

CORPORATE GOVERNANCE STATEMENT 2012

Cargotec's governance and management are based on the Finnish Limited Liability Companies Act and Securities Markets Act, the company's Articles of Association and the rules and guidelines of NASDAQ OMX Helsinki Ltd. Cargotec complies with the Finnish Corporate Governance Code 2010, available on the Securities Market Association's website at www.cgfinland.fi/en, with the exception of recommendations 26, 29 and 32. Tapio Hakakari, Vice Chairman of the Board, was a member of the Nomination and Compensation Committee also during his position as interim President and CEO as of 8 October 2012 (recommendations 29 and 32). Karri Kaitue, member of the Audit and Risk Management Committee, worked as a consultant for the company in connection with the evaluation of listing MacGregor in Asia and was not independent of the company (recommendation 26).

At the Shareholders' Meeting, Cargotec's shareholders exercise the highest decision-making power. The company is managed by the Board of Directors and the President and CEO.

The corporate governance statement is issued as a separate report and disclosed, together with the financial statements, Board of Directors' report and the remuneration statement, on the company website at www.cargotec.com > Investors > Governance. This information is also included in the annual report for 2012.

Shareholders' Meeting

Cargotec's Shareholders' Meeting is convened by the Board of Directors and held in the company's domicile, Helsinki, Finland. The Annual General Meeting (AGM) is held annually within three months of the closing of the financial period, on a day designated by the Board. An Extraordinary Shareholders' Meeting in respect of specific matters shall be held when considered necessary by the Board, or when requested in writing by a company auditor or by shareholders representing at least ten percent of all the issued shares of the company.

The issues decided on by the AGM include the adoption of the financial statements, distribution of profit, granting

of release from liability to the members of the Board of Directors and to the President and CEO, the election of and remuneration payable to the members of the Board and auditor. The Shareholders' Meeting also has the right to amend the Articles of Association, and make decisions and authorise the Board of Directors to make decisions on the acquisition of treasury shares, on share issues and on option programmes.

Notice of the Shareholders' Meeting is published as a stock exchange release and on Cargotec's website. This notice includes the agenda for the meeting, proposals made by the Board and the Board committees to the meeting and instructions regarding registration and attendance. The names of candidates for the Board of Directors are published in connection with the notice of the Shareholders' Meeting, if the candidates have given their consent to their election and the proposal has been made by the Board Nomination and Compensation Committee, or if the proposal is supported by shareholders representing at least ten percent of the total voting rights of the company. The names of any candidates appointed after the notice has been issued will be published separately if the aforementioned conditions are met. Furthermore, the Board Audit and Risk Management Committee's proposal for the auditor will be published in a similar manner.

It is the company's aim that all members of the Board, the President and CEO and the Auditor be present at the Shareholders' Meeting, and that a candidate standing for the Board for the first time attend the Shareholders' Meeting deciding on the election, unless he or she has a substantive reason to be absent.

2012

The AGM held in Helsinki on 19 March 2012 was attended by 487 shareholders representing 81 percent of the total voting rights of the company. In addition to decisions taken on an annual basis, the AGM authorised the Board of Directors to decide on the acquisition of treasury shares, as well as on a share issue involving the transfer of treasury shares held by the company. All documents related to the AGM are available in the AGM archives on the company website at www.cargotec.com > Investors > Governance > Shareholders' meeting.

At the end of 2012, the company had more than 24,000 shareholders. Cargotec's major shareholders on 31 December 2012 are listed in the Shares and shareholders section of the financial statements, and a monthly updated list is available on the company's website at www.cargotec.com > Investors > Shareholders.

Shareholder rights

Right to request an Extraordinary shareholders' Meeting to be convened

Shareholders representing at least ten percent of all company shares can request that an Extraordinary Shareholders' Meeting be convened, to discuss a specific matter under the purview of the Shareholders' Meeting, by notifying the company's Board of Directors in writing.

