



Declaration on Corporate Governance

In the following statement the Executive Board reports on the company's corporate governance policies and practices – also for the Supervisory Board. It therefore complies with Section 289a (1) of the German Commercial Code (HGB) and Section 3.10 of the German Corporate Governance Code.

1. Declaration of compliance pursuant to Section 161 AktG

The Executive Board and the Supervisory Board of Wacker Neuson SE consider the German Corporate Governance Code as an important body of regulations. Both executive bodies feel compelled to comply with its principles aimed at responsible, professional and transparent company management. They have therefore thoroughly examined the recommendations of the German Corporate Governance Code and issued the following declaration of compliance on March 25, 2010.

Declaration of compliance with the German Corporate Governance Code in accordance with Section 161 of the German Stock Corporation Act (AktG)

The German Corporate Governance Code contains recommendations and proposals for managing and monitoring German listed companies in relation to shareholders and the Annual General Meeting (AGM), the Executive Board and the Supervisory Board, transparency, accounting and auditing. The German Stock Corporation Act requires the Executive Board and the Supervisory Board of listed companies to declare each year which recommendations of the German Corporate Governance Code have been followed or not, and why.

The Executive Board and the Supervisory Board identify with the duty as outlined in the German Corporate Governance Code to uphold the principles of a social market economy and maintain the substance of the company and its ability to generate value in a sustainable fashion (company interest) and to further promote responsible and transparent management and governance of the company.

In accordance with Section 161 AktG, the Executive Board and the Supervisory Board of Wacker Neuson SE declare that the company complied with the recommendations issued by the German Corporate Governance Code Commission published by the German Federal Ministry of Justice (BMJ) in the official section of the electronic Federal Gazette as amended on June 6, 2008 and/or as amended on June 18, 2009 (as of the effective dates respectively), with the exceptions listed and explained in more detail below:

- 1. Section 3.8, para. 2:** The company's directors and officers' (D&O) liability insurance policies for its Executive Board and the Supervisory Board have been concluded without a deductible.

The company will of course comply with the new legal rules in the act regarding the appropriateness of management/executive board remuneration (VorstAG).

The company is of the opinion that a deductible would not improve the sense of motivation and responsibility with which the Supervisory Board members perform their duties. D&O insurance safeguards the company against substantial internal risks and – only as a secondary function – protects the assets of members of its executive bodies. Hence it is the company's intention to refrain from implementing a deductible on Supervisory Board members until further notice. Previously, the company's position on the Executive Board members was the same.

- 2. Section 4.2.2:** The Presiding Committee was previously responsible for approving the remuneration system for the Executive Board, including significant contractual terms, and for regular reviews of the remuneration structure. The Presiding Committee regularly reported on its activities at the Supervisory Board's plenary meetings.

Prior to the coming into effect of the VorstAG, the Supervisory Board did not see the need for any further approvals or reviews of the remuneration system in the Supervisory Board plenary meetings.

Since VorstAG has come into effect, the remuneration system is reviewed and officially approved during Supervisory Board plenary meetings in keeping with the provisions of the new law.

- 3. Section 4.2.3, para. 2 and 3:** According to VorstAG, in future the Supervisory Board must ensure that assessments of variable components of Executive Board remuneration extend over a period of several years. The German Corporate Governance Code in this regard suggests that variable components of remuneration should be adapted to reflect both positive and negative developments.

The new regulations under VorstAG have already been incorporated in the German Corporate Governance Code, which has been supplemented to include a proposal suggesting that variable components of remuneration should be adapted to reflect both positive and negative developments. The recommendations under the Code preempt the VorstAG, since the VorstAG only applies to newly concluded contracts and to contract extensions. To the extent that recommendations under the Code extending beyond the VorstAG have not yet been implemented in parts of the Executive Board members' contracts, these additional recommendations will be complied with when new contracts are concluded or existing ones are extended. The Supervisory Board is of the view that premature implementation of the new recommendations would violate the Executive Board members' justifiable trust in the agreed terms and conditions of the employment agreements. The regulations of existing contracts of employment thus enjoy a valid right of protection and continuity.

In the case of new contacts and contractual extensions, the Supervisory Board intends to follow the recommendation proposing that variable components of remuneration should be aligned with both positive and negative developments.

- 4. Section 4.2.3 para. 4 and 5:** The recommendation that severance payments, including additional benefits, shall not exceed two year's remuneration (severance pay cap) and are to be based on the total remuneration from the prior year and/or the current year if an Executive Board member's contract is terminated prematurely without good cause is not fully complied with under current contracts, due in part to the long-standing service of Executive Board members. The Supervisory Board is of the opinion that the existing rules in the Executive Board members' contracts are appropriate and therefore does not see the need to implement any changes here. Executive Board members' contracts do not contain agreements on severance pay in the event of a change of control.

