

## 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 (the Company). The Group follows best practice recommendations and standards established in the Swiss Code of Best Practice for Corporate Governance.

### Group structure and shareholders

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

### Operational group structure

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

Reportable segment consisting of the business units:

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

Geographical information relating to the 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, the ultimate holding company, is the only company listed within the scope of the Group's consolidation. Kuehne + Nagel International AG 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, 2010) amounted to CHF 15,600 million (120 million registered shares at CHF 130 per share).

Of the total Kuehne + Nagel International AG share capital, on the closing date

- the free float consisted of 55,222,520 shares  
= 46.0 per cent and
- treasury shares consisted of 877,480 shares  
= 0.7 per cent

Kuehne + Nagel International AG 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 appendix "Significant subsidiaries and joint ventures" to the Consolidated Financial Statements (pages 120 to 125), including particulars as to the country, name of the company, location, currency, share capital, and the Group's stake in per cent.

### Main shareholders

The main shareholder of the Group is Kuehne Holding AG, Schindellegi, Switzerland, which holds 53.3 per cent of the Kuehne + Nagel International AG share capital and is 100 per cent owned by Klaus-Michael Kuehne.

The Kuehne Foundation held 4.3 per cent of the Kuehne + Nagel International AG share capital as at the closing date.

### Cross-shareholdings

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

### Capital structure

#### Share capital on the closing date

The ordinary share capital of Kuehne + Nagel International AG 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 May 2, 2005 approved a conditional share capital increase up to a maximum of CHF 12 million and to add respective section 3.4 in the Articles of Association.

The Annual General Meeting held on May 18, 2010 extended its authorisation of authorised share capital up to a maximum of CHF 20 million by a further two years until May 8, 2012.

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 2008 through 2010 no changes in capital occurred other than related to conditional and approved share capital as outlined above.

### 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 profit sharing 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 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

At the Annual General Meeting of May 18, 2010, Klaus-Michael Kuehne, Bernd Wrede, Karl Gernandt, Juergen Fitschen, Hans-Joerg Hager, Dr. Joachim Hausser, Hans Lerch, Dr. Georg Obermeier, Dr. Wolfgang Peiner and Dr. Thomas Staehelin were re-elected to the Board of Directors for a one-year term. Dr. Joerg Wolle has been newly elected to the Board of Directors for a one-year term.

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

**Klaus-Michael Kuehne**, Chairman, German, 1937

Trained as a banker, export trader and freight forwarder.

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
1992–2009	-----	Executive Chairman of the Board of Directors Chairman of the Nomination and Compensation Committee
2009–today	-----	Chairman of the Board of Directors elected until the Annual General Meeting 2011 Chairman of the Nomination and Compensation Committee
2010–today	-----	Chairman of the Executive Committee

**Bernd Wrede**, Vice Chairman, German, 1943

Graduated in business administration from the University of Wuerzburg. 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 Supervisory Board of HSH Nordbank AG, Hamburg, 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
2008–2009	-----	Member of the Investment Committee Chairman of the Economic Council
2003–2006/ 2008–2010	-----	Member of the Audit Committee
2003–2010	-----	Member of the Nomination and Compensation Committee
2010	-----	Member of the Executive Committee

**Karl Gernandt**, Executive Vice Chairman, German, 1960

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 CEO of Kuehne Holding AG, Schindellegi, and 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:

2008–today	-----	Member of the Board of Directors elected until the Annual General Meeting 2011
2008–2009	-----	Member of the Economic Council
2009–today	-----	Executive Vice Chairman and Delegate of the Board of Directors
2010–today	-----	Member of the Executive Committee

**Juergen Fitschen**, German, 1948

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 2005, also serves as Chairman of the Management Committee Germany. In these functions Fitschen was appointed to Deutsche Bank Management Board in 2009.

