

CORPORATE GOVERNANCE

Kuehne + Nagel is committed to good corporate governance

Good corporate governance is an important and integral part of the management culture of the Kuehne + Nagel Group (the Group). The principles of corporate governance, as defined in the Directive on Information Relating to Corporate Governance of the SIX Swiss Exchange, are laid down in the Articles of Association, the Organisational Rules, and the Committee Regulations of the holding company of the Group, Kuehne + Nagel International AG, Schindellegi, Switzerland. Furthermore, Kuehne + Nagel follows the worldwide best practice recommendations evolving continuously and is committed to the standards established in the Swiss Code of Best Practice for Corporate Governance.

Group structure and shareholders

Under Swiss company law Kuehne + Nagel is organised as a limited company that has issued shares of common stock to investors. Kuehne + Nagel International AG is the parent company of the Kuehne + Nagel Group.

Operational group structure

The operational structure of the Group is divided into the following segments:

Primary segment consisting of the business units:

- Seafreight
- Airfreight
- Road & Rail Logistics
- Contract Logistics
- Real Estate
- Insurance Brokers

Secondary segment consisting of the geographical regions:

- Europe
- Americas
- Asia-Pacific
- Middle East, Central Asia and Africa

Business performance is reported according to this operational structure. For further information on the business units, please refer to the sections "Reports of the Business Units" and the "Consolidated Financial Statements" respectively.

Listed companies of the Group

Kuehne + Nagel International AG (KNI), the ultimate holding company, is the only company listed within the scope of the Group's consolidation. KNI has its registered office in Schindellegi, Switzerland, and its shares are listed on the SIX Swiss Exchange, Zurich. The company's market capitalisation on the closing date (December 31, 2008) amounted to CHF 8,106 million (120 million registered shares at CHF 67.55 per share).

Of the total KNI share capital, on the closing date

- the free float consisted of 51,167,761 shares = 42.6 per cent, and
- KNI-held treasury shares consisted of 1,932,239 shares = 1.6 per cent

KNI shares are traded under the symbol "KNIN", the security number is 2,523,886 and ISIN is CH0025238863.

Non-listed companies in the Group's consolidation

The main subsidiaries and associated companies of the Group are disclosed in the appendix 'Significant subsidiaries and joint ventures' to the Consolidated Financial Statements (pages 144 to 149), including particulars as to the country, name of company, location, share capital, and Kuehne + Nagel's stake in per cent.

Main shareholders

The main shareholder of the Group is Kuehne Holding AG, Schindellegi, Switzerland, which holds 55.8 per cent of the KNI share capital and is 100 per cent owned by Klaus-Michael Kuehne.

The Kuehne Foundation held 4.3 per cent of the KNI share capital as at the closing date.

Cross-shareholdings

On the closing date there were no cross-shareholdings in place.

Capital structure

Ordinary share capital on the closing date

The ordinary share capital of KNI amounts to CHF 120 million and is divided into 120 million registered shares of CHF 1 nominal value each.

Authorised and conditional share capital

The Annual General Meeting held on April 30, 2008 extended its authorisation of approved share capital up to a maximum of CHF 20 million by a further two years until April 30, 2010.

At the Annual General Meeting held on May 2, 2006 the shareholders approved a 1:5 split of the registered shares and a commensurate increase in the number of Kuehne + Nagel shares. At the same time the nominal value per share relating to approved share capital and conditional share capital was also lowered from CHF 5 to CHF 1.

Change in capital over the past three years

During the years 2006 through 2008 no changes in capital other than related to conditional and approved share capital as outlined above occurred.

Shares and participating certificates

On the closing date 120 million registered shares of CHF 1 nominal value each were outstanding. At the same date, no participating certificates were outstanding.

Profit sharing certificates

There were no participating certificates outstanding as at the closing date.