Right to raise issues for consideration

Shareholders have the right to raise issues for consideration by the Shareholders' Meeting, if they submit a written request to that effect to the Board in good time for the matter to be included in the notice of the Shareholders' Meeting. The date by which Cargotec's Board of Directors must be notified of all matters to be included in the agenda of the Annual General Meeting is published annually on the company website at www.cargotec.com > Investors > Governance > Shareholders' meeting.

Right to attend

Shareholders have the right to attend the Shareholders' meeting if they have been entered into the register of shareholders at least eight working days before the meeting and if they have notified the company of their intention to attend in the manner specified in the notice of the meeting. Holders of nominee-registered shares can also attend the Shareholders' Meeting by registering themselves in the register of shareholders on a temporary basis. A shareholder can attend the Shareholders' Meeting either in person or via a representative authorised by the shareholder. In the meeting, all shareholders have the right to raise questions and propose resolutions regarding issues on the agenda.

Right to vote

Cargotec has two share classes, each with different voting rights. In the Shareholders' Meeting, each class A share carries one vote, as does each set of ten class B shares, with the provision that each shareholder is entitled to at least one vote.

Right to a dividend

Shareholders registered in Cargotec's shareholder register on the record date of the dividend payment are entitled to dividend. In dividend distribution, class B shares earn a higher dividend than class A shares. The difference between dividends paid on the two classes of shares is a minimum of one cent and a maximum of two and a half cents.

Board of Directors

Composition

Cargotec's Board of Directors includes a minimum of five and a maximum of eight regular members, as well as a maximum of three deputy members. Board members are elected in the Annual General Meeting (AGM) for a term of office that expires at the end of the first AGM following the election. The Board elects the Chairman and Vice Chairman from among its members. The majority of Board members shall be independent of the company and a minimum of two of the independent directors are to be independent of significant shareholders. In the election of Board members, due attention should be paid to ensuring that members mutually complement one another in terms of experience and expertise in the company's line of business and its stage of development.

Responsibilities

The Board is responsible for the management and proper organisation of the company's operations as well as representing the company. The duties of the Board are determined on the basis of the Articles of Association and the Finnish Limited Liability Companies Act. The Board has compiled a written charter for its work that defines its main duties and operating principles. In compliance with the charter, the Board convenes regularly seven to eight times a year, and whenever necessary, by invitation of the Chairman. The Board's responsibilities include approving the company's financial statements and interim reports, the supervision of accounting and the control of the company's financial matters, and preparing issues to be presented to the Shareholders' Meeting. The Board also decides on the company's contributions and loans. The Board appoints Cargotec's President and CEO and determines the related terms of employment. Furthermore, the Board confirms the company's strategic plans as well as significant acquisitions and investments, and approves the company's risk management principles. In each of its

meetings, the Board also discusses issues associated with Cargotec's strategic priorities or other current theme.

Self-assessment and assessment of independence

The Board conducts an annual internal self assessment to review its own performance and procedures. The Board also conducts, annually or when necessary, an assessment of its members as regards their independence of the company and major shareholders.

Committees

The Board has set up two committees to improve the efficiency of board work: the Audit and Risk Management Committee and the Nomination and Compensation Committee.

The Board nominates the members and the Chairmen of the committees from among its members annually, and confirms the committees' written charters. The committees have no independent decision-making power. They prepare minutes of their meetings and report to the Board of Directors on a regular basis.

2012

In accordance with the proposal of the Nomination and Compensation Committee, Tapio Hakakari, Ilkka Herlin, Peter Immonen, Karri Kaitue, Antti Lagerroos, Teuvo Salminen and Anja Silvennoinen were re-elected Cargotec's Board members at the AGM. The Board elected Ilkka Herlin as its Chairman and Tapio Hakakari as its Vice Chairman. Outi Aaltonen, Senior Vice President, General Counsel, served as the Secretary to the Board of Directors.