Other significant activities: 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
2008–2009	-----	Member of the Economic Council

**Hans-Joerg Hager, German, 1948**

Since 1988 Hager holds a bachelor degree from the Wuerttemberg Administration and Business Academy in Stuttgart and completed successfully in 1998 the TOP International Management Program at INSEAD/Fontainebleau. Since January 2009 Hager is president of the UCS (entrepreneurs-colloquium forwarding). Hager held various board positions at Schenker AG from 1996 to 2008. In 2000 he was appointed chairman of Schenker AG, Germany which position he held until 2008. From 2001 to 2004 and from 2006 to 2008 Hager was a member of the Management Board of the Schenker AG responsible for the Europe region and the overland transportation business.

Other significant activities: Since the second semester 2009 Hager is lecturer at the university Baden Wuerttemberg/Villingen – Schwenningen in Business Informatics; Additionally since 2010 at the institute for materials handling and logistics at the university of Stuttgart.

Positions within the Kuehne + Nagel Group:

2009–today ----- Member of the Board of Directors  
elected until the Annual General  
Meeting 2011

**Dr. Joachim Hausser, German, 1944**

Holds a PhD in economics from the Université de Genève. Former bank executive, he is currently working as independent finance 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 2011  
2006–2009 ----- Chairman of the Investment Committee

**Hans Lerch, Swiss, 1950**

Trained in tourism with a long time career at Kuoni Travel Holding Ltd. from 1972–1985 assignments in the Far East, then various responsibilities at the company's headquarters in Zurich and President and CEO from 1999–2005. Chairman and CEO of SR Technics in Zurich from 2005–2008.

Other significant activities: Chairman of the Board of Directors of the International School of Tourism Management, Zurich; Vice Chairman of the Board of Directors and CEO of Hotelplan Holding Ltd., Zurich; Vice Chairman of the Board of Directors of New Venturetec Ltd., Zurich, and Chairman of the Board of Trustees of the Movemed Foundation, Zurich.

Positions within the Kuehne + Nagel Group:

2005–today ----- Member of the Board of Directors elected  
until the Annual General Meeting 2011  
2006–2010 ----- Member of the Nomination and  
Compensation Committee

**Dr. Georg Obermeier, German, 1941**

Holds a PhD in business administration of 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 working as 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; 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 2011  
2006–2010 ----- Member of the Audit Committee  
2003–2010 ----- Member of the Nomination and  
Compensation Committee

**Dr. Wolfgang Peiner, German, 1943**

Studied business administration at the Universities of Hamburg and Lawrence, Kansas, USA, 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: Chairman of the Board of Directors of Germanischer Lloyd AG; Since 2009 Chairman of the Board of Directors of Norddeutscher Rundfunk NDR; Member of the Board of Directors of Maxingvest AG, Member of the Board of Trustees of the Kuehne Foundation and of the Board of Directors of Kuehne Holding AG, President of the Kuehne Logistics University, Hamburg.

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 2011

**Dr. Thomas Staehelin, Swiss, 1947**

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 Privatbank AG, Basel; Chairman 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 (Swiss GAAP FER).

Positions within the Kuehne + Nagel Group:

1978–today ----- Member of the Board of Directors  
elected until the Annual General  
Meeting 2011

2003–2010 ----- Chairman of the Audit Committee

**Dr. Joerg Wolle, German/Swiss, 1957**

Holds a PhD in Mechanical Engineering. Since June 2002 CEO and President of DKSH Group, which resulted from the merger of the asian activities of Diethelm Keller and SiberHegner. Previously he worked since 2000 in the same function at SiberHegner. From 1991 to 1995 Joerg Wolle worked as director of marketing and sales at SiberHegner in Hong Kong and in 1995 became a member of the management board of SiberHegner in Zurich.

Other significant activities: Honorary Professor for intercultural communication at the university of applied sciences Zwickau. Member of the management board of the German Asia-Pacific Business Association and member of the Board of Directors of the Diethelm Keller Holding.

Positions within the Kuehne + Nagel Group:

2010–today ----- Member of the Board of Directors  
elected until the Annual General  
Meeting 2011

2010 ----- Member of the Nomination and  
Compensation Committee

With the exception of the Executive Vice Chairman of the Board of Directors, 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.

