connection with the virtual Annual General Meeting. The record date does not have any consequences for the saleability of the shares. Shareholders who have sold their shares after the record date will therefore – provided that they have registered in good time and have submitted evidence of eligibility – nevertheless be eligible to exercise rights and options in connection with the virtual Annual General Meeting, in particular their voting rights. The record date is irrelevant as far as entitlement to dividends is concerned.

The notice of registration and evidence of eligibility must be received by the Company by no later than **24:00 on 4 May 2022** (CEST) either in text form

- at the address  
KION GROUP AG  
c/o Better Orange IR & HV AG  
Haidelweg 48  
81241 Munich  
Germany

or

- at the fax number  
+49 (0) 89.889 690 655

or

- at the e-mail address  
KION@better-orange.de

or by transmission through intermediaries subject to the requirements set out in section 67c German Stock Corporation Act. Please note that there may currently be unforeseen delays with the transmission of the notice of registration through intermediaries, since the electronic systems and precautions required for this are not consistently ensured by all intermediaries as yet. This also applies in particular to the transmission of postal votes (see IV.1.c.) and of proxy authorizations and instructions to Company proxies appointed by the Company (see IV.3.e.) by intermediaries.

In particular due to the current circumstances in connection with the coronavirus pandemic, postal deliveries may be delayed. We recommend registering and submitting evidence of eligibility by fax or e-mail.

Upon timely receipt of registration and evidence of eligibility by the Company, shareholders and/or their proxies will be sent an “**AGM ticket**” for the virtual Annual General Meeting. Shareholders are requested to register and supply evidence of eligibility as early as possible in order to ensure they receive their AGM tickets in time. The AGM tickets contain individual access data for the Company’s password-protected Internet service accessible at the Internet address [www.kiongroup.com/agm](http://www.kiongroup.com/agm) (hereinafter: “**Online Service**”). Via the Online Service, shareholders and their proxies can follow the video and audio stream of the Annual General Meeting (see “Broadcast of the Annual General Meeting on the Internet” below) and cast their votes by postal vote (see “Procedure for voting by post” below) or by Company proxies appointed by the Company (see “Procedure for voting by Company proxy” below). Shareholders or their proxies also have the right to submit questions via the Online Service before the virtual Annual General Meeting (see “Right to submit questions” below) and the option to object to resolutions of the virtual Annual General Meeting (see “Option to object” below).

## 2. Notes on postal votes

Shareholders may cast their votes in connection with the virtual Annual General Meeting by post. To do so, shareholders must register in good time and evidence of eligibility must be received by the Company in good time in one of the ways described above.

For further details on voting by post, please see the section “Procedure for voting by post”.

## 3. Notes on casting votes by proxy

In addition to voting in connection with the virtual Annual General Meeting by postal vote, shareholders may also vote by proxy, which can, for example, be a credit institution, a shareholders’ association or other representatives such as, for example, so-called Company proxies appointed by the Company. If shareholders wish to vote by proxy, they nevertheless still have to register in good time and evidence of eligibility must be received by the Company in good time in one of the ways described above.

For further details on voting by proxy, please see the sections “Procedure for voting by proxy” and “Procedure for voting by Company proxy”.

## III. Broadcast of the virtual Annual General Meeting on the Internet

Shareholders or their proxies who register for the Annual General Meeting on time and submit evidence of eligibility to the Company in good time can, after entering their access information, follow the entire virtual Annual General Meeting in video and audio via the Online Service.

The chairman’s remarks at the beginning of the virtual Annual General Meeting and the chief executive officer’s report will also be streamed and made available to the public by means of video and audio transmission at [www.kiongroup.com/agm](http://www.kiongroup.com/agm); these will be available as recordings following the virtual Annual General Meeting.

## IV. Procedure for casting votes

Once shareholders have duly and properly registered and supplied their evidence of eligibility, they may cast their votes themselves by postal vote. They may however also cast their votes by proxy, in particular by Company proxies appointed by the Company.

### 1. Procedure for voting by post

Postal votes can be cast either (i) by post, (ii) via the Online Service or (iii) by way of transmission through intermediaries subject to the requirements set out in section 67c German Stock Corporation Act.

- a) For postal votes **by post**, please use the postal vote form on the AGM ticket. Postal votes cast by post must be received by the Company by no later than **18:00 on 10 May 2022** (CEST) at the address



KION GROUP AG  
c/o Better Orange IR & HV AG  
Haidelweg 48  
81241 Munich  
Germany.

