Remuneration system for the members of the Executive Board of KION GROUP AG

PREAMBLE

The previous remuneration system for the Executive Board members of KION GROUP AG (henceforth, “**KION Group**” or “**the Company**”) was approved by the Annual General Meeting on May 11, 2021 with effect from January 1, 2021 (henceforth, “**2021 remuneration system**”).

In the 2023 financial year, the remuneration committee of the Supervisory Board together with the support of an external, independent Corporate Governance Consultancy conducted a detailed review of the 2021 remuneration system. Particular consideration was given to whether the current remuneration system continues to promote the implementation of the enhanced corporate strategy, which places a stronger focus on sustainability, as well as the long-term development of the Company in the best possible way. Moreover, the feedback received from shareholders over the past few years was taken into account.

Based on the results of the review, the remuneration committee has developed concrete proposals for revisions to the 2021 remuneration system. The revised remuneration system (henceforth, “**2024 remuneration system**”) was approved by the Supervisory Board on February 28, 2024 and will be presented to the Annual General Meeting on May 29, 2024.

The new remuneration system will apply from January 1, 2024, for all members of the Executive Board whose service contracts are newly concluded or extended from the time of approval of the remuneration system by the Annual General Meeting. The new remuneration system will also apply from January 1, 2024, for the members of the Executive Board already appointed at the time of the approval of the remuneration system by the Annual General Meeting. In order to implement the remuneration system, the Supervisory Board will agree on appropriate adjustments to the service contracts with the members of the Executive Board on behalf of the Company.

The main changes to the remuneration system can be summarized as follows:

Reduction of discretionary options

In order to ensure the objectivity and proportionality of the remuneration of the Executive Board, the possibility of awarding special remuneration was removed in the 2024 remuneration system. In addition, the range of the individual performance multiplier for the one-year variable remuneration (Short Term Incentive, “**STI**”) was reduced from 0.7 to 1.3 to 0.8 to 1.2. The new range still offers a sufficient scope to set differentiated incentives to improve performance, follows standard market framework and rules out excessive adjustments of remuneration at the individual level. For the multi-year variable remuneration (Long-Term Incentive, “**LTI**”), the 2024 remuneration system no longer provides for the possibility of adjusting the remuneration of the Executive Board by means of an individual performance multiplier.

Long-term orientation

In accordance with section 87 para 1 sentence 2 of the German Stock Corporation Act (AktG), the Supervisory Board ensures that the remuneration of the Executive Board promotes the long-term and sustainable development of the KION Group. This is achieved in particular by extending the term of the LTI to four years, which meets the recommendations of the German Corporate Governance Code (GCGC).

Strengthening of the strategic focus

The short- and long-term performance-related strategic objectives of the KION Group are summarized under the revised corporate strategy. In line with the principle of performance-related Executive Board remuneration, these strategic objectives are also reflected in the remuneration system for the KION Group Executive Board. For instance, the 2024 remuneration system places a stronger focus on the criteria of sustainability and efficient use of capital.

In particular, the efficient use of capital is strengthened by a greater weighting of the return on capital employed ("**ROCE**") in the LTI (weighting: 50% instead of 40%). At the same time, the relative total shareholder return ("**relative TSR**") is retained as a performance target with a reduced weighting (weighting: 30% instead of 40%) and an adjusted target achievement curve. In future, the increase in the share price will be incentivized by means of a standard market target achievement curve, which continues to represent an ambitious target setting while ensuring a balanced risk/reward profile.

The link between the Executive Board's variable remuneration and the strategic goal of sustainability was also optimized in the 2024 remuneration system. In both the STI and the LTI, two performance targets from the areas of environment, social and governance ("**ESG targets**") are taken into account. To ensure the strategic relevance of the ESG targets, the Supervisory Board selects the specific targets from a defined list of criteria which contains a selection of sustainability aspects that are material to the KION Group's business model. The use of ESG ratings as a performance target is not considered.

The main changes to the remuneration components and their respective rationale can be found in the following table:

Remuneration Component	Amendment	Rationale
Short Term Incentive (STI)	• Adjustment of the **range** of the individual performance multiplier from 0.7 to 1.3 to 0.8 to 1.2. • Specification of the categories for selecting individual performance criteria in the remuneration system.	• Limitation of the Supervisory Board's discretionary scope and adjustment to market practice. • Differentiated promotion of the efficient implementation of strategy-relevant targets at an individual level.
Long Term Incentive (LTI)	• Extension of the **term** from three to four years through the introduction of a one-year waiting period following the three-year performance period. • Removal of the **individual performance multiplier.** • Adjustment of the **weighting of ROCE** from 40% to 50**% and of the relative total shareholder return** from 40% to 30%. • Adjustment of the **target achievement curve of the relative total shareholder return.** • Increase in the **payout cap** from 200% to 250% of the allocation amount.	• Increased focus on the sustainable and long-term development of the company. Consideration of the recommendations of the GCGC. • Reduction of the Supervisory Board's discretionary scope. In line with market practice, individual targets are only taken into account in the STI. • Focus on long-term efficient use of capital, a key objective of the adjusted corporate strategy. • The new target achievement curve for relative total shareholder return ensures a balanced risk/reward profile and is in line with market practice in Germany. • The increase in the payout cap also incentivizes a significant increase in the share price in cases of high target achievement. Target achievement is still capped at 200%.
Special remuneration	• **Removing** the possibility of **special remuneration.**	• Reduction of discretionary scope to strengthen the pay-for-performance approach.

