

# Declaration of compliance 2018

The following declaration, based on the German Corporate Governance Code of 7 February 2017, is valid for the past and future Corporate Governance of Jungheinrich AG.

## **Declaration according to Section 161 of the German Stock Corporation Act**

Jungheinrich AG has complied with the recommendations of the Government Commission's German Corporate Governance Code dated 7 February 2017 and published by the German Federal Ministry of Justice in the official section of the German Federal Gazette on 24 April 2017 since its last declaration of compliance in December 2017, and will continue to do so, with the following exceptions:

1. The company's D&O insurance policy does not include a deductible for the members of the Supervisory Board (Item 3.8 of the Code).

The D&O insurance policy is a Group insurance policy for the company's board members (Board of Management and Supervisory Board) as well as for a large number of the Group's employees in Germany and abroad. Differentiating between employees and board members in principle was deemed improper in the past. Nevertheless, in view of the German law on the appropriateness of management board compensation, the company's insurance policy was supplemented by a deductible for the members of the Board of Management in line with the sum specified by the law and the Code. However, the legislator expressly renounced mandating the introduction of a corresponding deductible for supervisory board members. Only the Code includes a recommendation to this effect. Therefore, the Supervisory Board does not see any reason to deviate from its current practice. The Supervisory Board's deliberations in this connection are based on the conviction that the prime objective is to recruit to the Supervisory Board suitable individuals whose experience is beneficial to the Supervisory Board's work in the company's interests. These goals would be counteracted if the recruited Supervisory Board members satisfying these requirements merely had limited insurance coverage for their work.

2. The compensation of the members of the Board of Management and Supervisory Board is not published in itemised or individualised form (Items 4.2.4, 4.2.5 and 5.4.6 of the Code).

The company is still not implementing the Code's recommendation to present the remuneration of the members of the Board of Management or Supervisory Board in itemised or individualised form in the notes or the management report. These are corporate bodies and so disclosure by individual board member is irrelevant. Furthermore, the company believes that the benefits of such disclosure to the public and investors are not significant enough to disregard the associated disadvantages – including the right to privacy of each of the board members. Ultimately, per its resolution dated 24 May 2016, the annual general meeting again waived the obligation of the members of the Board of Management to provide individualised disclosure for a period of five years.

3. A nomination committee for proposing suitable Supervisory Board candidates to the annual general meeting will not be established (Item 5.3.3 of the Code).

In light of the company's nature, which can be likened to that of a family-owned company, the Supervisory Board believes that such a committee is dispensable. Two Supervisory Board members are seconded by the registered shareholders. The candidates proposed to the annual general meeting for the four remaining shareholder representative positions are chosen in close coordination with the holders of ordinary shares.

4. The company renounces the determination of an age limit and tenure limit for Supervisory Board members (Item 5.4.1 of the Code).

An age limit can lead to rigid rules, which may counteract the company's goal of recruiting extremely experienced individuals to work on the Supervisory Board. Therefore, the flexibility to make decisions on a case-by-case basis has been given preference over a rigid limit. The Supervisory Board deems it inappropriate to limit the tenure of the members of the Supervisory Board.

5. The company has not created a skills profile for the whole of the Supervisory Board nor published the Supervisory Board members' CVs (Item 5.4.1 of the Code).

The Supervisory Board of Jungheinrich AG meets the diversity criteria required by law and the Code. Many of the Supervisory Board members have international business experience. The candidates that will be proposed to the annual general meeting for the four shareholder representative positions are determined in close coordination with the holders of ordinary shares, ensuring that only suitable candidates are proposed to the annual general meeting, who cover as many of the skills that the company requires as possible. For this reason, the Supervisory Board does not deem it appropriate for Jungheinrich, as a family-owned company, to also create a skills profile for the full Supervisory Board. The CVs of Supervisory Board members are not published in order to protect their privacy.

6. The Supervisory Board's composition may not meet the criteria set forth in Item 5.4.2 of the Code regarding the number of independent Supervisory Board members.

The Supervisory Board of Jungheinrich AG consists of a total of twelve members, six of whom are elected by the employees. Two Supervisory Board members are seconded by the registered shareholders. The candidates proposed to the annual general meeting for the four remaining shareholder representative positions are chosen in close coordination with the holders of ordinary shares. Only the ordinary shareholders are entitled to cast votes at the annual general meeting. The process for filling the shareholder representative positions reflects the fact that the company is a family-owned business.

7. The "cooling off" period in accordance with Item 5.4.4 of the Code, pertaining to Board of Management members transferring to the Supervisory Board, will not be used.

As has already been publicised, the ordinary shareholders unanimously expressed their wish at the Annual General Meeting that the current Chairman of the Board of

Management directly transfers to the Supervisory Board and takes over the role of Chairman of the Supervisory Board as soon as the current Chairman of the Supervisory Board leaves, i.e. without the “cooling-off” period prescribed in the Code. In the opinion of the ordinary shareholders, this will ensure the continued positive development of the company.

Hamburg, December 2018