



**General Meeting of Demag Cranes AG on 2 March 2010**

**Explanatory Details pursuant to Section 121 para. 3 no. 3 of the German Stock Corporation Act regarding the Rights of Shareholders as set forth in Sections 122 para. 2, 126 para. 1, 127 and 131 para. 1 German Stock Corporation Act**

The invitation to the General Meeting already contains information regarding the rights of shareholders pursuant to sections 122 para. 2, 126 para. 1, 127 and 131 para. 1 German Stock Corporation Act; the following information shall serve as a further explanation in respect of such provisions.

**I. Addition to the Agenda pursuant to Section 122 para. 2 German Stock Corporation Act)**

Shareholders whose total sum of shares reaches 5% of the share capital or a proportionate amount of EUR 500,000 of the share capital may request that items are included in the agenda and published. Such request shall be directed in writing to the Management Board of the Company at

Demag Cranes AG  
Investor Relations  
Forststraße 16  
40597 Düsseldorf

and must have been received by the Company at least 30 days prior to the Annual General Meeting; for the purpose of calculating the above notice period, the day of receipt and the day of the meeting shall not be counted. Thus, the last permissible day of receipt is Saturday, 30 January 2010, 24.00 hrs CET. Each new item must be substantiated or accompanied by a proposal for resolution.

The applicant shareholders must credibly substantiate that they have been the owners of the shares with respect to the minimum shareholding for at least three months prior to the date when the request is received by the Company (cf. section 142 para. 2 sentence 2 German Stock Corporation Act in conjunction with section 122 para. 1 sentence 3, para. 2 sentence 1, para. 3 German Stock Corporation Act). A confirmation of such shareholding issued by the depositary financial service institution is deemed sufficient evidence.

The ownership is deemed equivalent to an entitlement to transfer of ownership vis-à-vis a credit institution, a financial services institution or an undertaking within the meaning of section 53 para. 1 sentence 1 or section 53b para. 1 sentence 1 or para. 7 of the German Banking Act (*KWG*). The period during which a share was owned by a predecessor in title shall be attributed to the shareholder, provided that he has acquired the share without consideration, from his fiduciary, as a successor in title by operation of law, in connection with the liquidation of a community of interest, or as a result of a transfer of assets pursuant to section 14 of the German Insurance Supervision Act (*Versicherungsaufsichtsgesetz*) or section 14 of the German Building and Loan Associations Act (*Gesetz über Bausparkassen*) (cf. section 70 German Stock Corporation Act).

Additions to the agenda which are to be published and which have not already been published together with the convening notice will be published in the electronic Federal Gazette (elektronischer Bundesanzeiger) without undue delay following the receipt of the request and transmitted for publication to such media which are reasonably expected to disseminate the information in the entire European Union. Such additions to the agenda are further published on the website [http://www.demagcranes-ag.de/en/Investor\\_Relations/Annual\\_General\\_Meeting/annual\\_general\\_meeting\\_2010.jsp](http://www.demagcranes-ag.de/en/Investor_Relations/Annual_General_Meeting/annual_general_meeting_2010.jsp) and notified to the shareholders in accordance with section 125 para. 1 sentence 3 German Stock Corporation Act.

The above shareholder rights are based on the following provisions of the German Stock Corporation Act:

Section 122 para. 1 and para. 2 German Stock Corporation Act

- (1) A shareholders' meeting shall be called if shareholders whose aggregate shareholding equals or exceeds one-twentieth of the share capital request such meeting in writing, stating the purpose and the grounds therefor; such request shall be addressed to the management board. The articles of association may provide that the right to request calling of a shareholders' meeting shall require a different form and the holding of a lower portion of the share capital. Section 142 para. 2 sentence 2 shall apply analogously.
- (2) In the same manner, shareholders whose aggregate shareholding equals or exceeds one-twentieth of the share capital or a proportionate

amount of EUR 500,000 may request that items be included in the agenda and published. Each new item must be substantiated or accompanied by the wording of the proposed resolution. The request within the meaning of sentence 1 must have been received by the company at least 24 days, and in the case of listed companies at least 30 days, prior to the meeting; for the purpose of calculating the above time period, the day of receipt shall not be counted.

