

**Important legal notice:**

**The following text is a translation for the purpose of information.**

ARTICLES OF ASSOCIATION

of

Demag Cranes AG

**I. General Provisions**

**Section 1**

**Company Name, Registered Seat, and Financial Year**

- (1) The company has the name:  
  
**Demag Cranes AG.**
- (2) It has its registered seat in Düsseldorf.
- (3) The company's financial year begins on October 1 of each year and ends on September 30 of the following year.

**Section 2**

**Object of the Company**

- (1) Subject matter of the company is the management of a group of companies, which are particularly active in the area of developing, planning, producing, distributing, and marketing machines, installations, other trade goods, and providing services in the area of transport methods and port technology, including cranes, automatic port systems, and similar products as well as their components and related software solutions; the management also includes providing services to companies of the group.
- (2) The company may also become active in the areas identified in paragraph 1 itself. It has the right to carry out all measures and transactions, which appear suitable to serve the object of the company. For this purpose, it may also establish, acquire, or participate in other domestic or foreign companies. It may combine companies, in which it holds a majority participation, under its management or restrict itself to the management of the participation. It may spin-off all or parts of its operations into affiliated companies.

**Section 3**

**Notices and Information**

- (1) Notices of the Company shall be published in the German electronic Federal Gazette ("Elektronischer Bundesanzeiger").
- (2) Information may be conveyed to the holders of the Company's registered securities by use of electronic means.

## II. Share Capital and Shares

### Section 4 Share Capital and Shares

- (1) The company's share capital amounts to EUR 21,172,993 (in words: Euro twenty-one million one hundred seventy-two thousand nine hundred ninety-three).
- (2) The share capital is divided into 21,172,993 shares with no par value. The shares are bearer shares.
- (3) In the case of a capital increase, the profit participation of the new shares may be governed differently from Section 60 of the German Stock Corporation Act (AktG).
- (4) The company's share capital was provided through a change of legal form.
- (5) The management board has the right to increase the share capital in the time until May 18, 2011, with the consent of the supervisory board, once or multiple times by issuing new bearer shares with no par value against contribution in cash and/or contribution in kind by up to a total of EUR 10,586,496.  
The new share can be subscribed to by one or several banks determined by the management board with the obligation to offer them to the shareholders (indirect subscription right).  
The management board has the right, with the consent of the supervisory board, to exclude the legal subscription right of the shareholders in the following cases:
  - a) during capital increases against contribution in kind in order to issue shares for purposes of acquiring companies, parts of companies, or participations in companies as well as for purposes of issuing shares to employees of the company and of companies affiliated with the company to the extent permitted by law;
  - b) to the extent required in order to grant a subscription right to holders of option and convertible bonds issued by the company or its subsidiaries to the extent they would be entitled to after exercising the option or conversion right or, as the case may be, after fulfillment of conversion or option obligations;
  - c) in order to exempt any fractional amounts from the subscription right;
  - d) during capital increases against cash contribution, if the issue amount of the new shares is not materially lower within the meaning of Sections 203 paragraph 1 and 2, 186 paragraph 3 sentence 4 of the German Stock Corporation Act (AktG) than the stock market price of the already exchange-listed shares of the same class and properties at the time of final determination of the issue amount by the management board and the proportionate amount of the share capital attributable to the new shares, for which the subscription right is excluded, does not exceed 10 % of the share capital existing at the time the new shares are issued. Shares, which are sold and transferred during the term of the authorized capital with the exclusion of the shareholders' subscription right pursuant to Sections 71 paragraph 1 no. 8 sentence 5, 186 paragraph 3 sentence 4 AktG, as well as shares, in respect to which a conversion or option right or a conversion or option obligation because of option and/or convertible bonds exist, which were issued since the grant of this authorization with the exclusion of the subscription right pursuant to Sections 221 paragraph 4, 186 paragraph 3 sentence 4 AktG, are credited towards the maximum limit of 10 % of the share capital.

The management board has the right, with the consent of the supervisory board, to determine the further details of the capital increase and its implementation including the content of the share rights and the terms of the share issuance.

**Section 5  
Shares**

- (1) The claim of a shareholder to have his participation embodied in a certificate is excluded.
- (2) The management board shall determine the form of share certificates and of the profit and renewal coupons.

**III. Management Board**

**Section 6  
Composition, Rules of Procedure**

- (1) The management board consists of at least two members. Beyond this, the supervisory board determines the number of management board members. The supervisory board may appoint substitute management board members.
- (2) The management board shall elect a speaker from among its members, unless the supervisory board appoints a management board member as chairman of the management board.
- (3) The management board determines its rules of procedure by unanimous resolution of its members, unless the supervisory board issues rules of procedure for the management board. The supervisory board determines which transactions may be carried out only with its consent.

