Information on agenda item 6:

Resolution on the approval of the compensation system for the members of the Management Board

Under agenda item 6, the Supervisory Board proposes in accordance with section 120a (1) of the AktG that the further developed compensation system for the members of the Management Bord of KUKA Aktiengesellschaft be approved. The terms of the system as resolved by the Supervisory Board are as follows:

Compensation system for the Management Board members

1. Principles of the compensation system and contribution of compensation to promoting the business strategy and to the long-term development of the Company

KUKA Aktiengesellschaft and its group companies (hereinafter referred to as “KUKA”) operate in the highly dynamic and innovation-driven field of automation and robotics.

The compensation system for KUKA Aktiengesellschaft’s Management Board members makes a significant contribution to promoting the corporate strategy of KUKA. For instance, we place a strong focus on sustainable and long-term performance compared to our competitors in order to meet the strategic goal of expanding our innovation and technology leadership. Management Board compensation therefore addresses KUKA’s long-term earnings power compared to relevant competitors.

Growth opportunities exist for KUKA primarily in general industry, which can be realized by diversifying our business activities. While this requires investments on the one hand, it is reflected in the growth of the Company on the other. The compensation system for Management Board members therefore sets incentives to strengthen KUKA’s internal financing potential and thus achieve sustainable corporate growth.

In order to be successful and grow profitably in the long term, sustainable and efficient cost structures are additionally of central importance for KUKA. The perspective of cost-efficient management is anchored in the compensation system via the earnings power of the operating business.

The focus on these strategic goals in Management Board compensation is highly consistent with the interests of our shareholders and contributes to KUKA’s long-term and sustainable success. The central objective and guiding principle here is, in particular, to sustainably increase KUKA’s enterprise value over the long term.

To ensure that Management Board compensation is closely aligned with KUKA’s success, the predominant part of Management Board compensation is ambitiously designed on a pay-for-performance basis. As a result, the achievements of the Management Board members are rewarded accordingly, while missed targets can lead to a reduction in variable compensation down to zero. Besides the financial success of KUKA as an overall Group, additional financial and non-financial performance targets are incorporated in order to take appropriate account of both individual and collective successes of Management Board members. In particular, this incentivizes the implementation of key focus topics and the achievement of sustainability goals, and caters for the interests of important stakeholders (especially customers and employees).

In addition to internal corporate objectives, the compensation system takes into account regulatory requirements. Thus, the compensation system complies with the requirements of the AktG and is closely aligned with the recommendations and suggestions of the GCGC.

In summary, the compensation system for the Management Board is based on the following guidelines:

Guiding principles for KUKA Aktiengesellschaft´s compensation system

Strategy reference	Promoting the implementation of the corporate strategy to ensure the sustainable and long-term success of the company.
Sustainability	Consideration of sustainability targets and interests of key stakeholders.
Competitor comparison	Incentives to secure and strengthen our market position.
Shareholder interests	Align the Executive Board's interests with the long-term increase of the company's value in the best interests of our shareholders.
Pay for performance	Predominantly performance-based compensation which is linked to the achievement of ambitious performance criteria.
Regulatory compliance	Compliance with the regulatory requirements of the AktG and recommendations of the GCGC.

2. Procedures for establishment, implementation and review of the compensation system, conflicts of interest and initial application

Pursuant to sections 87a (1) and 120a (1) AktG, the Supervisory Board of a listed company must adopt a clear and comprehensible compensation system for the Management Board of the company and submit it to the Annual General Meeting for approval. The present system was adopted by KUKA Aktiengesellschaft's Supervisory Board on March 24, 2021 and will be submitted for approval at the Annual General Meeting on May 21, 2021.

The Personnel Committee supports the Supervisory Board in drawing up the compensation system, in particular by making recommendations on the structure of the compensation system. The Personnel Committee and the Supervisory Board were supported by an external compensation consultant in the preparation of the compensation system. When appointing the compensation consultant, care was taken to ensure their independence from the Company and the Management Board.

The Supervisory Board and the Personnel Committee also ensure compliance with the general regulations of the AktG and the GCGC on dealing with conflicts of interest when establishing, implementing and reviewing the compensation system. Insofar as conflicts of interest exist, the Supervisory Board or Personnel Committee members concerned disclose these to the Chairman of the Supervisory Board and do not participate in the corresponding votes of the Supervisory Board or the Personnel Committee.