The Supervisory Board will generally observe this recommendation under the Code when concluding new contracts and extending existing contracts.

5. **Section 4.2.3, para. 6:** The AGM is not informed separately about the main terms of and changes to the remuneration system for Executive Board members as this information is already disclosed in the Group Management Report, which is available to all shareholders.
6. **Section 4.2.4, 4.2.5, 5.4.6, para. 3 and 7.1.3:** The AGM has decided not to publish the income of each individual Executive Board member in the notes to the Annual and Consolidated Financial Statements. In line with this, the corporate governance report does not include an individualized remuneration report. Neither does it contain specific information about share-based incentive systems for the Executive Board.

Following expiry of the current exemption period approved by the AGM, however, the company does not intend to propose further exemption from this recommendation to the AGM.

The income of individual Supervisory Board members has also thus far not been published. The Executive Board and Supervisory Board consider that the mandatory legal statements have thus far provided investors and the public with sufficient information in this area.

The company also intends to follow this recommendation of the Code in future and disclose the income of individual Supervisory Board members broken down into individual components in the notes to the Annual and Consolidated Financial Statements.

7. **Section 5.1.2, para. 2, sent. 3:** The Supervisory Board has not set an age limit for members of the Executive Board.

The Supervisory Board is convinced that individual performance is the defining factor in suitability for company management, rather than age.

8. **Section 5.3.3:** The Supervisory Board has not formed a nomination committee. The size of the Supervisory Board (four shareholder representatives) does not warrant a dedicated committee for proposing Supervisory Board candidates.

- 9. Section 5.4.1, sent. 2:** Nominations for Supervisory Board members shall respect an age limit to be defined.

The rules and procedures of the Supervisory Board stipulate that members of the Supervisory Board should not generally be older than 75. To ensure the greatest possible transparency in advance, the company draws attention to the fact that one of the Supervisory Board nominations for the company's AGM scheduled for May 28, 2010 will turn 75 during the proposed term of office.

- 10. Section 5.4.3., sent. 3:** So that the Supervisory Board can continue to vote impartially for its chairperson, the proposed candidates will not be announced in advance.

- 11. Section 5.4.4:** Should the AGM elect a (previous) member of the Executive Board to the Supervisory Board, taking the regulations of the German Stock Companies Act into consideration, the Supervisory Board intends to comply with the recommendation that this new member should not assume the chairmanship of the Supervisory Board.

- 12. Section 6.6:** Share ownership by individual members of the executive bodies exceeding one percent of shares issued by the company has not been and will not be stated in the corporate governance report. The Executive Board is of the view that protecting personal and family privacy takes priority here.

Munich, March 25, 2010

Wacker Neuson SE
Executive and Supervisory Boards

The above declaration has been made permanently available to shareholders on the Wacker Neuson SE company website (www.wackerneuson.com) under Investor Relations/Corporate Governance. It is updated as required, at least once a year. Previous declarations of conformity are stored for reference purposes on our website for a period of at least five years. Further details on corporate governance at Wacker Neuson SE are presented in the following corporate governance report, which is part of this declaration.

2. Corporate governance report

The corporate governance report outlines the role of the Executive Board and the Supervisory Board as well as the composition and role of the committees. Wacker Neuson SE is a European company (Societas Europaea) incorporated under German law. Upon foundation of the company, shareholders chose the dual management system common under the German stock corporation law, comprising two executive bodies, the Executive and the Supervisory Board, each vested with different spheres of competence. The two bodies work closely together on a basis of mutual trust and are committed to increasing the company's long-term value.

Executive Board

The Executive Board represents the company towards third parties and manages its business in accordance with legal regulations, the Articles of Incorporation and the rules of procedure for the Executive Board. The Executive Board currently comprises five members. It is responsible for managing the company and represents it both legally and otherwise. The Executive Board functions on the basis of joint accountability. In other words, all members of the Board are jointly responsible for all areas of company management.

The Executive Board plans the company's strategic direction in collaboration with the Supervisory Board and ensures it is appropriately executed. It is also responsible for establishing the company and group's business plans for the coming year and beyond as well as preparing legally required reports such as Annual Financial Statements, Consolidated Financial Statements and interim reports. In addition, the Executive Board also ensures that a suitable risk management and controlling system is in place and that regular, prompt and extensive reports are made to the Supervisory Board regarding all issues relating to strategy, company planning, business developments, the risk situation and risk management activities that are relevant to the company and the group.