During the Annual General Meeting 2011, Dr. Renato Fassbind, will be proposed for election to the Board of Directors. Dr. Renato Fassbind, Swiss, born in 1955, was Chief Financial Officer of the Credit Suisse Group AG and the Credit Suisse AG from 2004 until October 2010. In this function he was member of the Executive Board of the Credit Suisse Group AG and the Credit Suisse AG since 2004.

**Election and duration of tenure**

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

### **Internal organisation, Board committees and meetings in 2010**

According to the Articles of Association and Swiss corporate law (SCO) 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 Kuehne + Nagel International AG 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 assigned specified responsibilities to Karl Gernandt, the Executive Vice Chairman. 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 the Group. The scope of responsibilities of the Board of Directors, the Chairman, the Vice Chairman and the Executive Vice 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. The Board of Directors has the discretion to invite other members of the Management Board to attend these meetings.

The Board of Directors takes decisions during the meetings or 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 one year. Re-election as member of the Audit Committee is allowed. Members of the Management Board cannot be members of the Audit Committee.

The Audit Committee reviews and clears the quarterly financial statement prior to publication. As part of regular contacts between the Audit Committee and both internal and external auditors, the quality and functioning of the internal control mechanisms and the assessments 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 contacts with the external auditors throughout the year enables the Audit Committee to obtain knowledge of problem areas at an early stage. This allows to propose the timely introduction of any corrective measures to the Management Board.

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 and the Executive Vice Chairman 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 2010 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 one year. Re-election is allowed. The Chairman of the Board of Directors is permitted to be part of the Nomination and Compensation Committee as long as the majority consists of non-executive and independent members.

The Committee is responsible for nominating and 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 initial gathering of information as well as review of potential new candidates according to the guidelines mentioned above. 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 Chairman of the Nomination and Compensation Committee and Bernd Wrede, Hans Lerch, Dr. Georg Obermeier and Dr. Joerg Wolle were members.

On invitation of the Chairman, the Nomination and Compensation Committee convenes as often as business requires, but at least three times a year. Members of the Management Board can take part in the 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 one year. Re-election is allowed. The Chairman of the Board of Directors may be part of the Investment Committee as long as the majority 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 for 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.

The Board of Directors has suspended the activities of the Investment Committee and consequently no meetings were held in 2010.

#### **Economic Council**

The Economic Council is an adhoc committee that has been formed to counteract the impact of the global economic crisis to the Group. The Economic Council has been established in 2009 as a temporary committee for one year but can be extended by the Board of Directors. It consists of members of the Board of Directors and the Executive Vice Chairman of the Board of Directors.

The Economic Council advises the Board of Directors on business development and financial performance of the Group. In its advisory role the Economic Council thereby considers the strategy of the Management Board, the macro-economic environment and the impact on the Group's financial performance.

The Board of Directors has terminated the activities of the Economic Council and consequently no meetings were held in 2010.

#### **Executive Committee**

The Executive Committee consists of the Chairman, the Vice Chairman and the Delegate of the Board of Directors for the period of their tenure in the Board of Directors. The Executive Committee advises the Board of Directors on the financial performance of the Group, its economical development and measures of optimisation as well as any other significant developments within the Group. In its advisory role the Executive Committee reports to the Board of Directors for decisions.

On the closing date, Klaus-Michael Kuehne was the Chairman of the Executive Committee and Bernd Wrede and Karl Gernandt, were members.

On invitation of the Chairman, the Executive Committee convenes as often as business requires, but at least four times a year. The Board of Directors has the discretion to invite Members of the Management Board being at least represented by the CEO and the CFO and to invite other members of the Management Board to attend these meetings.

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

### 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 Executive Vice Chairman 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 Executive Vice Chairman of the Board of Directors by law, by the Articles of Association, or by the Organisational Rules. The Organisational Rules define which businesses are able to be approved by the Management Board and which businesses require the approval of the Executive Vice Chairman of the Board of Directors pursuant to approval requirements based on the extent and kind of the respective business.

### Information and control system applicable of 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 Management Information System (MIS) report which provides monthly worldwide consolidated results by segment and country including comparative actual, budgeted, and prior-year figures as well as consolidated Balance Sheet and Cash Flow analysis, two weeks after a month's end at the latest.