Limitations on transferability and nominee registrations

Each share has one vote. All shares have equal voting rights and no preferential rights or similar entitlements exist. The Articles of Association do not provide for any limitations on the transfer of the shares. Nominees are entered in the share register only upon their written agreement to declare the names, addresses, and shareholdings of the respective persons on whose account they are holding shares.

Convertible bonds and warrants/options

No convertible bonds, warrants, or options were outstanding as at the closing date other than related to the Group's Employee Share Purchase and Option Plan.

Board of Directors

As at December 31, 2007, Xavier Urbain stepped down from the Board of Directors. As at February 1, 2008, he joined the Management Board of KNI.

At the Annual General Meeting of April 30, 2008, Juergen Fitschen, a German citizen, was elected and both Bernd Wrede and Hans Lerch were re-elected to the Board of Directors for a three-year term. Bruno Salzmann, long-time member whose mandate expired at the Annual General Meeting, retired from the Board.

At the Extraordinary General Meeting of December 9, 2008, Karl Gernandt, a German citizen, was elected to the Board of Directors for a three-year term.

On the closing date the Board of Directors comprised ten members. Their biographical particulars are as follows:

Klaus-Michael Kuehne, Executive Chairman, German, age 71

Trained as banker and freight forwarder.

Other significant activities: Member of the Advisory Board of Hapag-Lloyd AG, Hamburg; and of the Landesbeirat Hamburg of Deutsche Bank AG.

Positions within the Kuehne + Nagel Group:

1958–1966	Entrance into the family business followed by various management positions
1966–1975	Chief Executive Officer of the Group
1975–1992	Delegate and member of the Board of Directors
1992–today	Executive Chairman (as of 1.1.2009 Chairman) of the Board of Directors elected until the Annual General Meeting 2009 Chairman of the Nomination and Compensation Committee

Bernd Wrede, Vice Chairman, German, age 65

Studied at the Universities of Wuerzburg and Hamburg. From 1982 to 2001 member of the Board of Hapag-Lloyd AG, Hamburg, and its Chairman as of 1993. Currently an independent management consultant.

Other significant activities: Member of the Advisory Board of Citigroup, Frankfurt, and member of the Board of Trustees of the ZEIT Foundation, Hamburg.

Positions within the Kuehne + Nagel Group:

1999–2002	Member of the Board of Directors
2002–today	Vice Chairman of the Board of Directors elected until the Annual General Meeting 2011 Member of the Audit Committee Member of the Nomination and Compensation Committee Member of the Investment Committee

Karl Gernandt, German, age 48

After completing his studies in business administration at the University of St. Gallen, Switzerland, Karl Gernandt worked for Deutsche Bank AG from 1988 to 1995. There he held positions including that of assistant to the Spokesman of the Board of Management and the Chairman of the Supervisory Board, as well as functions in international banking in Germany, Asia and the USA. From 1996 to 1999 he set his mark on the Financial Institution Group of A.T. Kearney GmbH. In 1999 Gernandt moved to Holcim (Deutschland) AG as Chairman of the Board of Management, and was at the same time a member of the European Management Team of Holcim Ltd., Switzerland. In March 2007 he became CEO of Holcim Western Europe, based in Brussels. Since October 1, 2008 Karl Gernandt has been nominated as Delegate of the Board of Directors of Kuehne Holding AG, Schindellegi, and a board member of the Kuehne Foundation. He is also Managing Director of the Klaus-Michael Kuehne Foundation in Hamburg.

Positions within the Kuehne + Nagel Group:

9.12.2008–today	Member of the Board of Directors elected until the Annual General Meeting 2011
1.1.2009–today	Delegate of the Board of Directors

Juergen Fitschen, German, age 60

Trained as wholesale and export trader, then graduated in business administration from Hamburg University. Joined Deutsche Bank AG in 1987 and was promoted to the Group Executive Committee in 2002. He is Global Head of Regional Management and, since 2004, also serves as Chairman of the Management Committee Germany.

Other important positions: Member of the Supervisory Board of Metro AG and Schott AG.