**Section 7  
Representation**

- (1) The company is represented by two management board members or by one management board member acting together with a procurist.
- (2) The supervisory board may exempt all or individual management board members as well as procurists authorized to represent the company together with a management board member from the prohibition of multiple representation pursuant to Section 181 2<sup>nd</sup> alternative of the German Civil Code (BGB); Section 112 AktG remains unaffected.

**IV. Supervisory Board**

**Section 8  
Composition, Elections, Term of Office**

- (1) The supervisory board is comprised of twelve members. Six of these members are appointed by the shareholders' meeting and six members are elected by the employees in accordance with the provisions of the German Co-Determination Act (MitbestG).
- (2) The election of the supervisory board members and, if applicable, their substitute members occurs for the period until the end of the shareholders' meeting, which decides about the ratification of actions for the fourth financial year after the beginning of the term of office, while the year, in which the term of office commences, is not counted. The shareholders' meeting may decide upon a short term of office during the election of members to be elected by it. The appointment of a successor prior to the expiration of a term of office of a retired supervisory board member occurs, to the extent that the shareholders' meeting does not determine a different term of office for the successor, for the rest of the term of office of the retired supervisory board member.

- (3) When electing a supervisory board member, a substitute member can be appointed at the same time, which moves up into the supervisory board when the supervisory board member leaves prior to the expiration of his term of office without a successor having been appointed. The office of a supervisory board member of the shareholders, who has moved up into the supervisory board, ends as soon as a successor for the retired supervisory board member has been appointed, however, no later than upon expiration of the term of office of the retired supervisory board member.
- (4) The term of office of a supervisory board member ends in any case at the end of the ordinary shareholders' meeting following his 70<sup>th</sup> birthday.
- (4) The members and the substitute members of the supervisory board may resign from their office by written declaration to the chairman of the supervisory board or to the management board upon a prior notice period of two weeks, also without important cause.

### **Section 9 Chairman and Deputy**

- (1) The supervisory board elects a chairman from among its members pursuant to Section 27 paragraph 1 and 2 MitbestG. The term of office of the chairman and of the deputy corresponds, unless a shorter term of office is determined during the election, to their term of office as member of the supervisory board. The election is to occur following the shareholders' meeting, in which the supervisory board members to be elected by the shareholders' meeting have been newly elected; this meeting does not have to be convened in any particular manner.
- (2) If the chairman or his deputy leave their office early, the supervisory board shall carry out a new election without undue delay.
- (3) The chairman or – if the chairman is unavailable – his deputy is authorized to issue the declarations on behalf of the supervisory board, which are required in order to implement the resolutions of the supervisory board and of its committees. Only the chairman or – if he is unavailable – his deputy is authorized to receive declarations on behalf of the supervisory board.

### **Section 10 Rules of Procedure, Amendment of the Articles**

- (1) The supervisory board shall adopt rules of procedure for itself within the framework of the mandatory legal provisions and the provisions of these Articles of Association.
- (2) The supervisory board is authorized to pass resolutions on the amendment of the Articles, which only relate to their wording.

### **Section 11 Convening**

- (1) Supervisory board meetings shall be convened by the chairman or, if he is unavailable, by his deputy upon a prior notice period of fourteen days. This may be effected orally, in writing, by fax, by telephone, or using modern means of telecommunication (e-mail, etc.). When calculating the period, the day of sending the invitation and the day of the meeting shall not be counted. The chairman may reduce the notice period for convening the meeting in urgent cases.
- (2) The invitation to the meeting must state the individual items of the agenda. Supplements to the agenda must be notified, unless an urgent case justifies a later notification, by the seventh day prior to the meeting.

- (3) The chairman may cancel or postpone already convened meetings in his due discretion.