In the following sections, the 2024 remuneration system is explained in detail. The new system continues to comply with the requirements of the German Stock Corporation Act and takes into account the recommendations of the German Corporate Governance Code (GCGC) in the version dated April 28, 2022.

A. Relationship between the remuneration system and the corporate strategy

The corporate strategy represents the basis of the Company’s success, aligning the KION Group’s comprehensive intralogistics offering even more closely with the specific needs of the respective customer industries. To this end, hardware (industrial trucks and automation solutions), software (from the control station to vehicle control) and services (from repair to financing) will be further interlinked to form a holistic offering. The corporate strategy represents the guiding framework for the Company's profitable growth and sets group-wide targets:

- **Growth**: By providing integrated, automated and holistic solutions across both segments, the KION Group seeks to achieve a growth that exceeds the one of the global materials handling market.

- **Profitability**: The KION Group is consistently taking measures to ensure the Company’s profitable growth and is pursuing the ambition of permanently improving the adjusted earnings before interest and taxes margin (adjusted EBIT margin) to over 10%, both for the Group and for the two operating segments Industrial Trucks & Services and Supply Chain Solutions.

- **Efficient Capital Investment**: The KION Group continuously works on optimizing the return on the capital employed (ROCE). This approach is reflected not only in the increasing results, but also in the management of the assets as well as efficient capital investment.

- **Resilience & Agility**: A resilient business model is intended to ensure profitability throughout various business cycles. Increased diversification by region and customer sector contributes to this objective, as well as the expansion of the service business and the further optimization of the production and purchasing network.

- **Sustainability**: Through a sustainability strategy backed by targets and measures, the KION Group is working on sustainable and safe products and solutions for its customers, sustainable logistics processes and a safe and diverse workplace for employees. In this way, the KION Group contributes to social justice and climate protection in the material handling industry and the industries of its customers.

The 2024 remuneration system promotes the sustainable achievement of these strategic objectives by linking the short-term and long-term variable remuneration of Executive Board members to the identified drivers for the realization of the strategy in a comprehensible manner. This is accomplished specifically by selecting financial and non-financial targets that are in line with the KION Group’s corporate strategy.

Corporate Strategy	Growth	Profitability	Efficient Capital Investment	Resilience & Agility	Sustainability
STI	☑	☑		☑	☑
LTI	☑		☑		☑

The one-year KION GROUP AG Short Term Incentive Plan (“**Short Term Incentive**” or “**STI**”) is linked to the economic performance targets of adjusted EBIT margin, free cash flow, revenue and ESG targets. In addition, the individual performance of the Executive Board members is taken into account as part of the individual performance multiplier.

In order to align the remuneration of Executive Board members with the long-term and sustainable development of the KION Group, the long-term variable remuneration accounts for a significant proportion of the total remuneration. The long-term variable remuneration is structured in the form of a four-year performance share plan, the KION GROUP AG Performance Share Plan (“**Long Term Incentive**” or “**LTI**”).

The financial performance targets are the relative TSR of KION GROUP AG based on the share price of KION GROUP AG (“**KION share**”) compared to the MDAX as a market-based financial performance target and the ROCE as an internal financial performance target. The LTI is also linked to ESG targets. These performance targets in conjunction with the consideration of the share price performance ensure the long-term effect of the behavioral incentives and link the interests of the Executive Board with the interests of the KION Group’s stakeholders.

B. The 2024 remuneration system in depth

I. Remuneration components

1. Overview of the remuneration components

The remuneration of the members of the Executive Board consists of fixed and variable components. The fixed components of the remuneration of the Executive Board members include the monthly salary payments (“**fixed salary**”), fringe benefits and pension benefits. Variable components are the STI with a one-year term and the LTI with a four-year term. The remuneration system also provides for an obligation to acquire and hold shares, standard market malus and clawback provisions and a maximum amount of remuneration in accordance with section 87a para.1 sentence 2 no.1 AktG. There is explicitly no possibility of granting any special remuneration during the term of the service contract.

Remuneration component	Design
Fixed remuneration components	
Fixed salary	Generally paid at the end of each month
Fringe benefits	Company car that can also be used privately, pool of drivers Accident insurance Medical health check-up Option for one-off and temporary benefits for new members of the Executive Board Possibility of other fringe benefits in special cases, in particular in connection with activities or assignments abroad, e.g. reimbursements for higher tax or social security charges, compensation for exchange rate fluctuations, additional costs for travel or accommodation and insurance etc.
Pension benefits	In principle: defined contribution system Alternative: annual pension substitute in cash for own provisions
Variable remuneration components	
One-year variable remuneration (Short Term Incentive/STI)	Plan type: Target bonus Performance period: One financial year Performance targets: Adjusted EBIT margin (30%), Free cash flow (30%), Revenue (20%), ESG targets (20%), Individual performance (Multiplier 0.8-1.2) Cap: 200% of the target amount