According to the assessment conducted in March 2012, all members of the Board were independent of the company and, with the exception of Ilkka Herlin and Peter

Immonen, also independent of major shareholders. Ilkka Herlin, Chairman of the Board, is one of the largest owners of Cargotec through the company Wipunen varainhallinta oy controlled by him, holding approximately 23 percent of the votes and over 12 percent of the shares of the company. He is also a Board member in two major shareholder companies, Mariatorp Oy and D-sijoitus Oy. Peter Immonen is a Board member of Wipunen varainhallinta oy and Mariatorp Oy. Tapio Hakakari, who was appointed as interim President and CEO as of 8 October 2012, was dependent of the company during his position as CEO. During 2012 also Karri Kaitue worked as a consultant for the company and was not independent of the company.

In 2012, the Board met 14 times. Special topics discussed at the meetings included follow-up of the strategic focus areas, plans to list MacGregor in Asia as well as the changes in the company's governance model. The Board also discussed the specific issues of each business area at specific theme meetings and followed the building of the technology and development centre in Tampere.

Member attendance in meetings 2012

	Board	Audit and Risk Management Committee	Nomination and Compensation Committee
Ilkka Herlin	14/14	6/6	8/8
Tapio Hakakari	14/14		8/8
Peter Immonen	12/14		8/8
Karri Kaitue	14/14	6/6	8/8
Antti Lagerroos	14/14		
Teuvo Salminen	14/14	6/6	
Anja Silvennoinen	13/14	5/6	

Audit and Risk Management Committee

The committee's duty is to supervise the financial reporting executed by the management, and to monitor the financial statement and interim reporting process. The committee supervises the adequacy and appropriateness of the company's internal control, internal audit and risk management in accordance with its charter, and handles Corporate Audit plans and reports. Furthermore, the committee prepares a proposal to the Annual General Meeting regarding the election and fees of the external auditor, defines and monitors the non-audit services performed by the auditing firm to ensure the auditors' independence, and supervises the statutory audit of financial statements and consolidated financial statements. The committee also reviews the Corporate governance statement.

The Audit and Risk Management Committee consists of a minimum of three members of the Board of Directors. The directors of Finance, Treasury, Corporate Audit and Risk Management report to the committee on a regular basis. Representatives of the auditing firm also attend meetings. If the matters to be dealt with so require, the committee convenes without the presence of the company's management. The committee conducts annual internal self assessments to review its own performance.

2012

The Audit and Risk Management Committee was chaired by Teuvo Salminen and its members were Ilkka Herlin, Karri Kaitue and Anja Silvennoinen. Committee members were independent of the company with the exception of Karri Kaitue, and, with the exception of Ilkka Herlin, independent of major shareholders. It is the Board of Directors' opinion that Ilkka Herlin's committee membership as a major shareholder is justified. Karri Kaitue worked as a consultant for the company in connection with the evaluation of listing MacGregor in Asia and was not independent of the company. The committee did not deal with issues concerning the consultancy contract. Committee members possess years of experience in business management duties.

In 2012, the committee met six times. The average attendance of the committee members was 96 percent and the attendance details are available on the Board of Directors page. The committee discussed thoroughly the development of the finance and risk management functions. During the second half of the year the committee

took a closer look at Kalmar project management and its development. In addition, the ongoing sales and maintenance network enterprise resource planning (ERP) project was discussed through the year.

Nomination and Compensation Committee

The Nomination and Compensation Committee's duty is to prepare a proposal to Cargotec's Annual General Meeting concerning the composition and remuneration of the Board of Directors. Furthermore, the committee prepares a proposal to the Board regarding the appointment of the President and CEO and the terms of employment. It is also the committee's duty to ensure that the resourcing of the company management is appropriate and that their salary and other terms are competitive. Management here refers to the President and CEO, the Executive Board, and people reporting primarily to members of the Executive Board. The Nomination and Compensation Committee confirms the target group and considers, principally once a year, their salary adjustments, bonus principles, bonuses earned and successor planning. Furthermore, the committee's tasks include preparing and presenting to the Board stock option, share, and other employee incentive programmes as well as the company's voluntary pension schemes.