This also applies to changes to or withdrawals of postal votes cast by post.

- b) Postal voting can be performed **via the Online Service up to the start of vote counting** at the virtual Annual General Meeting using the procedure specified by the Company.
- c) Subject to the requirements set out in section 67c German Stock Corporation Act, postal votes may also be transmitted to the Company through intermediaries by **18:00 on 10 May 2022** (CEST). The time at which the postal vote is received by the Company will be decisive. This also applies to changes to or withdrawals of postal votes cast by way of transmission through intermediaries.
- d) Postal votes already cast can be changed or withdrawn up to the start of vote counting at the virtual Annual General Meeting via the Company's Online Service on the Internet using the access data specified. This also applies to postal votes cast on time by post or, subject to the requirements set out in section 67c German Stock Corporation Act, by way of transmission through intermediaries.
- e) Intermediaries within the meaning of section 135(1) German Stock Corporation Act or other persons and institutions (such as shareholders' associations) treated as equivalent to intermediaries pursuant to section 135(8) German Stock Corporation Act with proxy authorizations may also avail themselves of postal votes. The Company will provide them with a means to cast votes electronically or the corresponding forms upon request.
- f) If declarations on the casting, changing or withdrawal of postal votes are received by the Company via more than one of the possible channels (i) post, (ii) Online Service and (iii) – subject to the requirements set out in section 67c German Stock Corporation Act – intermediaries, the declaration received most recently and on time will be binding.
- g) Postal votes do not preclude voting by proxy (see "Procedure for voting by proxy" below). Votes cast by proxy, including a Company proxy appointed by the Company, shall be considered to revoke postal votes already cast.
- h) Postal votes cast in respect of agenda item 2 in this convocation will also apply should the proposed resolution on the appropriation of the profit be amended on account of a change in the number of shares carrying dividend rights.
- i) Should a separate vote rather than a block vote be carried out in respect of an agenda item, the postal votes cast in respect of this agenda item will apply analogously to each point of the separate vote.

## 2. Procedure for voting by proxy

Shareholders who do not wish to exercise their voting rights themselves by postal vote, but rather by proxy, must grant such proxy a due and proper proxy authorization before the vote. The following should be noted in this regard:

- a) If neither an intermediary within the meaning of section 135(1) German Stock Corporation Act nor another person or institution (such as a shareholders' association) treated as equivalent to an intermediary pursuant to section 135(8) German Stock Corporation Act has been authorized, the proxy authorization must be issued either
  - aa) to the Company in text form using one of the addresses listed above for the registration by post, fax, or e-mail (under II.1) or by way of transmission through intermediaries subject to the requirements set out in section 67c German Stock Corporation Act, or
  - bb) directly in text form to the proxy (in such a case, evidence of the proxy authorization must be submitted to the Company in text form or by way of transmission through intermediaries subject to the requirements set out in section 67c German Stock Corporation Act).

The same applies to the withdrawal of the proxy authorization. The Company will provide the shareholders at the Company's website [www.kiongroup.com/agm](http://www.kiongroup.com/agm) with a form for the granting of proxy authorizations to third parties vis-à-vis the Company.

Shareholders and their proxies may submit evidence of the authorization or withdrawal thereof in text form to the Company at one of the addresses listed above for the registration by post, fax, or e-mail (under II.1) or, subject to the requirements set out in section 67c German Stock Corporation Act, via intermediaries.

- b) Proxy authorizations can also be issued and withdrawn **via the Online Service up to the start of vote counting** at the virtual Annual General Meeting using the procedure specified by the Company. The possibility to withdraw proxy authorizations via the Online Service also applies to proxy authorizations issued or evidenced by post, fax or e-mail or, subject to the requirements set out in section 67c German Stock Corporation Act, by way of transmission through intermediaries.
- c) The statutory provisions, in particular section 135 German Stock Corporation Act, apply to proxy authorizations granted to intermediaries within the meaning of section 135(1) German Stock Corporation Act or other persons or institutions (such as shareholders' associations) treated as equivalent to intermediaries pursuant to section 135(8) German Stock Corporation Act as well as to the withdrawal and the evidence of such proxy authorizations. Shareholders must also observe any rules laid down by the respective proxies in this regard.
- d) In order for proxies to use the Online Service, they must receive the respective access data. Following the determination by the granter of the proxy, the proxy will receive his own access data from the Company either by post or by e-mail. A postal address of the proxy can be provided for the granting of the proxy authorization by declaration to the Company, using the form provided by the Company, and if the Online Service is used for the granting of the proxy authorization, either

a postal address or an e-mail address of the proxy can be provided. If the granter of the proxy authorization does not provide a postal address or e-mail address of the proxy, the access data will be sent to the proxy by post to the address of the granter of the proxy authorization. When providing a postal address, please take the normal processing and postal delivery times into account for the transmission of the access data.