Remuneration component	Design	
	Payout:	In cash after approval of the consolidated financial statement for the respective financial year
Multi-year variable remuneration (Performance Share Plan/LTI)	Plan type: Term: Performance targets: Caps: Payout:	Performance Share Plan 4 years: 3-year performance period 1-year waiting period ROCE (50%) Relative TSR vs. MDAX (30%) ESG targets (20%) Cap for number of performance shares: 200% of the conditionally granted performance shares Payout cap: 250% of the target amount In cash or in shares of the Company after the end of the waiting period
Further contractual components		
Option for one-off payment to new members of the Executive Board to compensate for forfeited remuneration	(Proportionate) compensation in the event of proof of forfeited remuneration from previous employer	
Share acquisition and waiting obligations (Share Ownership Guideline)	Shares worth one year's fixed salary must be held Four-year build-up phase Waiting period/sale restriction until the end of appointment	
Malus and clawback	Applies to variable remuneration components In the event of a relevant misconduct and/or subsequent changes to the Company's results	
Maximum remuneration according to section 87a AktG	CEO: € 8.25 million Members of the Executive Board: € 6 million	

The application of the remuneration system and the resulting remuneration of the members of the Executive Board is described in detail in the remuneration report after the end of the financial year.

2. Procedures for determining, implementing and reviewing the remuneration system

The Supervisory Board determines the remuneration system for the members of the Executive Board. The Remuneration Committee is responsible for preparing resolutions of the Supervisory Board on all issues concerning the remuneration of the Executive Board members. This particularly includes the remuneration system and its regular review. The Supervisory Board reviews the remuneration system at its own discretion, but at least every four years. In doing so, the Supervisory Board carries out a market comparison and considers changes in the corporate environment, the overall economic situation and strategy of the Company, changes and trends in national and international corporate governance standards and the remuneration and employment conditions of employees. If necessary, the Supervisory Board consults external remuneration experts and other advisors. In case of the latter, the Supervisory Board ensures that the external remuneration experts and consultants are independent of the Executive Board and the Company and takes precautions to avoid any conflicts of interest.

The Supervisory Board submits the remuneration system for the Executive Board to the Annual General Meeting for approval each time a significant change is made, and at least every four years. If the Annual General Meeting does not approve the system presented, the Supervisory Board submits a revised remuneration system for approval by the following Annual General Meeting at the latest.

Based on the remuneration system, the Supervisory Board determines the total target remuneration for each member of the Executive Board that is commensurate with his or her tasks, performance and the situation of the Company while not exceeding the usual remuneration without specific reasons. To this end, the Supervisory Board regularly reviews the level of remuneration of the Executive Board. When assessing the appropriateness of remuneration, the Supervisory Board considers both the KION Group's market environment (horizontal comparison in relation to the remuneration of Executive Board members) and the Company's internal remuneration structure (vertical comparison).

For the horizontal comparison, a market comparison is carried out based on the criteria of country, company size and industry. For the market comparison, the Supervisory Board applies an index which is relevant to the KION Group, such as the DAX, MDAX or SDAX, or a combination of them. For the industry criteria, an individual peer group of relevant industry competitors is used.

For the vertical comparison, the Supervisory Board takes into account the remuneration and employment conditions of the employees in several respects when determining the remuneration of the Executive Board. Firstly, when determining the individual remuneration levels for members of the Executive Board, the relationship between the remuneration of the Executive Board and that of Senior Management and the overall workforce is considered, specifically in terms of its development over time. Secondly, the Company aims to ensure that the financial and non-financial performance targets in the variable remuneration that apply to the Executive Board also apply to managers. This ensures a uniform steering and incentive effect within the Company.

The Supervisory Board takes appropriate measures to ensure that potential conflicts of interest between Supervisory Board members involved in the discussions and decisions on the remuneration system are avoided and, if necessary, resolved. Each member of the Supervisory Board is obliged to disclose conflicts of interest to the Chairman of the Supervisory Board. The Chairman of the Supervisory Board discloses any conflicts of interest affecting him to the Chairman of the Audit Committee. Decisions on how to deal with an existing conflict of interest are made on a case-by-case basis. In particular, a Supervisory Board member affected by a conflict of interest may not participate in a meeting, individual discussions or decisions of the Supervisory Board or a committee.

3. Remuneration structure and maximum remuneration

The total target remuneration for a financial year comprises the fixed salary, the STI and LTI, fringe benefits as well as pension benefits. The relative shares of the fixed and variable remuneration components are shown below in relation to the total target remuneration. The STI and LTI are each based on a 100% target achievement.

	Fixed remuneration (Fixed salary + fringe benefits + pension benefits)	**Variable remuneration**	
		STI	**LTI**
CEO	40-50%	15-25%	30-40%
Members of the Executive Board	35-45%	15-25%	35-50%

The aforementioned percentages may deviate slightly, for example, due to the additional taxes, social security contributions and fringe benefits assumed for members of the Executive Board working abroad or the development of expenses for contractually agreed fringe benefits and the pension benefits as well as for any new appointments, e.g. due to compensation payments.

In accordance with the provisions of section 87a para.1 sentence 2 no.1 AktG, the amount of total remuneration awarded for a financial year is capped ("**maximum remuneration**"). The maximum gross remuneration is € 8.25 million for the CEO of the Executive Board and € 6 million gross for each member of the Executive Board. If the calculated total rem uneration for a financial year exceeds the maximum remuneration, the remuneration is reduced accordingly. This maximum remuneration represents an absolute upper limit, which is generally not exploited.