In addition, the Chairman of the Supervisory Board reports to the Annual General Meeting on any conflicts of interest and how they have been dealt with. Any material conflict of interest of a non-temporary nature will lead to termination of the mandate.

Subject to approval by the Annual General Meeting, the compensation system shall be resubmitted at least every four years. If the compensation system is rejected, the revised compensation system shall be submitted at the next Annual General Meeting. If substantial changes are made to the compensation system, the modified compensation system shall likewise be submitted at the next Annual General Meeting.

The present compensation system applies to all Management Board members appointed to the Management Board as of January 1, 2021.

3. Determination of the specific target total compensation and appropriateness of Management Board compensation

The Supervisory Board determines the amount of the individual target total compensation for each Management Board member. When determining the compensation, care is taken to ensure that it is commensurate both with the performance and duties of the respective Management Board member and with the situation of the Company. In addition, the compensation determined should not exceed the customary compensation without special reasons and should also be geared to the long-term and sustainable development of the Company.

Appropriateness is regularly assessed by means of a market comparison with the companies listed in the MDAX (horizontal comparison) and taking into account internal compensation ratios of Management Board members to the executive management team, non-payscale employees and payscale employees (vertical comparison).

4. Overview of the Management Board compensation system

a) The components of the compensation system

The compensation system for Management Board members contains fixed and variable components. The latter consist of several variable compensation components. For example, Management Board members receive a short-term variable compensation component (Short-Term Incentive Plan) with a performance period of one year and a long-term variable compensation component (Long-Term Performance Plan) with a performance period of four years. The fixed compensation components comprise a base salary and benefits in kind.

With the exception of benefits in kind, the compensation components are granted exclusively in cash.

The compensation components are summarized in the following chart:

Overview of the compensation system

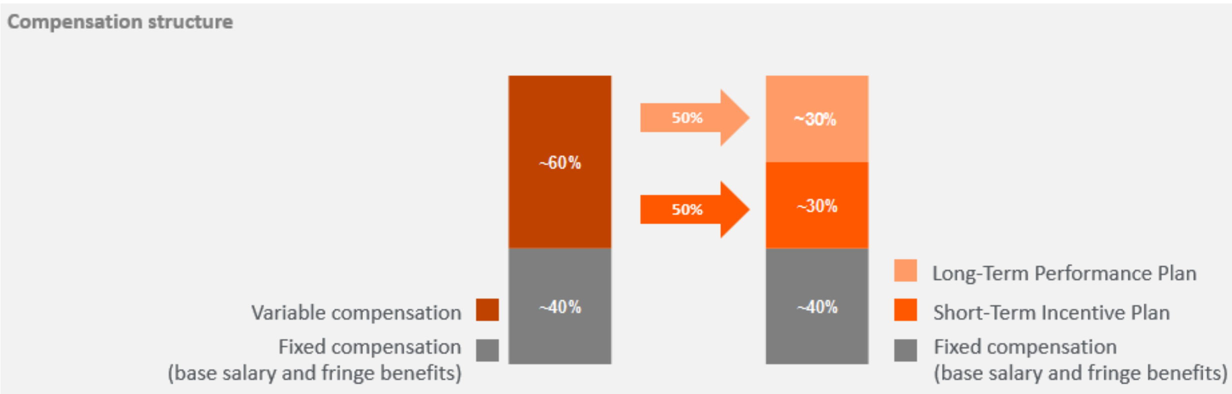
Fixed compen-sation	Base salary	Paid in twelve equal monthly installments.
	Fringe benefits	Mainly consists of benefits for the provision and use of a company vehicle.

Variable compen-sation	Short Term Incentive Plan	▪ Performance period: one year
		▪ Performance target:
		   ▪ Financial targets (70%): Sales Revenues, EBIT, Free Cash Flow
		   ▪ Non-financial targets (30%): individual and collective targets (particularly sustainability targets and stakeholder interests)
		▪ Cap: 200% of the target amount

	Long-Term Performance Plan	▪ Performance period: four years ▪ Performance target: ▪ Financial target: EPS-development (in %) compared to relevant competitors (relative EPS) ▪ Cap: 200% of the target amount
Malus & Clawback		Reduction (Malus) and reclaim (Clawback) of variable compensation in case of compliance violations or incorrect consolidated financial statement.
Maximum compensation		For the CEO the maximum compensation amounts to € 4,500,000 p.a., for Ordinary Executive Board members to € 3,000,000 p.a.