Positions within the Kuehne + Nagel Group:

2008–today	Member of the Board of Directors elected until the Annual General Meeting 2011
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Dr. Joachim Hausser, German, age 64

Holds a PhD in economics from the Université de Genève. Former bank executive currently an independent financial consultant.

Other significant activities: Chairman of the Supervisory Board of Ludwig Beck am Rathauseck Textilhaus Feldmeier AG, Munich, and member of the Advisory Board of GETRAG Getriebe- und Zahnradfabrik Hermann Hagenmeyer GmbH & Cie, Ludwigsburg.

Positions within the Kuehne + Nagel Group:

1992–today	Member of the Board of Directors elected until the Annual General Meeting 2009 Chairman of the Investment Committee
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Dr. Willy Kissling, Swiss, age 64

Holds a PhD in business administration from the University of Berne and a PMD from Harvard Business School, Cambridge, USA. Former President and CEO of Landis & Gyr Corporation (1987–1996). From 1998 to 2005, Chairman and, until May 2002, CEO of Unaxis Holding AG, Pfäffikon (since September 2006: OC Oerlikon Corp. AG, Pfäffikon).

Other significant activities: Member of the Board of Directors of Holcim AG, Jona, and of Schneider Electric S.A., Paris; Chairman of the Board of Directors of Grand Hotels Bad Ragaz AG.

Positions within the Kuehne + Nagel Group:

2003–today	Member of the Board of Directors elected until the Annual General Meeting 2009 Member of the Investment Committee
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Hans Lerch, Swiss, age 59

Trained in tourism and longtime career at Kuoni Reisen Holding AG: from 1972–1985 assignments in the Far East as well as various responsibilities at the company's headquarters; from 1999–2005 President and CEO of Kuoni Travel Holding Ltd.

Other significant activities: President of the Board of Directors of SR Technics Holding AG; President of the Board of Directors of Octagon Worldwide AG, Zurich; Vice Chairman of the Board of Directors of New Venturetech AG, Zurich; and member of the Board of Alpitour S.p.A., Torino.

Positions within the Kuehne + Nagel Group:

2005–today	Member of the Board of Directors elected until the Annual General Meeting 2011 Member of the Nomination and Compensation Committee
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Dr. Georg Obermeier, German, age 67

Holds a PhD in business administration from the University of Munich. From 1989–1998 member of the Board of Directors of VIAG AG, Berlin/Munich, and as of 1995 its Chairman. From 1999–2001 Executive Chairman of RHI AG, Vienna. Currently Managing Partner of Obermeier Consult GmbH, a consultancy for strategic issues.

Other significant activities: Memberships on the Supervising Committees of the following companies: Energie-Control GmbH, Vienna, Regulierungsbehörde für Strom und Gas; Chairman of the Board of Directors of Arques Industries AG, Starnberg; Bilfinger Berger Industrial Services AG, Munich.

Positions within the Kuehne + Nagel Group:

1992–today	Member of the Board of Directors elected until the Annual General Meeting 2009 Member of the Audit Committee Member of the Nomination and Compensation Committee
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Dr. Wolfgang Peiner, German, age 64

Studied business administration at the Universities of Hamburg and Lawrence, Kansas, and holds a Master in Accounting and Finance. He was member and Chairman of the Management Board of Gothaer Insurance Group from 1984 to 2001 and Head of the Ministry of Finance of the Free and Hanseatic City of Hamburg from 2001 to 2006.

Other significant activities: Since early 2007 Chairman of the Board of Directors of HSH Nordbank AG and Germanischer Lloyd AG; Managing Director of the Board of Trustees of the Kuehne Foundation; member of the Board of Directors of Studio Hamburg GmbH; and since April 2007 General Representative of Susat & Partner OHG, an accountancy and audit firm.

Positions within the Kuehne + Nagel Group:

2000–2001	Member of the Board of Directors
2007–today	Member of the Board of Directors elected until the Annual General Meeting 2010

Dr. Thomas Staehelin, Swiss, age 61

Holds a PhD in law from the University of Basel; Lawyer.