The total remuneration generally includes the fixed salary awarded for the respective financial year, the service cost of the pension benefits, as well as the fringe benefits and variable remuneration awarded for the respective financial year (STI, paid out in the following financial year, and LTI, allocation for the financial year, paid out after the end of the four-year term). If the calculated payout amount of the LTI exceeds the maximum remuneration at the end of the four-year term, it is reduced.

Irrespective of the defined maximum remuneration, the STI payout amount is limited to 200% of the respective target amount and the LTI payout amount to 250% of the allocation amount. These limits are only reached in the event of outstanding company performance and a strong share price development.

4. Fixed remuneration components

4.1 Fixed salary

The members of the Executive Board receive an annual fixed salary, which is generally paid in twelve equal installments at the end of each month. By way of derogation, Executive Board members working abroad may receive payments at a different frequency if this is in line with local practice.

4.2 Fringe benefits and other benefits

The KION Group generally provides each Executive Board member with a company car, also for private use. Alternatively, an allowance can be agreed with Executive Board members as a fixed monthly amount (car allowance). The members of the Executive Board can make use of a driver for the company car provided. The members of the Executive Board also receive typical fringe benefits, such as contributions to health, long-term care and pension insurance, accident insurance and an annual medical check-up.

The Supervisory Board is authorized to grant additional benefits to members of the Executive Board in special cases, in particular in connection with activities or assignments abroad, such as reimbursements for higher tax or social security charges, compensation for exchange rate fluctuations, additional costs for travel or accommodation and insurance.

In addition, newly appointed members of the Executive Board may be given one-off, time-limited benefits. These benefits may include, for example, payments to compensate for variable remuneration that has demonstrably expired with a previous employer or other disadvantages, as well as benefits in connection with a relocation. In this way, the Supervisory Board retains the necessary flexibility to attract the best candidates for the Executive Board of the KION Group.

Such additional benefits are disclosed in the remuneration report.

4.3 Pension Benefits

The KION Group generally grants the members of the Executive Board a retirement, disability and survivors' pension. The granted retirement benefits are generally paid upon reaching the standard retirement age under the statutory pension insurance scheme. Early drawdown is possible from the age of 62. The annual pension contribution is agreed upon individually with the Executive Board members. The pension account earns interest at the statutory guaranteed interest rate for the life insurance industry (applicable maximum interest rate for calculating the actuarial reserves of life insurance companies in accordance with para. 2 section 1 of the German Regulation on the Principles Underlying the Calculation of the Premium Reserve Ordinance (DeckRV)). If higher interest is achieved by investing the pension account, this will be credited to the pension account when the pension event occurs (surplus share). In the event of disability or death during the active service contract, the contributions are credited to the pension account at the age of 60, whereby the increase is limited to a maximum of ten annual contributions. In the event of a pension event, a one-off payment or, upon written request, a payment in ten annual installments is made.

Alternatively, the KION Group can agree upon a fixed annual pension substitute in cash for own provisions with members of the Executive Board. These Executive Board members can use the pension allowance to manage their pension independently. In this case, no further benefits are granted under the pension benefits of the KION Group.

The KION Group can also agree with Executive Board members that existing legacy commitments from previous contractual relationships will be continued. If such a continuation of an existing commitment is agreed, the pension arrangements are reported transparently in the remuneration report.

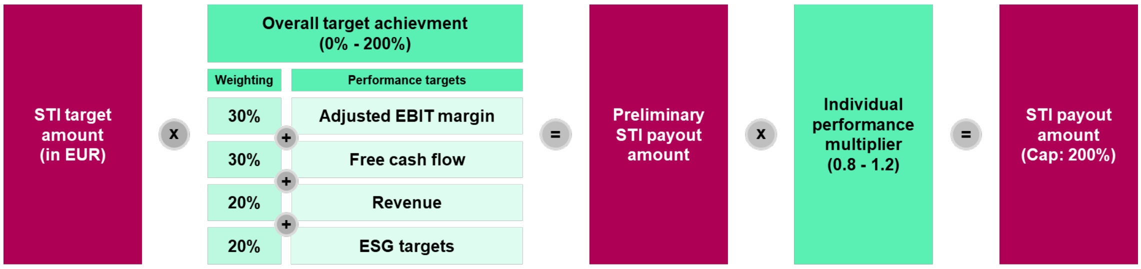
5. Variable remuneration components

In the following, the variable remuneration components are described in detail. The relationship between the achievement of performance targets and the amounts paid out as variable remuneration is explained. Furthermore, it is outlined how and when the members of the Executive Board can access the variable remuneration amounts.

5.1 Short Term Incentive (STI)

The STI is a performance-related bonus with a one-year performance period. The performance period consists of the respective financial year. The development of the performance targets adjusted EBIT margin (weighting: 30%), free cash flow (30%) and revenue (20%) are used to measure financial target achievement. On the other hand, the amount of the STI also depends on the achievement of non-financial ESG targets (20%). The Supervisory Board is entitled to reweight the performance targets if deemed necessary, for example due to changes in economic conditions or the Company's priorities. In the event of a different weighting, the adjustment is disclosed and explained in the remuneration report.

The individual performance of the Executive Board members is considered on the basis of predefined criteria and targets in the form of an individual performance multiplier (0.8 - 1.2). The multiplication of the performance multiplier and the overall target achievement of financial and non-financial targets results in the STI payout amount, which is limited to 200% of the target amount ("**cap**"). The STI is paid out after the consolidated financial statements for the relevant financial year have been approved. If the Executive Board member is not entitled to remuneration for the entire financial year, the target amount is reduced pro rata temporis.