b) Compensation structure

The share of fixed compensation amounts to around 40% of the target total compensation. This means that a predominant share of around 60% of the target total compensation is accounted for by the variable compensation components. In addition, benefits in kind are granted at a level customary in the market. In the last three financial years, the amount of benefits in kind granted to members of the Management Board averaged around 1.5% of their base salary.



c) Limitation of the compensation components and maximum total compensation

The Supervisory Board has set a maximum level of compensation for each member of the Management Board in accordance with section 87a (1) sentence 2 no. 1 AktG. This amounts to EUR 4,500,000 p.a. for the Chairman of the Management Board and EUR 3,000,000 p.a. for ordinary members of the Management Board. The maximum compensation is the highest amount for the sum of base salary, benefits in kind, Short-Term Incentive Plan and Long-Term Performance Plan and relates to the total of all payments resulting from the compensation provisions for a financial year.

The Supervisory Board points out that these amounts do not represent the target total compensation deemed appropriate by the Supervisory Board, but merely an absolute upper limit that can at best be achieved if the targets are optimally met.

In addition, the two variable compensation components are each limited in their maximum payout amount.

5. Detailed examination of the individual compensation components

a) Fixed compensation

The fixed compensation consists of a base salary and benefits in kind.

(1) Base salary

The base salary is paid in twelve equal monthly installments and is based on the area of responsibility of the respective Management Board member.

(2) Benefits in kind

The benefits in kind granted to Management Board members consist mainly of the non-cash benefits for the provision and use of a company vehicle.

(3) Pensions and early retirement regulations

Pensions and early retirement regulations are not existing.

b) Variable compensation

The variable compensation paid to Management Board members is dependent on the achievement of financial targets of KUKA as well as additional individual and collective targets of the Management Board members. The variable compensation components may be forfeited entirely if the relevant targets are clearly missed, while at the same time they are capped. Thus, on the one hand, the variable compensation clearly reflects a pay-for-performance approach and ensures that the achievements of the Management Board members and their contribution to the implementation of KUKA's strategy are appropriately rewarded. On the other hand, the amount-based cap ensures a balanced risk-reward ratio and thus avoids excessive risk-taking.

(1) Short-Term Incentive Plan

(a) General functional principle

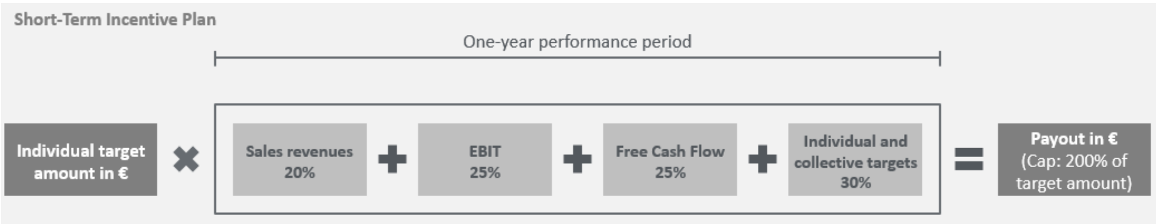
The Short-Term Incentive Plan addresses the operational implementation of the corporate strategy in terms of increasing the revenue and earnings power and strengthening the internal financing potential. This creates the basis for a strategic expansion and diversification of business activities and the requisite investments. The performance period is the respective financial year.

At the beginning of each financial year, the members of the Management Board are granted a target amount determined in their individual contracts. This is multiplied by the total achievement of the performance targets at the end of the financial year to determine the final payout amount. This is limited to 200% of the target amount (cap) and is paid in cash.

Overall target achievement is measured using three financial performance targets and an additional component, which may also include non-financial targets. All performance targets are set by the Supervisory Board at the beginning of the respective financial year and are linked additively.

The financial performance targets are derived from KUKA’s management system and comprise the key performance indicators “sales revenues”, “EBIT” and “free cash flow”. The weighting of the financial performance targets with a total of 70% ensures that KUKA’s financial performance is significantly interlinked with the compensation of the Management Board.

The component for tracking additional individual and collective targets is weighted with a total of 30%. This component allows specific incentives to be set with regard to central focus topics and consideration of KUKA’s key non-financial targets. This includes, in particular, sustainability goals and the interests of our key stakeholders.