Other significant activities: Chairman of the Board of Directors of Kuehne Holding AG; Vice Chairman of the Board of Directors and Chairman of the Audit Committee of Siegfried Holding AG, Zofingen; member of the Board and Chairman of the Audit Committee of Inficon Holding AG, Bad Ragaz; Chairman of the Board of Directors of Swissport International SA, Opfikon, and of Scobag AG, Basel; member of the Board of Directors of Lantal Textiles, Langenthal; member of the Board and Committee President of Economiesuisse; President of the Basel Chamber of Commerce; Chairman of Vereinigung der Privaten Aktiengesellschaften; and member of the Swiss Foundation for Accounting and Reporting Recommendations (FER-SWISS GAAP).

Positions within the Kuehne + Nagel Group:

1978–today	Member of the Board of Directors elected until the Annual General Meeting 2009 Chairman of the Audit Committee
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With the exception of the Chairman of the Board of Directors, Klaus-Michael Kuehne, and the Delegate, Karl Gernandt, all members of the Board of Directors are non-executive directors and none of them serves as a member of the Management Board.

Election and duration of tenure

The election for Board membership is carried out whenever the tenure expires. Instead of summary election of the whole Board of Directors, individual re-elections are held for each member. This allows shareholders to judge the contribution of each member of the Board of Directors separately.

Board members are elected for a period of three years. There are no limits regarding the number of terms of service or the age of the incumbents.

Internal organisation, Board committees and meetings in 2008

According to the Articles of Association and Swiss corporate law the main tasks of the Board of Directors comprise:

- strategic direction and management of the company,
- accounting matters,
- financial control and planning,
- appointing and dismissing Management Board members and other senior executives,
- supervisory control of business operations, and
- submission of proposals to the Annual General Meeting, in particular the KNI and Group Financial Statements.

Klaus-Michael Kuehne is the Chairman of the Board of Directors. As of January 1, 2009, the Board of Directors has signed specified powers to Karl Gernandt, its new Delegate. In particular, this applies to the areas of investment, finance and accounting, as well as personnel. The entire Board of Directors, however, is responsible for decisions on such above-mentioned aspects that are of significant importance to KNI. The scope of responsibilities of the Board of Directors and the Executive Chairman are stipulated in the Organisational Rules.

The Board of Directors convenes at least four full-day meetings annually, with the Management Board being at least represented by the CEO and the CFO of the Group. The Board of Directors has the discretion to invite other members of the Management Board to attend these meetings.

In urgent cases the Board of Directors can also take decisions by written circular resolutions.

Audit Committee

The Audit Committee consists of three to five non-executive, predominantly independent members of the Board of Directors elected for a period of three years. Re-election as member of the Audit Committee is possible. Members of the Management Board cannot be members of the Audit Committee.

The Audit Committee reviews and clears the quarterly financials prior to publication. As part of the regular contacts between the Audit Committee and both the internal and the external auditors, the quality and functioning of the internal control mechanisms are reviewed and evaluated continually on the basis of written reports from the internal audit department, as well as of management letters from the external auditors based on their interim audits in order to set priorities for the year-end audit. Furthermore, regular contact with the external auditors throughout the year enables the Audit Committee to obtain knowledge of problem areas at an early stage. This allows it to propose to the Management Board the timely introduction of any corrective measures.

Dr. Thomas Staehelin was the Chairman of the Audit Committee as at the closing date, assisted by its members Bernd Wrede and Dr. Georg Obermeier.

The Audit Committee holds at least four meetings annually. The Chairman, the Vice Chairman and the Delegate of the Board of Directors can take part in the meetings as advisors. Unless otherwise determined by the Audit Committee, the CEO, the CFO and the audit partner-in-charge take part in all meetings, whilst the head of internal audit is invited as advisor whenever needed. In 2008 the audit partner-in-charge attended three meetings of the Audit Committee. The Committee's Chairman reports in detail to the other members of the Board of Directors about the topics discussed and the decisions taken and/or to be submitted to the entire Board of Directors for approval.