The Nomination and Compensation Committee consists of a minimum of three Board members. The committee convenes as needed but at least three times a year.

2012

Ilkka Herlin acted as chairman of the committee, with Tapio Hakakari, Peter Immonen and Antti Lagerroos as members. Committee members are independent of the company, with the exception of Tapio Hakakari during his interim position as President and CEO as of 8 October 2012. He did not, however, participate in the meeting when his contract was handled. The President and CEO and the Executive Vice President, Human Resources, attended the committee meetings, except when they themselves were the subject of discussion.

In 2012, the Nomination and Compensation Committee convened eight times and all committee members participated in each meeting. In addition to its annual duties, the committee discussed the accuracy of the company's compensation philosophy, changes in the governance model and its implications in the organisation and compensation of key personnel.

CV's of Board members



Ilkka Herlin

born 1959, Finnish, Ph.D.
Chairman

Chairman of the Board 2005–, Chairman of the Nomination and Compensation Committee, member of the Audit and Risk Management Committee

Independent of the company. Significant shareholder (Wipunen varainhallinta oy) and member of the Board of the significant shareholders D-sijoitus Oy and Mariatorp Oy

Wipunen varainhallinta oy, Chairman of the Board 2005–
Security Trading Oy, Managing Director 1987–2000
KONE Corporation, member of the Board 1990–2000

Chairman of the Board

Foundation for a Living Baltic Sea, also co-founder 2008–
Finnish-Chinese Trade Association 2009–

Member of the Board

D-sijoitus Oy 2005–
Mariatorp Oy 2005–
WIP Asset Management Ltd 2005–, Chairman of the Board
2000–2005
Finnish Foundation for Share Promotion 2005–2011
John Nurminen Foundation 2005–2008

Other

Aleksanteri Institute, Deputy Chairman of the Advisory
Board 2011–

Cargotec shares 31 December 2012

2,940,067 class A shares and 5,003,896 class B shares



Tapio Hakakari

born 1953, Finnish, LL.M.
Vice Chairman

Member of the Board 2005– and Vice Chairman 2009–,
member of the Nomination and Compensation Committee,
interim President and CEO as of 8 October 2012

Independent of the significant shareholders, dependent of
the company during his interim position as President and
CEO

KONE Corporation, Director, Secretary to the Board 1998–
2006
KCI Konecranes Plc, Director Administration 1994–1998
Employed by KONE Corporation 1983–1994

Chairman of the Board

Enfo Oyj 2007–
Esperi Care Oy 2006–2010

Member of the Board

Martela Oyj 2003–
Etteplan Oyj 2004–
Hollming Oy 2008–
Opteam Yhtiöt Oy 2011–
Havator Holding Oy 2007–2010

Cargotec shares 31 December 2012

155,563 class B shares



Peter Immonen

born 1959, Finnish, M.Sc. (Econ.)

Member of the Board 2005–, member of the Nomination and Compensation Committee

Independent of the company, dependent of significant shareholders (member of the Board of Wipunen varainhallinta oy and Mariatorp Oy)

WIP Asset Management Oy, Chairman of the Board 1995–2001 and 2005–, Managing Director 2002–2005

Vice Chairman of the Board

Foundation for a Living Baltic Sea 2008–

Member of the Board

Mariatorp Oy 2005–

Wipunen varainhallinta oy 2005–

Finnish Shareholders Association 1988–

Cargotec shares 31 December 2012

65,949 class B shares



Karri Kaitue

born 1964, Finnish, LL.Lic.