(b) Performance targets for the Short-Term Incentive Plan

An ambitious target achievement curve is assigned to each of the financial performance targets. At the beginning of each financial year, the Supervisory Board sets a target value for these targets, corresponding to 100% target achievement. A threshold value and a maximum value are defined in addition to the target value. The specific threshold, target and maximum values as well as the corresponding target achievement for the respective targets are disclosed transparently ex post in the compensation report.

Sales revenues (20% weighting)

Sales revenues are a key performance indicator in KUKA’s financial management system and are implemented in the Short-Term Incentive Plan as a performance target to incentivize and implement the growth strategy we are pursuing.

EBIT (25% weighting)

EBIT (earnings before interest and taxes) refers to the operating result before the financial result and taxes and is also a key financial performance indicator for KUKA. By implementing EBIT as a performance target in the Short-Term Incentive Plan, long-term profitable growth and the achievement of sustainably efficient cost structures are incentivized in line with the corporate strategy.

Free cash flow (25% weighting)

Free cash flow represents the cash inflow from operating activities plus cash flow from investing activities and reflects the amount of financial resources generated by the Company within a financial year. KUKA aims to achieve profitable growth. The inclusion of free cash flow ensures that a strengthening of KUKA's internal financing potential is reflected in the Short-Term Incentive Plan. This lays the foundation for sustainable growth through additional investments.

Individual and collective targets (30% weighting)

In addition, criteria-based consideration is given to the individual and collective performance of the Management Board. The relevant performance targets are set by the Supervisory Board on the basis of a catalog of criteria. The catalog of criteria provides the Supervisory Board with guidance for setting specific performance targets for the members of the Management Board at the beginning of each financial year. The Supervisory Board also incorporates sustainability goals and the interests of our key stakeholders.

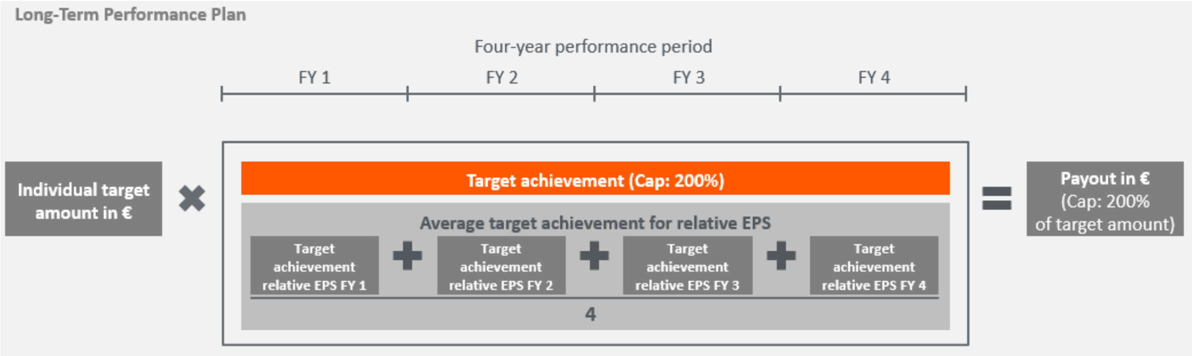
Short Term Incentive Plan – Illustrative criteria catalog for individual and collective targets

• Development of new markets	• Employee satisfaction
• Mergers and Acquisitions	• Sustainability (ESG: Environment, Social, Governance)
• Research and development	• Group organization
• Innovation	• Compliance
• Customer satisfaction	• Supply chain management

The targets set for the members of the Management Board and the achievement of the respective performance targets are disclosed transparently ex post in the compensation report.

