

12.12 The Executive Board will inform the AGM each time this authorization is exercised.

**Executive Board report regarding item 12 of the AGM agenda in accordance with Section 71 (1), No. 8, Sent. 5 AktG in conjunction with Section 186 (4), Sent. 2 AktG:**

In accordance with Section 71 (1), No. 8, Sent. 5 in conjunction with Section 186 (4) Sent. 2 AktG, the Executive Board submitted a written report regarding the authorization proposed under agenda item 12 to exclude subscription rights in connection with the sale of treasury shares. Once the invitation to the meeting has been issued, this report from the Executive Board to the AGM will be available online at <http://www.wackerneuson.com/agm> and can also be viewed at company headquarters in Preussenstrasse 41, 80809 Munich, Germany. On request, a copy of the report shall be immediately forwarded to shareholders free of charge. The report outlines the following information:

The Executive Board may also redeem the treasury shares still to be acquired without a renewed resolution by the AGM with the permission of the Supervisory Board. This measure is in the best interests of the company; it is considered reasonable, necessary and fit for the intended purpose. There are no current plans to exercise this authorization.

The proposal also includes the provision that treasury shares in the company can also be offered as (partial) compensation as part of mergers or to acquire companies, participating interests in companies or parts of companies under the exclusion of shareholders' subscription rights. This should enable the company to react quickly to beneficial offers or opportunities to acquire companies, participating interests in companies or parts of companies in national and international markets in order to consolidate the company's market position. This model for financing acquisitions is increasingly required against the backdrop of globalization and the current international competitive landscape. The exclusion of subscription rights is therefore a suitable, necessary and adequate means of improving the strategic position of the company.

The authorization also provides the opportunity to issue treasury shares under exclusion of subscription rights to members of the Executive Board of the company or of representative bodies of entities affiliated with the company, or to employees of the company or affiliated companies. The intention is to limit the issue of shares to a specific group or specific persons from the above-mentioned categories in line with labor law requirements. To the extent that treasury shares are to be issued to members of the Executive Board of the company, the decision in this regard does not lie with the Executive Board. Instead, the authorization granted by the AGM specifies that this decision is made by the Supervisory Board of the company or the responsible Supervisory Board committee in line with the division of duties as specified by the provisions of the Stock Corporation Act.

Issuing shares to members of the Executive Board of the company or of representative bodies of entities affiliated with the company, or to employees of the company or affiliated companies is in the best interests of the company and its shareholders as it promotes a sense of identification with the company and shared responsibility. It also enables the remuneration structure to be geared toward the company's mid- and long-term success. In this respect, utilizing existing shares can be an economically viable alternative to increasing capital or making cash payments. The authorization should therefore increase the company's maneuverability here and also enable exchange risks to be controlled more effectively. Treasury shares acquired for this purpose also require exclusion of shareholder subscription rights. There are currently no specific plans to issue treasury shares to employees, executives/senior managers or members of the Executive Board.

The ultimate objective is to give management the possibility of excluding subscription rights in connection with the resale of shares acquired under this authorization and sold at a price not significantly below the stock market price. This legitimate option of excluding subscription rights will enable management to react fast to favorable stock market situations. Aligning prices closely with market dynamics allows the company to maximize the issue price and company equity. The authorization ensures that even in conjunction with the utilization of authorized capital, no more than 10 percent of share capital can be sold or issued under exclusion of shareholder subscription rights (pursuant to Section 186 (3), Sent. 4 AktG). For a sale of this nature, management is limited to a maximum discount of 5 percent relative to the listed price.

The existing authorization to acquire and sell treasury shares which was approved by the AGM on May 28, 2009, is valid until November 27, 2010. This authorization resolution will be replaced by the above-mentioned resolution from the moment the new authorization comes into effect. The new authorization shall remain valid until November 27, 2011.

## **1. Attendance at the AGM and exercising voting rights**

Attendance at the AGM and entitlement to exercise voting rights is restricted to shareholders who, on the day of the AGM, are entered in the company's share register and who have registered to attend in writing or in electronic/text form (pursuant to Section 126b BGB) in German or English in good time at the following address specified by the company. The registration must be received by the company on or before expiry of the registration deadline (midnight on Friday, May 21, 2010).

Wacker Neuson SE  
c/o Computershare HV-Services AG