- e) If a shareholder authorizes more than one person, the Company is entitled to reject one or more of them pursuant to section 134(3) sentence 2 German Stock Corporation Act.
- f) Please refer your proxies to the information on data protection which is set out in section VII. below.

### 3. Procedure for voting by Company proxy

Shareholders may also cast their votes by Company proxies appointed by the Company. The following should be noted in this regard:

- a) Company proxies may only vote in respect of agenda items for which they have received express instructions on how to exercise the voting right. Company proxies are obliged to vote according to the instructions given to them.
- b) Please note that Company proxies (i) cannot accept any requests to speak, to object to general meeting resolutions or to submit questions or motions and that they (ii) are only available to vote on such motions and candidate nominations in respect of which resolution proposals by the Executive Board and/or the Supervisory Board pursuant to section 124(3) German Stock Corporation Act or by shareholders pursuant to sections 124(1), 122(2), sentence 2 German Stock Corporation Act have been published in this invitation or subsequently or have been made available pursuant to sections 126, 127 German Stock Corporation Act, to the extent that such motions or candidate nominations are voted on at the virtual Annual General Meeting.
- c) Proxy authorizations and instructions to Company proxies may be issued, amended or withdrawn vis-à-vis the Company in text form, using one of the addresses listed above (under II.1) for the registration **by post, fax, or e-mail, by 18:00 on 10 May 2022** (CEST). In all these cases, the time at which the proxy authorization or instruction, amendment or withdrawal is received by the Company will be decisive.
- d) Authorizations and instructions to Company proxies can be issued **via the Online Service up to the start of vote counting** at the virtual Annual General Meeting using the procedure specified by the Company.
- e) Subject to the requirements set out in section 67c German Stock Corporation Act, authorizations and instructions to Company proxies may also be issued, amended or withdrawn vis-à-vis the Company by way of transmission through intermediaries by **18:00 on 10 May 2022** (CEST). The time at which the proxy authorization or instruction, amendment or withdrawal is received by the Company will be decisive.
- f) Authorizations and instructions already issued to Company proxies can be changed or withdrawn up to the start of vote counting at the virtual Annual General Meeting

via the Online Service. This also applies to authorizations and instructions issued on time to Company proxies by post, fax, e-mail or, subject to the requirements set out in section 67c German Stock Corporation Act, by way of transmission through intermediaries.

- g) Intermediaries within the meaning of section 135(1) German Stock Corporation Act or other persons and institutions (such as shareholders' associations) treated as equivalent to intermediaries pursuant to section 135(8) German Stock Corporation Act with proxy authorizations may also avail themselves of Company proxies appointed by the Company. The Company will provide them with a means to authorize and instruct the Company proxies electronically or the corresponding forms upon request.
- h) If declarations on the issuing, amendment or withdrawal of proxy authorizations and instructions to Company proxies are received by the Company via more than one of the possible channels (i) post, (ii) fax, (iii) e-mail, (iv) the Company's Online Service on the Internet and (v) – subject to the requirements set out in section 67c German Stock Corporation Act – intermediaries, the declaration received most recently and on time will be binding.
- i) Authorization of the Company proxies appointed by the Company will not preclude voting by post. Votes cast by post will be considered to withdraw prior proxy authorizations and instructions to Company proxies appointed by the Company.
- j) Instructions to Company proxies in respect of agenda item 2 in this convocation will also apply should the proposed resolution on the appropriation of the profit be amended on account of a change in the number of shares carrying dividend rights.
- k) Should a separate vote rather than a block vote be carried out in respect of an agenda item, the instruction given in respect of this agenda item will apply analogously to each point of the separate vote.

#### **4. Forms for proxy authorizations and postal votes**

To register, issue proxy authorizations or cast postal votes, shareholders may use any of the formal methods described above in sections II.1, IV.1, IV.2 as well as IV.3. A form for casting postal votes, for granting a proxy authorization to a third party vis-à-vis the Company and issuing proxy authorizations and instructions to Company proxies is also available on the Company's website at [www.kiongroup.com/agm](http://www.kiongroup.com/agm).