(2) Long-Term Performance Plan (LTPP)

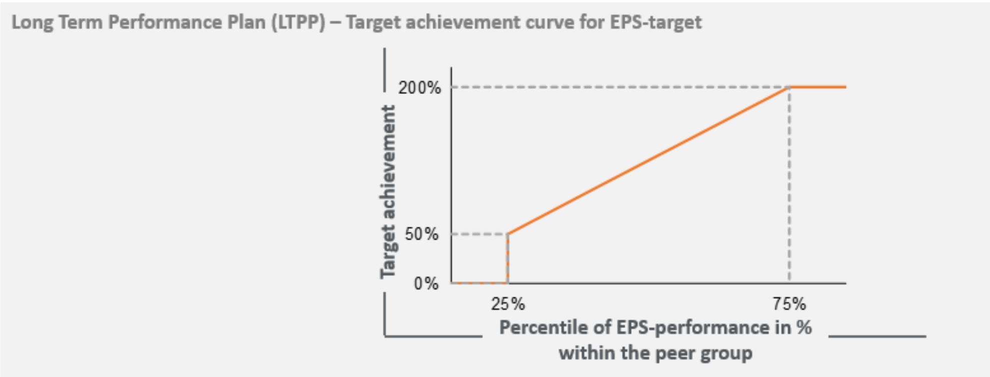
The long-term variable compensation is granted annually in the form of the Long-Term Performance Plan (LTPP) with a performance period of four years. At the beginning of each financial year, the Management Board members are assigned a target amount determined in their individual contracts for the respective tranche of the LTPP. At the end of the performance period, this target amount is multiplied by the target achievement for the financial performance target "relative earnings per share" (relative EPS). The payout amount determined is capped at 200% of the target amount. Payment is made in cash at the end of the performance period.



The LTPP provides incentives and rewards for KUKA's long-term development. The EPS performance achieved by KUKA is compared with the EPS performance of relevant competitors in order to reflect the strategic goal of expanding innovation and technology leadership in the Management Board's long-term variable compensation.

Relative EPS performance is measured by means of an annual comparison of KUKA's percentage EPS development with the percentage EPS development of relevant competitors.

A target achievement of 50% for relative EPS performance is reached when KUKA is positioned at the 25th percentile within the peer group of relevant competitors (threshold value). A target achievement of 200% corresponds to KUKA's positioning at the 75th percentile (maximum value). A higher positioning does not result in higher target achievement. At the same time, if KUKA is positioned below the 25th percentile, this results in a target achievement of 0%. Target achievements between the threshold value and the maximum value are interpolated linearly.



The overall target achievement for the relative EPS target is calculated as the arithmetic mean of the target achievements over the four financial years of the performance period.

The peer group of relevant competitors is determined separately for each tranche, but is to remain fundamentally unchanged during the four-year performance period. In the event that the peer group is no longer deemed appropriate or individual peer companies no longer exist, the Supervisory Board shall be entitled to adapt the peer group accordingly to ensure representative performance measurement.

The specific composition of the peer group, the amount paid out under the LTPP, and the underlying target achievement for the respective tranche are disclosed transparently ex post in the compensation report.

c) Malus and clawback

The employment contracts of the members of the Management Board contain provisions for the reduction (malus) and return (clawback) of short-term and long-term variable compensation.

If there is a material violation of the duty of care pursuant to section 93 (2) AktG or a material breach of contractual compliance obligations, the Supervisory Board shall be entitled, at its due discretion, to reduce in full or in part the variable compensation not yet paid out for the financial year in which such violation or breach occurred ("compliance malus"). Under the same circumstances, the Supervisory Board may, at its due discretion, demand full or partial repayment of any variable compensation already paid out for the financial year in which such a violation or breach occurred ("compliance clawback").
In addition, the Supervisory Board is entitled to demand the return of variable compensation already paid out if it transpires that the audited and approved consolidated financial statements on which the calculation of the amount to be paid out were incorrect and must be adjusted in accordance with the relevant accounting standards and that lower or no variable compensation would have been paid out on the basis of the corrected and audited consolidated financial statements ("performance clawback").

The above provisions shall not affect any claims by KUKA Aktiengesellschaft for damages, in particular pursuant to section 93 (2) AktG, the right of KUKA Aktiengesellschaft to revoke the appointment pursuant to section 84 (3) AktG, or the right of KUKA Aktiengesellschaft to terminate the employment contract of the Management Board member without notice (section 626 (1) of the German Civil Code (BGB)).

6. Compensation-related legal transactions

a) Contract term and termination options

Employment contracts (service contracts) are concluded with the members of the Management Board for the duration of their appointment. When making appointments to the Management Board, the Supervisory Board observes the requirements of section 84 AktG, in particular the maximum term of five years. The employment contracts of Management Board members have a fixed term. In the case of initial appointment, this is a maximum of three years.