In the remuneration report for the respective financial year, the targets and respective target achievements of the financial performance targets, the ESG targets and the criteria and targets of the individual performance multiplier are published ex-post.

5.1.1 Financial performance targets

The financial performance targets include the following key indicators:

- The adjusted EBIT margin is the ratio of the adjusted EBIT to revenue for the financial year. Adjusted EBIT is the EBIT (earnings before interest and taxes) adjusted for company-specific effects from purchase price allocations as well as one-off and special effects.

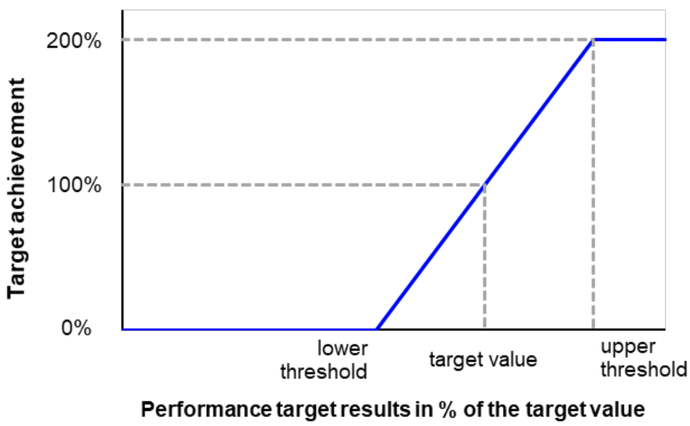
- Free cash flow is the sum of cash flows from operating activities and cash flows from investing activities. In special situations such as M&A activities or mergers, the free cash flow can be adjusted.

- Revenue refers to the realization of sales. Revenue comprises the expected payment to be received from the customer for the transfer of goods and services (transaction price) as well as rental and leasing income (excluding VAT) after deduction of discounts and price reductions.

These key figures are calculated for the KION Group on the basis of the consolidated financial statements of the KION GROUP AG prepared in accordance with IFRS.

The Supervisory Board derives the target and threshold values for the financial performance targets from the planning for the financial year and establishes them at the beginning of a financial year before communicating them to the members of the Executive Board. The Supervisory Board defines a corridor that is limited by a target achievement level of 0% (lower threshold) and a target achievement level of 200% (upper threshold), surrounding the target achievement level of 100% (target value). Values between the target and the lower and upper thresholds are linearly interpolated.

The target achievement curve can be illustrated as follows:



5.1.2 Non-financial performance targets

ESG targets derived from the current sustainability strategy are included as non-financial performance targets. For each financial year, the Supervisory Board usually selects two material and measurable ESG targets from the topics of “Compliance”, “Sustainability & Environment”, “Customer Orientation”, “Employer Attractiveness” and “Occupational Health & Safety”. These topics represent key areas of the sustainability strategy of the

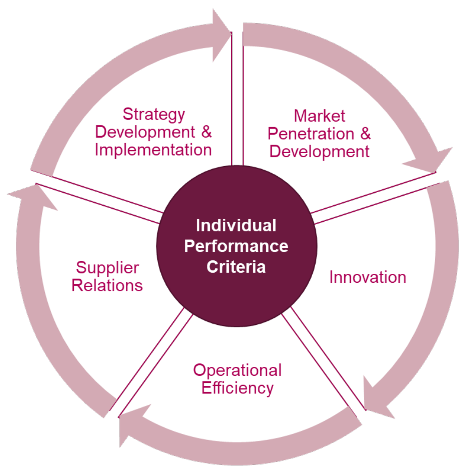
KION Group. Should changes arise from the sustainability strategy, the Supervisory Board is entitled to select ESG targets from a new topic.

The specific targets, the target value, the lower threshold and the upper threshold are set by the Supervisory Board for the respective financial year and communicated to the members of the Executive Board in the grant letter.

5.1.3 Individual performance multiplier

In addition to the financial and non-financial performance targets, the Supervisory Board takes into account the individual performance of the members of the Executive Board by means of an individual performance multiplier.

For the respective financial year, the Supervisory Board selects a series of measurable criteria and targets to assess individual performance. For example, the criterion “Strategy Development & Implementation”, “Market Penetration & Development”, “Innovation”, “Operational Efficiency” and “Supplier Relations” can be considered.



After the end of the financial year, the Supervisory Board determines the individual performance multiplier for each Executive Board member based on the achievement of individual targets. The individual performance multiplier can range from 0.8 to 1.2.

In accordance with recommendation G.11 GCGC, the Supervisory Board is entitled to take into account extraordinary events or developments with a significant impact on the financial or non-financial performance targets to an appropriate extent within the scope of the individual performance multiplier.

5.1.4 Calculation of the payout amount

The payout amount of the STI is calculated by multiplying the target amount in euros by the weighted arithmetic mean of the target achievement of the financial and non-financial performance targets and the individual performance multiplier. The STI payout amount is limited to 200% of the target amount.

The payout amount calculated is due for payment after the consolidated financial statements of the relevant financial year of the KION Group have been approved and is paid out with the next possible salary statement, subject to a malus in accordance with Section 6.