Should a shareholder wish to authorize an intermediary within the meaning of section 135(1) German Stock Corporation Act or another person or institution (such as a shareholders' association) treated as equivalent to an intermediary pursuant to section 135(8) German Stock Corporation Act, he must discuss the form in which the proxy authorization is to be issued with such person/institution.

#### **V. Shareholders' rights and options**

In the run-up to and during the virtual Annual General Meeting the shareholders will, *inter alia*, have the following rights and options. For further details, please see the Company's website at [www.kiongroup.com/agm](http://www.kiongroup.com/agm).

## 1. Right to put items on the agenda

Shareholders whose shares together represent an amount of the share capital equal to EUR 500,000.00 (this corresponds to 500,000 shares) may, pursuant to section 122(2) German Stock Corporation Act, request that items be put on the agenda and published. Each new item must be accompanied by the grounds for this or a draft resolution. The request must be submitted in writing to the Executive Board of the Company. Please send a respective request to the following address:

KION GROUP AG  
Vorstand  
Thea-Rasche-Strasse 8  
60549 Frankfurt am Main  
Germany

It must be received by the Company at least 30 days prior to the meeting, i.e. by no later than **24:00 on 10 April 2022** (CEST). The shareholders in question must, pursuant to section 122(2), (1) sentence 3 German Stock Corporation Act, prove that they have owned the shares for at least 90 days prior to the date of receipt of the request and that they will hold the shares until the Executive Board decides on the application.

Additional agenda items that must be published will be published in the Federal Gazette without undue delay on receipt of the request and, pursuant to section 121(4a) German Stock Corporation Act, be forwarded for publication to such media capable of distributing the information throughout the entire European Union. They will also be made available on the Company's website at [www.kiongroup.com/agm](http://www.kiongroup.com/agm) and notified to the shareholders.

## 2. Counter-motions and candidate nominations

Each shareholder is entitled pursuant to section 126(1) German Stock Corporation Act to submit counter-motions to proposed resolutions in respect of individual agenda items. If the counter-motions are to be made available by the Company, they must be submitted at least 14 days prior to the Annual General Meeting, i.e. by no later than **24:00 on 26 April 2022** (CEST),

- at the address  
KION GROUP AG  
Rechtsabteilung  
Thea-Rasche-Strasse 8  
60549 Frankfurt am Main  
Germany

or

- at the fax number  
+49 (0) 69.201 101 012

or

- at the e-mail address  
[HV2022@kiongroup.com](mailto:HV2022@kiongroup.com)

or

- by way of transmission through intermediaries subject to the requirements set out in section 67c German Stock Corporation Act.

Counter-motions sent to a different address need not be made available.

In all cases in which a counter-motion has been submitted, the time at which the counter-motion is received by the Company will be decisive.

Shareholders' counter-motions that are to be made available will be made available together with the shareholders' names and, if applicable, the grounds for the counter-motions as well as any statements by the Executive Board and the Supervisory Board in this regard on the Company's website at [www.kiongroup.com/agm](http://www.kiongroup.com/agm).

The Company may decide not to make a counter-motion and, if applicable, the grounds for it available if the conditions of section 126(2) German Stock Corporation Act have been met. The grounds on which the Company may do so are listed on its website at [www.kiongroup.com/agm](http://www.kiongroup.com/agm).

These provisions apply, pursuant to section 127 German Stock Corporation Act, analogously to a shareholder's nomination for the election of a member of the Supervisory Board or of auditors of the annual financial statements. In addition to the grounds listed in section 126(2) German Stock Corporation Act, the Executive Board need not make a candidate nomination available if, inter alia, the nomination does not include the name, occupation and place of residence of the candidate. Nor does the Company have to make nominations for the election of members of the Supervisory Board available if the nomination does not include information on any positions held by the proposed candidate in other supervisory boards required by law within the meaning of section 125(1) sentence 5 German Stock Corporation Act.

Motions or candidate nominations by shareholders that are to be made available pursuant to section 126 or section 127 German Stock Corporation Act will be deemed to have been made in the general meeting if the shareholder making the motion or submitting the candidate nomination is duly authorized and has registered for the Annual General Meeting.

### **3. Right to submit questions under section 1(2) no. 3 COVID-19 Measures Act**

Shareholders or their proxies, with the exception of Company proxies appointed by the Company, have the right under section 1(2) no. 3 COVID-19 Measures Act to submit questions by way of electronic communication. The right to submit questions exists only for shareholders who register for the virtual Annual General Meeting on time and have submitted evidence of eligibility to the Company on time, and their proxies.