There is no right to ordinary termination. This does not affect the statutory right to extraordinary termination for good cause pursuant to section 626 (1) BGB.

b) Provisions governing entry into the employment relationship during the year

The base salary and the target amounts of the variable compensation components are generally decreased pro rata temporis if the employment relationship commences during the year.

c) Provisions governing premature termination of the employment relationship

(1) Severance payment

In the event of premature termination of the Management Board appointment or the employment contract by the Company without good cause, or in the event of premature termination by mutual agreement without good cause, or in the event of premature resignation from office or termination of the employment contract by the Management Board member for good cause for which the Company is responsible, any severance payment to be made shall be limited to two years' compensation, but no more than the compensation for the remaining term of the contract. The target total compensation for the period to be indemnified is used as the basis for calculating the severance payment cap. In cases other than those described above, there is generally no entitlement to a severance payment.

If the Management Board member is entitled to compensation under a post-contractual non-competition clause, any severance payment to be made shall be offset against the waiting allowance. Likewise, other income shall be offset against the waiting allowance in accordance with section 74c of the German Commercial Code (HGB).

There is no entitlement to payments in excess of these provisions as a result of premature termination of the Management Board appointment or the employment contract.

(2) Variable compensation in the event of premature termination of the employment relationship

If the employment contract ends as a result of extraordinary termination by the Company for good cause pursuant to section 626 (1) BGB or if the Management Board member resigns without good cause and without amicable settlement during the financial year, or if the appointment is revoked by the Supervisory Board for good cause pursuant to section 84 (3) AktG during the financial year (other than due to a vote of no confidence by the Annual General Meeting), entitlement to the Short-Term Incentive Plan and all current tranches of the Long-Term Performance Plan shall lapse without compensation.

In the event of premature termination of the Management Board appointment or the employment contract by the Company without good cause, or in the event of premature resignation from office or termination of the employment contract by the Management Board member for good cause for which the Company is responsible, the Management Board member shall be entitled to a pro rata payment under the Short-Term Incentive Plan and a pro rata payment under the Long-Term Performance Plan calculated up to the end of the employment relationship.

(3) Work incapacity and death

If the Management Board member is temporarily prevented from performing his or her Management Board duties due to illness or other causes for which he or she is not responsible, the remuneration shall continue to be paid for a period of twelve months.

If the Management Board member becomes incapacitated during the term of the employment contract, the employment contract shall terminate at the end of the quarter in which the occupational disability was ascertained. Occupational disability is defined as an uninterrupted incapacity to work for a period of more than six months.

In the event of the death of a Management Board member, the monthly salary for the month of death and the following three calendar months shall be paid to the heirs, as shall the variable compensation components attributable to the same period.

d) Sideline activities of Management Board members

In the event that a member of the Management Board is elected to the Supervisory Board, Advisory Board or Administrative Board of a company affiliated with the Company, any compensation paid to the Management Board member by an affiliated company shall be offset against the compensation to which the Management Board member is entitled for the financial year in question.

The acceptance of a mandate on a supervisory board, advisory board, administrative board, association body or similar body outside the Group requires the prior consent of the Supervisory Board. The Supervisory Board shall decide on a case-by-case basis whether and to what extent any remuneration for such activities is to be offset against the compensation of the Management Board member.

7. Temporary deviations from the compensation system

The Supervisory Board may temporarily deviate from the submitted compensation system in special and exceptional circumstances pursuant to section 87a (2) sentence 2 AktG if this is necessary in the interests of the long-term welfare of the Company. Such deviations may be necessary, for example, to ensure adequate incentives in the event of a severe corporate or economic crisis. Unfavorable market developments, however, shall not be deemed special and exceptional circumstances justifying a deviation from the compensation system. Determination of the exceptional circumstances underlying and requiring a deviation shall be made by a resolution of the Supervisory Board. The components of the compensation system that may be deviated from are the procedure, the provisions relating to the compensation structure, the provisions relating to the financial and non-financial performance targets, and the provisions relating to the individual compensation components.

Notwithstanding any deviation from the compensation system, the compensation of the members of the Management Board must continue to be geared towards KUKA’s long-term and sustainable development and be commensurate with the success of the Company and the performance of the Management Board.

Furthermore, the Supervisory Board may grant special payments to newly appointed members of the Management Board to compensate for salary losses resulting from a previous employment relationship or to cover costs arising from a change of location.