Cooperation and areas of responsibilities within the Board are governed by the rules of procedure for the Executive Board. These focus not only on the lines of responsibility vested in individual Executive Board members, but also the issues entrusted to the Executive Board as a whole, resolutions (quorum requirements in particular) and the rights and obligations of the chairperson of the Executive Board (CEO). Executive Board meetings are held regularly and are convened by the CEO or at the request of an Executive Board member. The Executive Board generally reaches decisions based on a simple majority of votes cast unless other legal provisions apply. The chairperson has the casting vote in the event of a tie.

The CEO steers and coordinates the entire Executive Board and represents the company and Group vis-à-vis the public, in particular when dealing with the authorities, trade associations and publishing houses.

Measures and transactions of fundamental importance must be approved by the Supervisory Board as set down in the rules of procedure for the Supervisory Board and/or the Articles of Incorporation. They are also communicated to shareholders and the capital market in a timely manner, thus ensuring that decision-making processes remain transparent – also throughout the year – and capital market players are kept sufficiently up to date.

Dr.-Ing. Georg Sick is CEO of the Wacker Neuson Group. Mr Martin Lehner is Deputy CEO. Further details on individual members of the Executive Board, in particular their areas of responsibility, are disclosed in the notes to the Consolidated Financial Statements in section 33 “Executive bodies”.

Supervisory Board

The Supervisory Board advises the Executive Board in key decisions, monitors its activities, appoints members and relieves them of their duties. The Supervisory Board has six members. In accordance with the agreement on employee representation in the Wacker Neuson SE Supervisory Board and the German One-Third Participation Act (Drittelbeteiligungsgesetz), four of these are shareholder representatives and two are employee representatives. Since the terms of office of all members of the Supervisory Board are due to expire at the forthcoming AGM on May 28, 2010, the shareholder representatives will have to be reelected. The Wacker Neuson SE works council shall also choose two new employee representatives for the Supervisory Board. Further details on individual members of the Supervisory Board are disclosed in the notes to the Consolidated Financial Statements in section 33, “Executive bodies”.

The principles of cooperation within the Supervisory Board are governed by the rules of procedure for the Supervisory Board. These rules reflect the recommendations of the German Corporate Governance Code and – as an integral part of the monitoring and controlling process – provide for clear and transparent procedures and structures as well as regular efficiency checks on Supervisory Board work. The Supervisory Board reaches decisions based on a simple majority of votes cast unless other legal provisions apply. The chairperson has the casting vote in the event of a tie. The chairperson of the Supervisory Board convenes and oversees Supervisory Board meetings and generally coordinates the activities of the Supervisory Board and its

committees.

The Supervisory Board defines the Executive Board's information and reporting duties in detail. The core areas of collaboration between the Executive and Supervisory Boards as well as specific details on the Supervisory Board's activities and committees are disclosed in the report by the Supervisory Board.

Composition and role of committees

In contrast to the Executive Board, the Supervisory Board forms two committees, the Presiding and the Audit Committee.

The responsibilities of the Presiding Committee include in particular submitting proposals for Executive Board member appointments, terminations and mandate extensions for concluding, amending and terminating contracts with Executive Board members; and preparing Supervisory Board meetings and handling ongoing business. The Presiding Committee members are Mr. Hans Neunteufel, Dr. Ulrich Wacker and Dr. Eberhard Kollmar. Mr. Hans Neunteufel is Chairman of the Presiding Committee.

The Audit Committee maintains close contact with the auditors. It appoints the auditors to review the Annual and Consolidated Financial Statements, identifies the focal points of the audit and receives the report. Furthermore, the Audit Committee negotiates the fee, assesses the auditor's independence and submits a voting proposal with regard to the auditor to the Supervisory Board for the AGM. It supports and monitors the Executive Board regarding accounting issues especially in relation to quarterly reports, risk management, internal controlling, internal auditing and compliance. The Audit Committee members are Dr. Eberhard Kollmar, Mr. Hans Neunteufel, Mag. Kurt Helletzgruber and Mr. Herbert Santl. Dr. Eberhard Kollmar is the Chairman.

The respective committee chairpersons provide the Supervisory Board with regular and timely information about the committees' activities. The committees also reach decisions with a simple majority of votes cast. The respective chairperson has the casting vote in the event of a tie.

Shareholders and the AGM

Focus on shareholders

Shareholders exercise their rights, including voting rights, at the AGM. All shares in Wacker Neuson SE provide shareholders with full voting rights and are registered by name. Each share represents one vote. The AGM agenda plus the reports and

documents required for the AGM are published in good time – also on the company's website.

Our AGM this year will take place in Munich on May 28, 2010. The Executive Board makes it easier for shareholders to exercise their voting rights at the AGM by offering the opportunity to delegate binding voting instructions to proxies named by the company. Shareholders can also do this during the AGM. Information on how to vote by proxy will also be included in the invitation to the AGM meeting. These named proxies are also available at the AGM to shareholders present at the AGM. It is also possible to delegate voting rights to financial institutions, shareholder associations and other third parties.