Nomination and Compensation Committee

The Nomination and Compensation Committee consists of three to five members of the Board of Directors elected for a period of three years. Re-election is possible. The Chairman of the Board of Directors is permitted to be part of the Nomination and Compensation Committee as long as it still predominantly consists of non-executive and independent members.

In the area of nomination the Committee is responsible for securing the competent staffing of the Management Board. For this purpose the Committee, on the one hand, develops guidelines and criteria for the selection of candidates, and on the other hand provides the initiatory gathering of information as well as review of potential new candidates according to the aforementioned guidelines. The Committee prepares the adoption of a final resolution, which is reserved to the Board of Directors.

In the field of compensation the Committee defines the principles of compensation for the members of both the Board of Directors and the Management Board. The Committee recommends the amounts of compensation for each member of the Board of Directors. Moreover, it evaluates the individual performance of each member of the Management Board and approves their compensation in amount and composition.

On the closing date Klaus-Michael Kuehne was the Nomination and Compensation Committee's Chairman with Bernd Wrede, Hans Lerch and Dr. Georg Obermeier as its members.

The Nomination and Compensation Committee convenes on invitation of the Chairman as often as business requires, but at least three times a year. Members of the Management Board can take part in Nomination and Compensation Committee meetings by invitation.

The Board of Directors is informed by the Chairman of the Nomination and Compensation Committee about all issues discussed, in particular, about all decisions within the competence of the Board of Directors.

Investment Committee

The Investment Committee consists of three to five members of the Board of Directors, elected for a period of three years. Re-election is possible. The Chairman of the Board of Directors may be part of the Investment Committee as long as it predominantly consists of non-executive and independent members.

The Investment Committee advises the Board of Directors on investment planning of the Group and respective financing issues. Significant investments of the Group are reviewed by the Investment Committee as preparation to any decision made by the Board of Directors. In its advisory role the Investment Committee thereby considers the strategy of the Management Board and impact on the budget.

On the closing date Dr. Joachim Hausser was the Chairman of the Investment Committee assisted by its members Dr. Willi Kissling and Bernd Wrede.

The Investment Committee convenes on invitation of the Chairman as often as required by business, but at least four times a year. The Chairman, the Vice Chairman and the Delegate of the Board of Directors can take part in the meetings as advisors. On invitation, members of the Management Board, usually the CEO, the CFO and who-ever is in charge of the business unit the respective investment is in connection with, may take part in Committee meetings.

The Committee's Chairman regularly reports in detail to the other members of the Board of Directors about the topics discussed and the decisions taken and/or to be submitted to the entire Board of Directors for approval.

Rules of competence between the Board of Directors and the Management Board

The Board of Directors executes the non-transferable and inalienable duties of the ultimate management of the Group. As far as the non-transferable and inalienable duties of the Board of Directors are not concerned, the management responsibility of the Kuehne + Nagel Group is an obligation of the Delegate of the Board of Directors. He is entitled to transfer responsibilities and competences relating to the operational management to the Management Board. The Management Board is responsible for the development, execution and supervision of the day-to-day operations of the Group and the Group companies to the extent they are not allocated to the Annual General Meeting, the Audit Committee, the Board of Directors or the Delegate of the Board of Directors by law, by the Articles of Association, or by the Organisational Rules. The Organisational Rules lay down which businesses are able to be approved by the Management Board and which businesses require the approval of the Delegate of the Board of Directors or the Board of Directors pursuant to approval requirements based on the extent and manner of the respective business.

Information and control system versus the Management Board

The Management Board informs the Board of Directors on a regular and timely basis about the course of business by means of a comprehensive financial MIS (Management Information System) report which provides monthly worldwide consolidated results by segment and country including comparative actual, budgeted, and prior-year figures two weeks after a month's end at the latest.