#### Section 142 para. 2 German Stock Corporation Act

- (2) If the shareholders' meeting rejects a motion to appoint special auditors to audit any matter relating to the formation of the company or to any matter relating to the management of the company's business which has occurred within the past five years, the court shall, upon motion by shareholders whose aggregate shareholding, at the time the motion was filed, equals or exceeds one-hundredth of the share capital or a *pro rata* amount of EUR 100,000, appoint special auditors, provided that facts exist which give reason to suspect that improprieties or gross violations of law or the articles of association have occurred in connection with such matter. The parties filing the motion shall provide evidence of the fact that they have been holders of such shares for at least three months prior to the day of the shareholders' meeting and that they will hold the shares until a decision on the motion has been rendered. Section 149 shall apply *mutatis mutandis* to agreements aimed at avoiding such special audit.

## **II. Motions and Election Proposals by Shareholders pursuant to Sections 126 para. 1, 127 German Stock Corporation Act**

Shareholders may make motions regarding individual agenda items (cf. section 126 German Stock Corporation Act); this also applies to proposals for the election of members of the Supervisory Board or of auditors (cf. section 127 German Stock Corporation Act).

Pursuant to section 126 para. 1 German Stock Corporation Act, motions of shareholders, including the shareholder's name, a statement of grounds for the motion and any comments of the management, are to be made available to the relevant persons to be notified in accordance with section 125 para. 1 to 3

German Stock Corporation Act under the conditions set forth therein and on the website of the Company, provided that the shareholder has sent to the below address a counter-motion against a proposal of the Management Board and/or the Supervisory Board with respect to a certain item of the agenda, including a statement of grounds for the counter-motion, no later than 14 days prior to the General Meeting of the Company. For the purpose of calculating the above notice period, the day of receipt and the day of the meeting shall not be counted. Thus, the last permissible day of receipt is Monday (Carnival Monday), February 15, 2010, 24.00 hours CET.

The persons to be notified in accordance with section 125 para. 1 to 3 are the following:

1. Section 125 para. 1 German Stock Corporation Act: Credit institutions and shareholders' associations which have exercised voting rights on behalf of shareholders in the preceding shareholders' meeting or which have requested such communication.
2. Section 125 para. 2 German Stock Corporation Act: Shareholders who request such communication.
3. Section 125 para. 3 German Stock Corporation Act: Each member of the supervisory board may request that the management board send the same communications to him.

A counter-motion need not be made available if one of the exclusions pursuant to section 126 para. 2 German Stock Corporation Act exists. The provisions of section 126 para. 2 German Stock Corporation Act read as follows:

- (2) A counter-motion and the grounds therefor need not be made available where
  1. the management board would become criminally liable by reason of making available the counter-motion and the grounds therefor,
  2. the counter-motion would result in a resolution of the shareholders' meeting which is illegal or violates the articles of association,
  3. the grounds contain statements which are manifestly false or misleading in material respects or which are libellous,
  4. a counter-motion of such shareholder based on the same facts has already been made available regarding a shareholders' meeting of the company pursuant to section 125,

5. the same counter-motion of such shareholder on essentially identical grounds has already been made available pursuant to section 125 in respect of at least two shareholders' meetings of the company within the past five years and at such shareholders' meetings less than one-twentieth of the share capital represented has voted in favour of such counter-motion,
6. the shareholder indicates that it will neither attend nor be represented at the shareholders' meeting, or
7. the shareholder has failed within the past two years at two shareholders' meetings to make or cause to be made on its behalf a counter-motion communicated by it.

Moreover, the grounds need not be made available if they exceed a total of 5,000 characters.

The right of each shareholder to make counter-motions regarding the various agenda items even without prior communication to the Company during the General Meeting remains unaffected. This right results from section 124 para. 4 sentence 2 German Stock Corporation Act. According to such provision, no publication is required for the adoption of resolutions on motions made in respect of agenda items.