In the event of extraordinary events or developments, the Supervisory Board is entitled to adjust the calculated STI payout amount in such a way that the extraordinary effects are eliminated. Extraordinary events or developments can be, for example, a significant acquisition or sale of a company or parts of a company or of investments in companies, a merger with another company, high inflation or significant changes in accounting policies or significant fluctuations in exchange rates that were not taken into account in KION's strategy and planning or the target corridor derived from it.

5.2 Performance Share Plan (LTI)

The multi-year variable remuneration is granted in the form of a performance share plan with a four-year term. The term begins on January 1st of each year and is divided into a three-year performance period and a subsequent one-year waiting period.

For each financial year, the Executive Board members are conditionally granted a tranche of the LTI plan in the form of performance shares, i.e. virtual shares, at the beginning of the financial year. The number of conditionally granted performance shares is determined by dividing the grant amount for the LTI in euros agreed in the service contract by the arithmetic mean of the Xetra closing price of KION shares on the Frankfurt Stock Exchange (or a successor system replacing it) over the last 60 trading days prior to the start of the term ("**initial share price**").

The development of the financial and non-financial performance targets during the three-year performance period is key for measuring the target achievement of the LTI. The financial performance targets are the performance of the ROCE (weighting: 50%) and the relative TSR of KION shares compared to an index which is relevant for the KION Group (DAX, MDAX, SDAX) (weighting: 30%). ESG targets are taken into account as non-financial performance targets with a weighting of 20%. The Supervisory Board is entitled to weight the performance targets differently for future LTI tranches if deemed necessary, for example due to changes in economic conditions or the Company's priorities. In the event of a different weighting, the adjustment is disclosed and explained in the remuneration report.

Following the performance period, the one-year waiting period begins, during which the value of the performance shares continues to be linked to the performance of KION shares. The payment is made in cash after the end of the waiting period. The payout amount is determined by multiplying the final number of performance shares by the final share price. Alternatively, the Supervisory Board may decide to carry out the payout through the transfer of KION shares.

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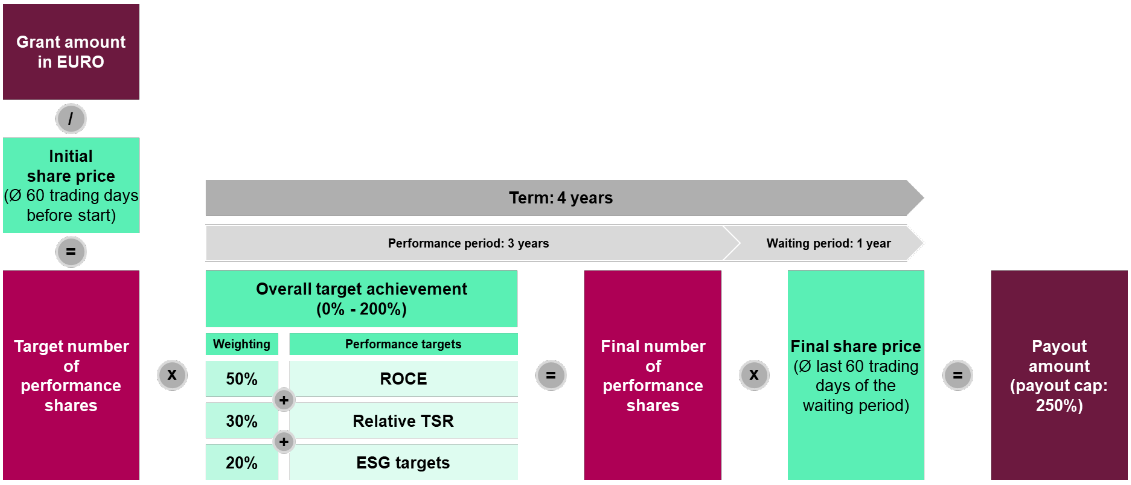


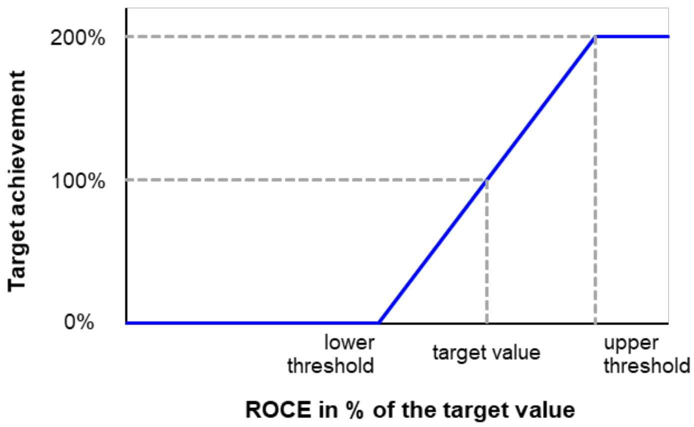
5.2.1 Financial performance targets

ROCE (50%):

The ROCE reflects the capital efficiency of KION Group as documented in the consolidated financial statements of the KION GROUP AG prepared in accordance with IFRS and refers to the return on capital employed (ROCE), measured as the ratio of revenue or earnings to capital employed (total capital less current, non-interest-bearing liabilities). Extraordinary developments (e.g. due to disposals or acquisitions) can be corrected in the calculation.

The Supervisory Board derives the target and threshold values for ROCE from the planning.