The Executive Vice Chairman 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 Executive Committee and the Audit Committee. 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	Executive Committee
Number of meetings in 2010	4	5	3	4
Approximate duration of each meeting	9 hours	4 hours	1 hour	4 hours
Klaus-Michael Kuehne	4		3	4
Bernd Wrede	4	5	3	4
Karl Gernandt	4			4
Juergen Fitschen	4			
Hans-Joerg Hager	4			
Dr. Joachim Hausser	4			
Hans Lerch	4		3	
Dr. Georg Obermeier	4	5	3	
Dr. Wolfgang Peiner	4			
Dr. Thomas Staehelin	4	5		
Dr. Joerg Wolle <sup>1</sup>	2		2	

<sup>1</sup> Elected to the Board of Directors on May 18, 2010.

### Management Board

Effective January 1, 2010, Dirk Reich was appointed Executive Vice President Road & Rail and Contract Logistics of the Group. Effective January 1, 2010, Lothar Harings, the Chief Human Resources Officer, was appointed Company Secretary. At closing date, the biographical particulars of the Management Board are as follows:

#### Reinhard Lange, German, 1949

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
1999–2008	Chief Operating Officer (COO) Sea & Air Logistics of the Group
2007–2008	Deputy CEO
2009–today	Chief Executive Officer of the Group, Chief Executive and Chairman of the Management Board of KNI

#### Gerard van Kesteren, Dutch, 1949

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

#### Lothar Harings, German, 1960

Lawyer (assessor iur.). Various national and international management positions with Siemens. Member of the Management Board of T-Mobile International. Responsible for Global Human Resources with T-Mobile and Deutsche Telekom.

Positions within the Kuehne + Nagel Group:

1.4.2009–today	Chief Human Resources Officer (CHRO)
As of 1.1.2010	Company Secretary

#### Martin Kolbe, German, 1961

Graduated computer scientist. Positions in IT management including CIO 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
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#### Dirk Reich, German, 1963

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
2001–2009	Executive Vice President Contract Logistics of the Group
2008–2009	Company Secretary
As of 1.1.2010	Executive Vice President Road & Rail and Contract Logistics of the Group

**Peter Ulber**, German, 1960

Graduated in business administration.

Positions within the Kuehne + Nagel Group:

1983–1998	-----	Various management positions within the North America organisation
1998–2001	-----	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
2009–today	-----	Executive Vice President Sea & Air Logistics of the Group

**Compensation, shareholdings and loans**

The compensation allowed 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 2010 the members of the Board of Directors received a guaranteed compensation as well as a compensation for participation in the respective committees as follows:

Board of Directors	Guaranteed Compensation	Additional Compensation Audit Committee	Additional Compensation Nomination and Compensation Committee
in CHF			
Chairman of the Board of Directors	900,000	-	10,000
Vice Chairmen and members	1,518,600	45,000	36,240
<b>Total</b>	<b>2,418,600</b>	<b>45,000</b>	<b>46,240</b>

**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 2010 amounted to CHF 18 million, of which CHF 12 million were paid to the sole executive member of the Board of Directors and the members of the Management Board, and CHF 6 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 2010 Financial Statements of KNI.

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.

## 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 (SCO 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 regulated 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 includes 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 2010 was confirmed with the declaration of acceptance dated May 18, 2010.

### Audit fees

According to the Group's financial records, the fees charged for auditing services for the year 2010 amounted to CHF 3.8 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 2010 an amount of CHF 0.5 million was incurred related to consulting services.

### Supervisory and controlling instruments towards the statutory auditors

The work performed by 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 2010 attended three Audit Committee meetings in the person of the audit partner in charge. In 2010 the audit partner in charge also attended one meeting of the Board of Directors. The 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 strives for ensuring 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](http://www.kuehne-nagel.com), where up-to-date information is available.

This information contains an overall presentation of the Group, 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 to announce the dates of the upcoming quarterly reports as well as of the Annual General Meeting.