## **Section 12 Resolutions, Quorum**

- (1) Resolutions of the supervisory board are generally adopted in meetings. The chairman leads the meetings. He determines the order in which items of the agenda are addressed as well as the nature and order of the votes.
- (2) Resolutions shall only be adopted in respect to those items of the agenda, which were announced in time in the invitation. If an item of the agenda has not been announced in time, a resolution may be adopted in respect to it only, if no member objects. In this case, absent supervisory board members shall be granted the opportunity to object to the adoption of the resolution subsequently within a period to be determined by the chairman. The resolution becomes effective only after no absent supervisory board member has objected within the period.
- (3) The chairman may determine that a resolution may be adopted by the supervisory board also during a telephone or video conference or outside of a meeting by votes transmitted orally, by telephone, in writing, or in text form. There is no right to object to the form of resolution determined by the chairman. Any such resolutions are ascertained by the chairman in writing and forwarded to all members.
- (4) The supervisory board constitutes a quorum, if at least half of the members of which it is to be comprised have participated in the resolution. A member also participates in the resolution, if it abstains during the voting. Members, who are present through telephone or video conference, participate by having a vote transmitted in writing or by fax delivered by another member.
- (5) The resolutions are adopted with a simple majority of the votes cast, unless the law requires a different mandatory majority. If a vote in the supervisory board leads to a tie, the chairman shall have two votes during a new vote on the same matter, if that also leads to a tie. Paragraph 4 sentence 3 also applies to the casting of the second vote. The deputy is not entitled to the second vote. In the case of a tie, the chairman shall decide, whether a new vote shall occur during the same meeting.
- (6) The chairman may postpone the adoption of resolutions on individual or all items of the agenda for a maximum of four weeks, if the number of shareholder and employee representatives that would participate in the adoption of the resolution would not be equal, or if another material reason for the postponement exists. The chairman is not entitled to a repeated postponement.
- (7) Minutes shall be prepared of the negotiations and resolutions of the supervisory board, which shall be signed by the chairman and sent to each supervisory board member.

## **Section 13 Committees**

- (1) Immediately after the election of the chairman and of his deputy, the supervisory board shall form a committee in order to carry out the tasks specified in Section 31 paragraph 3 MitbestG, which shall be comprised of the chairman, his deputy, and two additional members, one of each shall be elected by the supervisory board members of the employees and of the shareholders with the majority of the votes cast.
- (2) The supervisory board may establish additional committees and fill them with its members. The decision competences of the supervisory board may be delegated to the committees, to the extent permitted by law.

- (3) The committee may elect a chairman from among its members, if the supervisory board does not appoint a chairman. A committee constitutes a quorum only, if half of the members, however, at least three members, participate in the resolution. In the case of a tie in the committee – except in the case of a committee pursuant to Section 27 paragraph 3 MitbestG – the chairman of the committee shall have two votes during a new vote on the same matter, if that also leads to a tie. Beyond this, the supervisory board may determine the composition, powers, and procedures of the committees. Subject to different rules determined by the supervisory board, Sections 11 and 12 apply accordingly to the committees, unless the supervisory board determines otherwise when forming the committee.

#### **Section 14 Remuneration of the Supervisory Board**

- (1) The members of the supervisory board receive a fixed annual remuneration payable after the end of the financial year in an amount of EUR 25,000 (in words: Euro twenty-five thousand).
- (2) The chairman of the supervisory board shall receive two and a half times, each deputy one and one-half times the remuneration pursuant to paragraph 1.
- (3) Members of committees – except for the committee pursuant to Section 27 paragraph 3 MitbestG – receive in addition to the remuneration under paragraph 1 as fixed remuneration 0.1-times the remuneration under paragraph 1 for each office in a committee. Chairmen of committees receive in addition to the remuneration under paragraph 1 as fixed remuneration 0.25-times the remuneration under paragraph 1; this shall not apply to the chairman of the supervisory board and the chairman of the committee pursuant to Section 27 paragraph 3 MitbestG. The remuneration under this paragraph 3 shall be paid annually after the end of the financial year.
- (4) Supervisory board members and committee members, who were members of the supervisory board or of a committee for only part of a financial year, shall receive a remuneration on a pro-rata temporis basis.
- (5) In addition to the annual remuneration, the members of the supervisory board receive an attendance fee for meetings of the supervisory board and of any of its committees, where they are members, in an amount of EUR 1,500 Euro (in words: Euro one thousand five hundred) per meeting, however, no more than EUR 1,500 per calendar day.
- (6) The company refunds reasonable expenses to the supervisory board members against documentation. The value-added tax is refunded by the company, to the extent that the members of the supervisory board have the right to invoice value-added tax to the company separately and they exercise this right.
- (7) The company may conclude liability insurance for the benefit of the supervisory board members, which covers the legal liability from the supervisory board activity. It may furthermore conclude a legal expense insurance, which covers risks from the pursuance of rights and defense of rights of the supervisory board members related to the supervisory board activity.