We point out that any counter-motions which have been sent to the Company in advance in due time will be considered only if they are made orally during the meeting.

No statement of grounds needs to be provided for nominations for elections made by shareholders pursuant to section 127 German Stock Corporation Act. Election proposals shall only be made available if they contain the name, the exercised profession and the place of residence of the nominees (the corporate name and registered office in the case of legal entities) and, in case of an election of members of the Supervisory Board, information on their membership in other supervisory boards the constitution of which is required by law; information on their membership in comparable domestic and foreign supervisory bodies of business undertakings should be added (cf. section 127 sentence 3 German Stock Corporation Act in conjunction with section 124 para. 3 and section 125 para. 1 sentence 5 German Stock Corporation Act). In all other respects, the requirements and provisions for the making available of motions

shall apply analogously; in particular, the aforementioned reasons for exclusion pursuant to section 126 para. 2 German Stock Corporation Act shall apply.

Any shareholder motions (including the statement of grounds therefor) and election proposals pursuant to section 126 para. 1 and section 127 German Stock Corporation Act shall be sent exclusively to:

Demag Cranes AG  
Investor Relations  
Forststraße 16  
40597 Düsseldorf  
or by telefax to: +49 (0) 211 7102-1215  
or by e-mail to: [IR@demagcranes-ag.com](mailto:IR@demagcranes-ag.com)

Any motions and proposals for election of shareholders to be made available (including the shareholder's name and - in case of motions - the statement of grounds therefor) will be made available after their receipt on the website [http://www.demagcranes-ag.de/en/Investor\\_Relations/Annual\\_General\\_Meeting/annual\\_general\\_meeting\\_2010.jsp](http://www.demagcranes-ag.de/en/Investor_Relations/Annual_General_Meeting/annual_general_meeting_2010.jsp). Any comments of the management will also be posted on the above website.

The above shareholder rights are based on the following provisions of the German Stock Corporation Act (in addition to the provisions of section 126 para. 2 German Stock Corporation Act which have already been cited above):

Section 126 para. 1 and 3 German Stock Corporation Act

- (1) Motions by shareholders, including the shareholder's name, a statement of grounds for the motion and any comments of the management, are to be made available to the relevant persons to be notified in accordance with section 125 para. 1 to 3 German Stock Corporation Act under the conditions set forth therein, provided that the shareholder has sent to the relevant address stated in the convening notice a counter-motion against a proposal of the management board and the supervisory board with respect to a particular item of the agenda, including a statement of grounds for the counter-motion, no later than 14 days prior to the meeting of the company. For the purposes of calculating such time period, the day of receipt shall not be counted. In the case of listed

companies, the aforementioned information must be made available on the website of the company. Section 125 para. 3 shall apply mutatis mutandis.

- (3) If several shareholders make counter-motions in respect of the same subject matter to be resolved, the management board may combine such counter-motions and the respective statement of grounds.

#### Section 127 German Stock Corporation Act

Section 126 shall apply analogously to a proposal by a shareholder for the election of members of the supervisory board or external auditors. Such proposal need not be substantiated. The management board is under no obligation to make available the proposal unless it contains the information required under section 124 para. 3 sentence 3 and section 125 para. 1 sentence 5.

### **III. Shareholders' Information Rights pursuant to Section 131 para. 1 German Stock Corporation Act**

In the General Meeting, each shareholder and shareholder's representative may request from the Management Board information on the matters of the Company to the extent that such information is necessary for a proper evaluation of the relevant item on the agenda (cf. section 131 para. 1 German Stock Corporation Act). The information right also extends to the Company's legal and business relations with any affiliated company as well as to the situation of the group and the companies included in the consolidated financial statements.

Requests for information will in principle be made orally at the General Meeting during the discussion.