The Delegate of the Board of Directors takes part in the Management Board meetings regularly, while the CEO and the CFO are generally invited to meetings of the Board of Directors as well as to the meetings of the Audit and Investment Committees. Members of the Management Board can take part in Nomination and Compensation Committee meetings by invitation. Depending on the agenda, the Board of Directors has the discretion to invite other members of the Management Board to attend its meetings.

Board and committees: Membership, attendance, number and duration of meetings

	Board of Directors	Audit Committee	Nomination and Compensation Committee	Investment Committee
Number of meetings in 2008	4	7	6	5
Approximate duration of each meeting	6 hours	4 hours	1 hour	3 hours
Klaus-Michael Kuehne	4	7	6	5
Bernd Wrede	4	7	6	4
Karl Gernandt ³	1	-	-	-
Juergen Fitschen ²	2	-	-	-
Dr. Joachim Hausser	4	-	-	5
Dr. Willy Kissling	4	-	-	5
Hans Lerch	4	-	6	-
Dr. Georg Obermeier	4	7	6	-
Dr. Wolfgang Peiner	4	-	-	-
Bruno Salzmann ¹	2	3	-	2
Dr. Thomas Staehelin	3	7	-	-

¹ Resigned from the Board of Directors per April 30, 2008.

² Since April 30, 2008.

³ Since December 9, 2008.

Management Board

Effective February 1, 2008, Xavier Urbain was appointed to the Management Board of KNI to take over the responsibility for the business unit Road & Rail Logistics.

Dr. Alexander Schmid-Lossberg, member of the Management Board and responsible for global Human Resources and Legal Counsel, left the Group effective January 31, 2008. His function has been taken over by Klaus-Dieter Pietsch.

Reinhard Lange, who was appointed as the successor to CEO Klaus Herms by the Board of Directors of KNI in September 2007, has taken up his new function on January 1, 2009. Peter Ulber has been appointed to the KNI Management Board with effect from January 1, 2009. He is responsible for the business units Sea & Air Logistics, and succeeds Reinhard Lange.

The biographical particulars of the Management Board are as follows:

Klaus Herms, German, age 67

Graduated in business administration from DAV, Bremen.

Other significant positions: Member of the Advisory Board of Fraport, Frankfurt; and member of the Board of Directors of Swissport International SA, Opfikon.

Positions within the Kuehne + Nagel Group:

1968-1969	Trainee in Bremen, Germany
1969-1974	Sales representative for project business Far East in Hong Kong
1974-1988	Regional Manager Far East in Hong Kong
1988-1999	Line Chief Executive Asia-Pacific region and member of the Group Management of KNI
1999-31.12.2008	Chief Executive Officer of the Group, Chairman of the Management Board of KNI
1.1.-30.6.2009	Responsible for special tasks

Reinhard Lange, German, age 59

Trained freight forwarder.

Positions within the Kuehne + Nagel Group:

1971-1985	Head of Seafreight Import, Bremen, Germany
1985-1990	Regional Director Seafreight Asia-Pacific, Hong Kong
1990-1995	Member of the German Management Board responsible for seafreight and industrial packing
1995-1999	President and Chief Executive Officer of Kuehne + Nagel Ltd., Toronto, Canada
1999-31.12.2008	Chief Operating Officer (COO) Sea & Air Logistics of the Group
2007-31.12.2008	Deputy CEO
1.1.2009-today	Chief Executive Officer of the Group, Chairman of the Management Board of KNI

Gerard van Kesteren, Dutch, age 59

Chartered accountant. Spent 17 years at Sara Lee Corporation in various management positions in finance, lastly as Director of Financial Planning and Analysis.