The target achievement for the ROCE performance target is determined through the following illustrative target achievement curve:

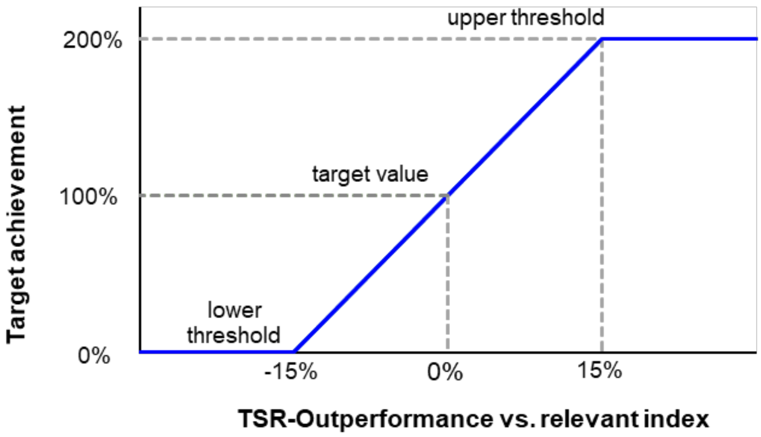


If a value below or equal to the lower threshold value is achieved, this corresponds to a target achievement of 0%. If a value is achieved that matches the target value, the target achievement is 100%. A result at or above the upper threshold value corresponds to a target achievement of 200%. The values in between are determined by linear interpolation.

Relativer TSR (30%):

The relative TSR of KION shares corresponds to the deviation of the TSR of KION shares ("**KION TSR**") from the performance of the MDAX in percentage points and is calculated at the end of the performance period. TSR refers for KION and the relevant peer group to the return on shares and is a measure of the performance of the Company for its shareholders compared with alternative investments over time. The TSR takes into account the dividends accrued during the period as well as share price increases and subscription rights. For smoothing purposes, the arithmetic mean over 60 trading days before the start and end of the performance period is used as the relevant start and end values. The deviation of the KION TSR from the performance of the MDAX is calculated in percentage points by subtracting the MDAX TSR from the KION TSR. If this index is no longer suitable for comparison, e.g. because the KION Group is no longer listed on the MDAX, the Supervisory Board has the possibility to define another index from the DAX family (DAX, MDAX, SDAX) as a suitable comparison group in the future.

The target achievement for the relative TSR performance target is determined based on the following target achievement curve:



The lower threshold value is -15% outperformance and corresponds to a target achievement of 0%. An outperformance below the lower threshold also corresponds to a target achievement of 0%. The target value consists of an outperformance of 0% (= equal performance), corresponding to a target achievement of 100%. The upper threshold value represents an outperformance of 15% and corresponds to a target achievement of 200%. The values in between are determined by linear interpolation. The target achievement curve in this form is in line with standard market practice and offers a balanced risk/reward profile.

5.2.2 Non-financial performance targets

ESG targets derived from the sustainability strategy of the KION Group are used as non-financial performance targets. For each tranche, the Supervisory Board determines two equally weighted ESG targets from the areas of "Compliance", "Sustainability & Environment", "Customer Orientation", "Employee Attractiveness" and "Occupational Health & Safety". The Supervisory Board ensures that the STI and LTI targets are different from each other.

The specific targets, the target value, the lower threshold and the upper threshold are set by the Supervisory Board for each tranche and are communicated to the members of the Executive Board in the grant letter.

5.2.3 Calculation of the final number of performance shares and the payout amount

The final number of performance shares is calculated by multiplying the number of performance shares conditionally granted to the Executive Board member by the total target achievement of the financial and non-financial targets and is limited to 200% of the conditionally allocated number of performance shares (“**cap for number of performance shares**”).

The overall target achievement is calculated as the weighted arithmetic mean of the target achievements based on ROCE, the relative TSR of the KION share and the ESG targets.

If significant capital measures lead to a reduction or increase in the value of the Company’s shares (e.g. share split or consolidation of shares), the number of conditionally granted performance shares or the final number of performance shares can be adjusted accordingly.

The final number of performance shares is converted into a euro amount through multiplication by the final share price. The final share price is the arithmetic mean of the Xetra closing price of KION shares on the Frankfurt Stock Exchange (or a successor system replacing it) over the last 60 trading days before the end of the four-year term. The amount paid out is limited to 250% of the grant amount agreed in the service contract (“**payout cap**”).

The payout amount calculated is due for payment after the consolidated financial statements of KION GROUP AG for the last financial year of the term have been approved.

In the event of extraordinary events or developments, the Supervisory Board is entitled to adjust the calculated LTI payout amount in such a way that the extraordinary effects are eliminated. Extraordinary events or developments can be, for example, a significant acquisition or sale of a company or parts of a company or of shareholdings in companies, a merger with another company, significant changes in the shareholder structure, significant fluctuations in KION's share price, high inflation or significant changes in accounting policies or significant fluctuations in exchange rates that were not taken into account in KION's strategy and planning or the target corridor derived from it.

6. Malus and clawback

In the event of relevant misconduct on the part of the Executive Board member during the financial year for which the variable remuneration is promised, the Supervisory Board can reduce the payout amount proportionately or completely to zero (“**malus**”) at its reasonable discretion. Relevant misconduct may be a breach of material duties of care in accordance with section 93 AktG, a material contractual duty or other material principles of conduct of the Company, e.g. from the Code of Conduct or the Compliance Guidelines.