Questions may only be submitted via the Online Service by no later than **24:00 on 9 May 2022** (CEST). Please note that the names of shareholders and proxies who submit questions may be specified when questions are answered at the virtual Annual General Meeting unless they have expressly objected to being named.

#### **4. Option to object under section 1(2) no. 4 COVID-19 Measures Act**

Pursuant to section 1(2), no. 4 COVID-19 Measures Act, shareholders who have exercised their voting rights by postal vote or by proxy may during the course of the virtual Annual General Meeting object – either in person or via their proxies, with the exception of Company proxies appointed by the Company – to resolutions of the virtual Annual General Meeting via the Online Service without having to be physically present at the Annual General Meeting.

#### **VI. Information and documentation on the virtual Annual General Meeting; website**

This convocation to the virtual Annual General Meeting, the documents to be made available to the Annual General Meeting, including the information required pursuant to section 124a German Stock Corporation Act, shareholders' motions as well as additional notes on shareholders' rights and options will be available on the Company's website ([www.kiongroup.com/agm](http://www.kiongroup.com/agm)) from the day on which the Annual General Meeting is convened.

#### **VII. Information on data protection**

In connection with the Annual General Meeting, KION GROUP AG processes, as controller within the meaning of data protection law, personal data (name, address, postal address if applicable, e-mail address if applicable, number of shares, type of share ownership and online service access data) of shareholders and their proxies on the basis of applicable data protection law in order to prepare for and conduct the Annual General Meeting in the form stipulated by law.

The processing of personal data is absolutely necessary for the preparation and the conduct of the Annual General Meeting. The legal basis for the processing of such data is article 6(1) lit. c) General Data Protection Regulation (GDPR) and section 67e(1) German Stock Corporation Act.

The service providers commissioned to host the Annual General Meeting only receive personal data from KION GROUP AG that are required for the performance of the commissioned service. The service providers process the data on the basis of a contract with KION GROUP AG and exclusively in accordance with the instructions of KION GROUP AG. An automated decision making (e.g. profiling) does not take place. Otherwise, personal data are provided to the shareholders and shareholder representatives, for example possibly via the attendance list, in connection with the virtual Annual General Meeting within the scope of the statutory provisions. The names of shareholders and proxies who submit questions may be specified when questions are answered at the virtual Annual General Meeting unless they have expressly objected to being named. This data processing may be necessary to safeguard the legitimate interests of the other shareholders to learn the name of a party asking a question and better assess that question. The legal basis for this data processing is article 6(1) lit. f) GDPR and section 67e(1) German Stock Corporation Act.

The Company retains the personal data in connection with the virtual Annual General Meeting in accordance with the statutory duties. The data are regularly erased after three years if the data are no longer needed for possible disputes over the adoption or validity of resolutions of the Annual General Meeting. Should the Company become aware that a shareholder is no longer a shareholder of the Company, his personal data will generally be retained for no more than twelve months after this becomes known to

the Company if the data are no longer needed for possible disputes over the adoption or validity of resolutions of the Annual General Meeting.

Under the statutory requirements, the shareholders and proxies have at all times an access, rectification, restriction, objection and erasure right in relation to the processing of their personal data as well as a right to data portability pursuant to chapter III of the GDPR and section 76e(4) German Stock Corporation Act. The shareholders and proxies may assert these rights vis-à-vis the Company, free of charge, using the following contact information:

- KION GROUP AG  
Thea-Rasche-Strasse 8  
60549 Frankfurt am Main  
Germany

or

- via the e-mail address  
dataprotection@kiongroup.com

Shareholders and proxies can also reach the Company's data protection officer using this contact information. In addition, the shareholders and the proxies also have a right to lodge a complaint with the data protection supervisory authorities pursuant to article 77 GDPR.

Further information on data protection is published on our website at [www.kiongroup.com](http://www.kiongroup.com) under "Privacy Statement".

Frankfurt am Main, March 2022

KION GROUP AG

The Executive Board





KION GROUP AG  
Investor Relations  
Thea-Rasche-Straße 8  
60549 Frankfurt am Main

Phone: +49 69 20 110 7450

[ir@kiongroup.com](mailto:ir@kiongroup.com)  
[www.kiongroup.com](http://www.kiongroup.com)