Positions within the Kuehne + Nagel Group:

1989-1999	Financial Controller Kuehne + Nagel Western Europe
1999-today	Chief Financial Officer (CFO) of the Group

Martin Kolbe, German, age 47

Graduated computer scientist. Positions in IT management including IT Field Manager with Deutsche Post World Net, responsible for DHL Europe and DHL Germany as well as member of the Supervisory Board in several DPWN-associated companies.

Position within the Kuehne + Nagel Group:

2005–today Chief Information Officer (CIO) of the Group

Klaus-Dieter Pietsch, German, age 67

Graduated in business administration. Held various positions in industry in the field of human resources and information technology.

Positions within the Kuehne + Nagel Group:

1987–31.3.2007 Executive Vice President Human Resources/Quality Management of the Group

1.4.2007–31.1.2008 Executive Vice President Quality Management/Special Projects

1.2.2008–31.3.2009 Executive Vice President Human Resources

Effective April 1, 2009, Lothar Alexander Harings will succeed Klaus-Dieter Pietsch as Head of Global Human Resources and join the Management Board of KNI.

Dirk Reich, German, age 45

Graduated from the Koblenz School of Corporate Management in Germany followed by positions with Lufthansa AG and VIAG AG.

Positions within the Kuehne + Nagel Group:

1995–2001 Senior Vice President Corporate Development

2001–today Executive Vice President Contract Logistics of the Group

30.4.2008–today Company Secretary

Peter Ulber, German, age 48

Graduated in business administration and joined Kuehne + Nagel in 1983.

Positions within the Kuehne + Nagel Group:

1983–1988 Various management positions within the North America organisation

1988–2001 Regional Director of the South America region

2001–2006 National Manager of the UK organisation

2006–2008 Regional Manager of the North West Europe region including the country organisations of UK, Denmark, Finland, Ireland, Norway and Sweden

1.1.2009 Executive Vice President Sea & Air Logistics of the Group

Xavier Urbain, French, age 51

Holds a PhD in economics and a degree in higher accounting studies (DECS). From 1997–2003, CEO of Hays Logistics and member of the Management Board of the Hays Group. After the 2003 acquisition of Hays Logistics through Platinum Equity he continued as CEO (Hays Logistics rebranded as ACR). Following the takeover of ACR through Kuehne + Nagel he was appointed Regional Manager South West Europe. He left the Group at the end of 2006.

Positions within the Kuehne + Nagel Group:

2006 Regional Manager, South West Europe

2007–31.12.2007 Member of the Board of Directors

1.2.2008–today Executive Vice President Road & Rail Logistics of the Group

Compensation, shareholdings and loans

The compensation to the Board of Directors and Management Board is regulated and reviewed by the Nomination and Compensation Committee periodically.

The Board of Directors regulates the compensation, allocation of shares and granting of loans to the Board of Directors, while the Board of Directors' Nomination and Compensation Committee regulates such matters for the Management Board.

For the year 2008 the members of the Board of Directors received a guaranteed compensation as well as a compensation for participation in the respective committees as follows:

Member of Board of Directors	Guaranteed Compensation	Additional Compensation Audit Committee	Additional Compensation Nomination and Compensation Committee	Additional Compensation Investment Committee
in CHF				
Chairman of the Board of Directors	225,000			
Vice Chairman	187,500			
Others	150,000	15,000	10,000	10,000

The members of the Management Board receive an income with a fixed and a profit-linked component and have the possibility to participate in the Employee Share Purchase and Option Plan.

Remuneration accrued for and paid to members of the Board of Directors and the Management Board

The total remuneration accrued for and paid to the members of the Board of Directors and the Management Board in the financial year 2008 amounted to CHF 20 million, of which CHF 18 million were paid to the executive member of the Board of Directors and the members of the Management Board, and CHF 2 million to the non-executive members of the Board of Directors.

Further details on the remuneration accrued for and paid to the members of the Board of Directors and the Management Board can be found in note 13 (remuneration report) to the 2008 Financial Statements of Kuehne + Nagel International AG.

Shareholders' participation

Restrictions and delegation of voting rights

Each share equals one voting right. Restrictions on voting rights do not exist.