The information shall comply with the principles of conscientious and accurate account. The Management Board may refuse to provide information under the conditions set forth in section 131 para. 3 German Stock Corporation Act. The provisions of section 131 para. 3 German Stock Corporation Act read as follows:

- (3) The management board may refuse to provide information

1. to the extent that the provision of such information is, according to sound business judgment, likely to cause material damage to the company or an affiliated company,
2. to the extent that such information relates to tax valuations or the amount of certain tax liabilities,
3. regarding the difference between the value at which items are shown in the annual balance sheet and the higher market value of such items, unless the shareholders' meeting is to approve the annual financial statements,
4. regarding the accounting and valuation methods, to the extent that disclosure of such methods in the notes suffices to provide a fair view of the actual asset, financial and profit situation of the company within the meaning of section 264 para. 2 of the German Commercial Code (*Handelsgesetzbuch*); the foregoing shall not apply if the shareholders' meeting is to approve the annual financial statements,
5. to the extent that the provision thereof would render the management board criminally liable,
6. to the extent that, in the case of credit institutions or financial services institutions, information on accounting and valuation methods applied and set-offs made need not be given in the annual financial statements, the annual report, the consolidated financial statements or the consolidated annual report,
7. to the extent that the information is continuously accessible on the website of the company for a period of at least seven days prior to and during the shareholders' meeting.

The provision of information may not be refused for any other reasons.

Pursuant to section 18 para. 3 of the Articles of Association, the chairman of the meeting may reasonably restrict the time for shareholders' question right and right to speak; in particular, he has the right to determine a reasonable time frame for the course of the shareholders' meeting, for individual items, or for individual speakers at the beginning or during the shareholders' meeting.

These shareholder rights are based on the following provisions of the German Stock Corporation Act and the Articles of Association (in addition to the provisions of section 131 (3) German Stock Corporation Act which have already been cited above):

Section 131 para. 1, 2, 4 and 5 German Stock Corporation Act – Shareholder's Information Right

- (1) At the shareholders' meeting, each shareholder shall upon request be provided with information by the management board regarding the matters of the company to the extent that such information is necessary for a proper evaluation of the relevant item on the agenda. The duty to provide information shall also extend to the company's legal and business relations with any affiliated company. If a company makes use of the simplified procedure pursuant to section 266 para. 1 sentence 2, section 276 or section 288 German Commercial Code, each shareholder may request that the annual financial statements be presented to it at the shareholders' meeting on such annual financial statements in the form that would have been used if such provisions on simplified procedure had not been applied. The duty of the management board of a parent company (section 290 para. 1, 2 German Commercial Code) to provide information at the shareholders' meeting in which the consolidated financial statements and the consolidated annual report are presented shall also extend to the situation of the group and the companies included in the consolidated financial statements.
- (2) The information provided shall comply with the principles of conscientious and accurate account. The articles of association or the rules of procedure pursuant to section 129 German Stock Corporation Act may entitle the chairman of the meeting to set a reasonable time limit for shareholders' questions or speeches, and to determine more detailed rules in this respect.
- (4) If information has been provided to a shareholder outside a shareholders' meeting by reason of its status as a shareholder, such information shall be provided to any other shareholder at the shareholders' meeting upon request of the respective shareholder, even if such information is not necessary for a proper evaluation of the agenda item. The management board may not refuse to provide such information on the grounds of sub-paragraph (3) sentence 1 nos. 1 to 4. Sentences 1 and 2 shall not apply if a subsidiary (section 290 para. 1, 2 German Commercial Code), a joint venture (section 310 para. 1 German Commercial Code) or an associated company (section 311 para. 1 German Commercial Code) provides information to a parent

company (section 290 para. 1, 2 German Commercial Code) for purposes of the inclusion of the company into the consolidated financial statements of the parent company and such information is needed for such purposes.

- (5) A shareholder who has been denied information may request that its question and the reason for which the information was denied be recorded in the minutes of the meeting.

Section 18 para. 3 of the Articles of Association of Company reads as follows:

- (3) The chairman may reasonably restrict the time for shareholders' question right and right to speak. In particular, he has the right to determine a reasonable time frame for the course of the shareholders' meeting, for individual items, or for individual speakers at the beginning or during the shareholders' meeting.