### **V. Shareholders' Meeting**

#### **Section 15 Location and Convening**

- (1) The shareholders' meeting is held at the company's registered seat, in a city within the Federal Republic of Germany with a population of more than 100,000, or within a radius of 50 km around the company's registered seat. Notwithstanding the legal invitation rights of the supervisory board and of a shareholder minority, it is convened by the management board.

- (2) The shareholders' meeting shall be convened no later than 30 days prior to the day, by the end of which shareholders have to register prior to the meeting.

### **Section 16 Registration and Proof of Eligibility**

- (1) Shareholders, who participate in the shareholders' meeting or who want to exercise their voting right, have to register prior to the meeting. The registration must be received by the company no later than on the seventh day prior to the meeting at the address stated for this purpose in the invitation. It requires the text form and must be submitted in the German or English language.
- (2) The shareholders must also prove their right to participate in the shareholders' meeting and to exercise the voting right. Proof of their shareholdings issued by the depositary bank or financial service institution in text form shall be sufficient. The proof must be provided in the German or English language.

### **Section 17 Voting Right**

- (1) Each no-par value share grants one vote during the shareholders' meeting.
- (2) The voting right may be exercised by a proxy based upon a written power of attorney. The company may determine in the invitation that powers of attorney may be issued using electronic media or by fax and govern the details of how they are issued.
- (3) Unless mandatory legal provisions require otherwise, resolutions are adopted with a simple majority of the votes cast and, if the law requires a majority of the capital in addition to the majority of the votes, with the simple majority of the share capital represented during the resolution.

### **Section 18 Leading the Shareholders' Meeting**

- (1) The chairman of the supervisory board shall chair the shareholders' meeting. If he is unavailable, he shall determine another supervisory board member, who will carry out this task. If the chairman is unavailable and if he has not appointed a substitute, the chairman of the shareholders' meeting shall be elected by the shareholder representatives on the supervisory board present during the shareholders' meeting with a simple majority of votes.
- (2) The chairman of the meeting may determine an order of the items to be negotiated that differs from the announced agenda. He shall determine the nature, form, and order of the votes.
- (3) The chairman may reasonable restrict the time for the 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.

### **Section 19 Broadcasting the Shareholders' Meeting**

- (1) The shareholders' meeting may be partially or completely broadcast and recorded in sound and video.

- (2) The details shall be determined by the management board with the consent of the supervisory board as well as, during the shareholders' meeting, the chairman of the meeting.
- (3) If a public broadcast is to take place, this as well as the other details shall be pointed out in the invitation to the shareholders' meeting.
- (4) The members of the supervisory board may participate in the shareholders' meeting by way of video and sound transmission, if the supervisory board member has his place of residence abroad or is prevented from attending the shareholders' meeting on the day of the shareholders' meeting because of own professional affairs or for other reasons. The chairman of the supervisory board shall decide, in which manner video and sound are transmitted.

## **VI. Annual Financial Statements, Appropriation of Profits, Ordinary Shareholders' Meeting**

### **Section 20 Annual Financial Statements**

- (1) The management board shall prepare the annual financial statements, the management report, and the consolidated financial statements as well as the group management report for the previous financial year within the legal periods and submit them without undue delay after their preparation to the supervisory board and the auditor. At the same time, the management board shall submit a proposal for the appropriation of the balance sheet profit to the supervisory board.
- (2) The management board and the supervisory board have the right, when approving the annual financial statements, to credit all or part of the annual profit remaining after deducting the amounts to be credited to the legal reserve and any losses carried forward to other profit reserves. Crediting more than half of the annual profit is not permitted, to the extent that the other profit reserves exceed, or would exceed after the credit, one half of the share capital.

### **Section 21 Appropriation of Profits, Ordinary Shareholders' Meeting**

- (1) Every year, during the first eight months of the financial year, the shareholders' meeting decides about the ratification of the actions of the members of the management board and of the supervisory board and about the appropriation of the balance sheet profit for the preceding financial year and about the election of the auditor (ordinary shareholders' meeting).
- (2) The shareholders' meeting can decide on an appropriation of the balance sheet profit in the form of a distribution in kind instead of or in addition to a cash distribution.

## **VII. Formation Costs**

### **Section 22 Formation Costs**

- (1) The costs related to the deed for the formation of the company in the legal form of a German limited liability company (GmbH) and its implementation (notary, court, publication costs) as well as the costs that were related to the new appointment of the management (notary, court, publication costs) shall be borne by the company up to an amount of EUR 2,000 (in words: Euro two thousand).
- (2) The costs and taxes related to the change of form and its registration in the commercial register up to an aggregate amount of EUR 90,000 (in words: Euro ninety thousand) shall be borne by the company.