For resolutions concerning the discharge of the members of the Board of Directors, persons who currently take part in the company's management in any manner do not have a voting right. This restriction does not apply to members of the external auditing company.

Registered shares can only be represented at the Annual General Meeting either by shareholders or beneficiary owners whose personal particulars and size of shareholdings are listed in the KNI share register. As per Swiss law (OR 689d), such shareholders and/or beneficiary owners who are not in a position to attend the Annual General Meeting are entitled to nominate a representative by written proxy.

Statutory quorums

The legal rules on quorums and terms apply.

Calling of an Annual General Meeting

The calling of an Annual General Meeting is guided by the law. The agenda contains all necessary information needed to deliberate each item on the agenda. In particular, this includes information for the appointment of new members to the Board of Directors and, in the event of changes to an article of association, the announcement of the new wording.

Agenda of the Annual General Meeting

Shareholders owning shares with a total nominal value of at least CHF 1 million can request that items be added to the agenda up to 45 days prior to the date fixed for the Annual General Meeting by submitting details of their proposals in writing.

Registration of shareholders into the share register

Registered shares can only be represented at the Annual General Meetings by either shareholders or beneficiary owners whose personal particulars and size of shareholdings have been entered in the KNI share register. Such shareholders and/or beneficiary owners who are not in a position to attend the Annual General Meeting are entitled to nominate a representative by written proxy.

The share register remains closed for any movements during eight calendar days preceding and including the date of the Annual General Meeting.

Changes of control and defence measures

Duty to make an offer

There are no opting-out or opting-in rules provided for in the Articles of Association.

Clauses on changes of control

No member of either the Board of Directors or the Management Board or other senior management staff has clauses on change of control in their employment contracts.

Statutory auditors

Duration of the mandate and term of office of the lead auditor

KPMG, Zurich, initially adopted the mandate for the business year 2002 as per declaration of acceptance dated May 8, 2002. The re-election for the business year 2008 was confirmed with the declaration of acceptance dated February 27, 2008.

The audit partner-in-charge and responsible for the mandate, Roger Neiningger, started his assignment on July 1, 2002.

Audit fees

According to the Group's financial records, the fees charged for auditing services for the year 2008 amounted to CHF 4.1 million.

Additional fees

In addition to the fees mentioned above, the statutory auditors are asked on a very restrictive basis to provide certain consulting services beyond the mandate of the annual audit. In 2008 an amount of CHF 0.2 million was incurred in this connection.

Supervisory and controlling instruments towards the statutory auditors

The work performed by the external statutory auditors is supervised, controlled, and duly monitored by the Board of Directors' Audit Committee. The statutory auditors report to the Audit Committee regularly and in 2008 attended three Audit Committee meetings in the person of the audit partner-in-charge. In 2008 the audit partner-in-charge also attended one meeting of the Board of Directors. Main criteria for the selection of the external audit company are its worldwide network, its reputation, and its competitive pricing.

Information policy

The Kuehne + Nagel Group aspires to ensure a comprehensive and consistent information policy. The ambition is to provide analysts, investors and other stakeholders with high levels of transparency that meet best practice standards accepted worldwide.

To this end Kuehne + Nagel uses print media and, in particular, its corporate website, www.kuehne-nagel.com, where up-to-date information is available.

This information contains an overall presentation of the company, detailed financial data as well as information on environmental and security matters, which are of increasing importance. Furthermore, Kuehne + Nagel provides up-to-date information on significant, business-related occurrences and organisational changes, and updates all general information on the company continually.

The Annual Report covering the past financial year is available for download in extracts or in its entirety in English and German. In addition, detailed contact information per field of activity is available to any persons interested.

Kuehne + Nagel publishes its quarterly financial data on its corporate website. Prior to the first quarterly results being released the financial calendar is published announcing the dates of the upcoming quarterly reports as well as of the Annual General Meeting.