Accounting and auditing

The Consolidated Financial Statements of Wacker Neuson SE are prepared in line with the International Financial Reporting Standards (IFRS). The Annual Financial Statements and the Consolidated Management Report of Wacker Neuson SE and its Group (for the first time this year in a consolidated version) are prepared in accordance with the German Commercial Code (HGB).

The Supervisory Board proposes the election of the auditor at the AGM, based on a recommendation from the Audit Committee. Prior to making its proposal, the Supervisory Board obtains a certificate of independence from the auditor in question.

The Chairman of the Audit Committee asked the auditor to immediately report all significant findings or incidents identified during the audit and relating in the broadest sense to Supervisory Board duties if these findings or incidents could not be directly resolved.

Risk management

Responsible handling of risks facing the group and the company is, as always, a crucial part of sound corporate governance. The Executive and the Supervisory Board therefore continually monitor the Wacker Neuson Group's risk management and internal controlling systems along with the accompanying reporting mechanisms.

Specific details on risk management within the Wacker Neuson Group are disclosed in the risk report of the Consolidated Management Report. This also includes a report on the controlling and risk management systems within accounting.

Transparency

Active communication with external stakeholders

Regular, active dialog with our shareholders and other stakeholders is one of the cornerstones of our corporate governance policy. We provide shareholders, financial analysts, shareholder associations and the media with information about business trends and significant changes within the company promptly, regularly and with the greatest possible transparency. We are fully committed to a policy of active and honest communication.

As stipulated by the German Securities Trading Act (WpHG) and the German Corporate Governance Code, we provide information on our company's business development and financial situation four times a year. This takes the form of one annual report and three quarterly reports. The Supervisory Board and the Audit Committee discuss these reports with the Executive Board prior to their publication. The Executive Board also answers shareholders' questions at the AGM. We also use our Internet platform as a way of keeping our stakeholders up to date. All press and ad-hoc releases, financial reports and our financial calendar detailing important events are permanently available under Investor Relations at www.wackerneuson.com. Interested parties can join our distribution list to receive regular updates.

Director's dealings and significant voting interests

In order to ensure compliance with the German Securities Trading Act (WpHG), Wacker Neuson SE publishes reports on directors' dealings pursuant to Section 15a WpHG. We use these reports to provide immediate information about securities transactions with regard to Wacker Neuson shares made by members of the Executive and Supervisory Boards as well as by natural and legal persons closely related to members of these bodies. This information is also disclosed on the company's website (www.wackerneuson.com) under Investor Relations / Corporate Governance. Pursuant to Section 21 WpHG, we also immediately publish reports regarding the purchase or sale of significant voting rights, and the holding of corresponding financial instruments in line with Section 25 WpHG on our website under Investor Relations / Company News.

Annual Document in line with Section 10 of the German Securities Prospectus Act (WpPG)

The Annual Document pursuant to Section 10 (1) WpPG is available at www.wackerneuson.com under Investor Relations / Corporate Governance.

Remuneration report in the Corporate Governance Report

We report on the remuneration system of the Executive Board in our Consolidated Management Report under section XII “Remuneration Framework”. The AGM approved a resolution not to publish remuneration details for individual Executive Board members in the interest of their privacy.

The overall remuneration of the Executive and the Supervisory Board is disclosed in the notes to the Consolidated Financial Statements in section 34 “Related party disclosures”.

3. Corporate governance best practices

Compliance – key driver conducting business

Moving beyond the guidelines and recommendations of the German Corporate Governance Code, the Wacker Neuson SE Executive Board is committed to conducting its business worldwide in a lawful manner, along socially and ethically responsible lines. Which is why we have developed a group-wide strategic mission statement that shapes the conduct of each and every individual in the group – from the Executive Board through management to all group employees. This mission frames the way we do business for shareholders, customers, the general public and employees alike.

Our approach is anchored in the values you would expect from a mid-sized family-owned company, geared towards profitable sustainability. Shared values and sustainable leadership principles underlie everything we do. Values such as integrity, openness, honesty, and respect for other people and our surroundings inspire us to succeed, serve our shareholders with dedication and embrace sustainable business practices. This mission statement captures our commitment to all our stakeholders and can be seen on our website at: www.wackerneuson.com/mission-statement.

To ensure our values remain firmly embedded in every aspect of our corporate structure, we regularly inform our employees of the rules and requirements of responsible conduct. In the interests of our company and the entire workforce, we ensure we trace any infringements back to their causes, which we promptly eliminate. This also includes thorough investigation of any violations of applicable national regulations.

Moving forward, we are committed to sustaining this value-driven approach, which we see as a solid ground for our future success and credibility as a company.

Munich, March 2010

Wacker Neuson SE
The Executive Board