Under the same conditions, the Company is entitled to demand partial or full repayment of the amount of variable remuneration paid for the financial year in which the breach occurred at its reasonable discretion (“**clawback**”).

Irrespective of any misconduct or fault on the part of the Executive Board member, the Company is entitled to demand repayment of variable remuneration components if the variable remuneration would have been lower due to a subsequent change in an incorrectly reported company result.

Claims for repayment generally apply to the gross amount. If the member of the Executive Board cannot claim a tax reduction on the repayment amount, i.e., because the taxes already paid on the variable remuneration are not compensated, the claim for repayment is reduced accordingly.

Reclaiming variable remuneration components is excluded if more than three years have passed since the variable remuneration component was paid out, unless the Supervisory Board has informed the Executive Board member in writing before the deadline that a possible reduction or reclaim is being examined.

7. Obligations to acquire and hold shares

In addition to the LTI, the obligation to acquire and hold shares (“**Share Ownership Guideline**”; “**SOG**”) for the Executive Board is another key component of the remuneration system with the aim of promoting the long-term and sustainable development of the company and aligning the interests of shareholders with the Executive Board.

Executive Board members are obliged to hold a minimum number of shares in KION GROUP AG equivalent to 100% of their annual fixed salary for the duration of their appointment to the Executive Board. The relevant number of shares is determined based on the price of KION GROUP AG shares on the last 60 trading days prior to the date on which the service contract commences. The obligation to hold the full number of shares remains in place after four years at the latest. In the first four years, a pro rata temporis build-up of shares is permitted. In individual cases, the Supervisory Board may decide to deviate from the shareholding obligation at its reasonable discretion, taking into account the individual circumstances (e.g. due to restrictions on the acquisition of shares as a result of contractual, internal company or statutory provisions).

II. Remuneration-related legal transactions

1. Terms of the remuneration-related legal transactions

As a rule, members of the Executive Board are appointed for three years when being appointed for the first time. The maximum reappointment period is five years.

If the Executive Board member's appointment ends by mutual agreement, by revocation in accordance with section 84 para. 4 AktG or by resignation, the Company is entitled to terminate the service contract giving notice as stipulated in section 622 para 2 German Civil Code. The right to extraordinary termination in accordance with Section 626 German Civil Code remains unaffected.

2. Entry during the year and early termination

If the employment relationship begins during the financial year, the Executive Board member is entitled to pro rata temporis variable remuneration.

If the service contract ends due to ordinary termination by the Company, in the event of termination by mutual agreement, revocation of the appointment in accordance with section 84 para. 4 AktG or in the event of resignation, the Executive Board members are entitled to a severance payment in the amount of the remuneration for the remaining term of the service contract, but no more than two years' remuneration ("**severance payment cap**"). There is no entitlement to a severance payment in the event of extraordinary termination of the service contract for good cause, in the event of resignation from office without the Executive Board member having good cause for this or in the event of revocation of the appointment with a promise of reappointment.

The annual income relevant for the calculation of the severance payment comprises the fixed salary and the variable remuneration components based on 100% target achievement for the last full financial year before the end of the service contract. Benefits in kind and other fringe benefits are not considered when calculating the severance payment.

If the employment relationship ends during the financial year as a result of extraordinary termination by the Company for good cause for which the Executive Board member is responsible in accordance with 626 para. 1 German Civil Code, as a result of effective revocation of the appointment for good cause in accordance with 84 para. 4 AktG (with the exception of a vote of no confidence by the Annual General Meeting) or as a result of self-initiated termination or rescission without good cause by the Executive Board member (without the consent of the KION Group), the entitlement lapses without replacement or compensation.

In the event of termination of the Executive Board service contract due to the death or incapacity of the Executive Board member, the heir or Executive Board member is entitled to the variable remuneration for this financial year in the amount of the pro rata temporis reduced target or allocation amount. Payment is made immediately after the end of the employment relationship.

If the employment relationship ends before the end of the financial year for reasons other than those mentioned above, the Executive Board member is entitled to pro rata temporis variable remuneration for this financial year. The calculation and payment are made at the scheduled times, taking the performance targets into account.

3. Post-contractual non-compete clause

The Company may agree on a post-contractual non-compete clause for a maximum term of two years with members of the Executive Board. The Executive Board members are entitled to remuneration for the period of the post-contractual non-compete clause. Other Executive Board member income and any severance payment paid by the Company are offset against the compensation for observing the post-contractual non-compete clause.

III. Temporary deviation from the remuneration system

In accordance with section 87a para. 2 sentence 2 AktG, the Supervisory Board may temporarily deviate from the remuneration system and its individual components and from the terms and conditions of individual remuneration components or introduce new remuneration components by means of a corresponding resolution if this is necessary in the interests of the long-term well-being of the KION Group. The Supervisory Board reserves the right to make such deviations, particularly in exceptional circumstances such as an economic or corporate crisis. In the event of an economic crisis, the Supervisory Board may deviate, in particular, from the remuneration structure of the target remuneration, the performance targets and measurement methods of the variable remuneration as well as from the performance and waiting periods and the payment dates of the variable remuneration. Generally unfavorable market developments expressly do not constitute an exceptional case that justifies a deviation from the remuneration system.