Member of the Board 2005–, member of the Audit and Risk Management Committee

Independent of significant shareholders, dependent of the company (consultancy contract)

Employed by the Outokumpu Group 1990–2011:

Outokumpu Oyj, Deputy Chief Executive Officer and Vice Chairman of the Group Executive Committee 2005–2011, Executive Vice President, Strategy and Business Development 2004 and member of the Group Executive Committee 2002–2011

AvestaPolarit Oy (former AvestaPolarit Oyj Abp), Executive Vice President and member of the Executive Committee 2001–2004

Outokumpu Oyj, Senior Vice President, Corporate General Counsel 1998–2001

Outokumpu Group (USA), Assistant Vice President, Corporate Counsel 1996–1998

Chairman of the Board

Destia Ltd 2009–

Vice Chairman of the Board

Outotec Oyj 2006–

Okmetic Oyj 2005–2010

Member of the Board

CapMan Oyj 2012–

Cargotec shares 31 December 2012

2,589 class B shares



Antti Lagerroos

born 1945, Finnish, LL.Lic.

Member of the Board 2008–, member of the Nomination and Compensation Committee

Independent of the company and significant shareholders

Finnlines Plc, President & CEO 1990–2007
 Nokia Mobile Phones, Executive President 1989–1990
 Nokia Corporation, Member of the Board 1986–1990
 Member of the Operating Board 1984–1986
 Salora-Luxor Division, Chairman and CEO 1984–1986
 Salora Oy, President and CEO 1981–1984
 Hollming Oy, President of Legal Affairs and Finance 1979–1981, member of the Board 1978–1983
 Vaasa School of Economics, acting Professor of Fiscal Law 1973–1979
 University of Turku, Lecturer in Process, Criminal and Public Law 1971–1978

Chairman of the Board

Wärtsilä Corporation 2003–2011, member 2002–2003

Member of the Board

Finnlines Plc 1999–2007
 Finnish Maritime Administration 1990–2003
 Memberships in several Finnish listed companies 1990–2010

Member of the Supervisory Board

Sampo Group 1993–2000
 Ilmarinen Mutual Pension Insurance Company 1996–2009

Cargotec shares 31 December 2012

1,949 class B shares



Teuvo Salminen

born 1954, Finnish, M.Sc. (Econ.)

Member of the Board 2010–, Chairman of the Audit and Risk Management Committee

Independent of the company and significant shareholders

CapMan Plc, Advisor 2010–2011
 Employed by Pöyry Plc 1985–2009:
 Group Executive Vice President, Deputy to the President and CEO 1999–2009
 Head of Infrastructure & Environment Business Group 1998–2000
 Head of Construction Business Group 1997–1998
 Chief Financial Officer 1988–1999
 Manager of Finance and Accounting 1985–1988

Chairman of the Board

Havator Oy 2010–
 Holiday Club Resorts Oy 2008–

Vice Chairman of the Board

CapMan Plc 2005–, member 2001–2005

Member of the Board

3 Step IT Group Oy 2011–
 Evli Bank Plc 2010–
 Glaston Corporation 2010–
 Tieto Corporation 2010–
 YIT Corporation 2001–2009

Cargotec shares 31 December 2012

3,183 class B shares

**Anja Silvennoinen**

born 1960, Finnish, M.Sc. (Eng), MBA

Member of the Board 2009–, member of the Audit and Risk Management Committee

Independent of the company and significant shareholders

Senior Vice President, Energy Business Area, Energy and Pulp Business Group UPM-Kymmene Oy 2004–

Employed by Electrowatt-Ekono Oy (part of the Pöyry Group) 2000–2004

Ministry of Trade and Industry, Finland, Industrial Counsellor 1998–2000

Employed by Kymppivoima Oy 1995–1998

Ekono Energy Oy, Senior Consultant 1989–1995

Sheffield Heat and Power Ltd, Technical Manager 1990–1993

Chairman of the Board

VentusVis Oy 2011–

PVO-Vesivoima Oy 2010–

Member of the Board

Renewa Oy 2011–

Fingrid Oy 2006–2011

Kaukaan Voima Oy 2007–2010

Member of the Supervisory Board

Kemijoki Oy 2005–

Other

National Emergency Supply Council 2008–

Cargotec shares 31 December 2012

1,949 class B shares

President and CEO

The Board of Directors appoints Cargotec's President and CEO and determines the related terms of employment. The President and CEO is responsible for ensuring that the targets, plans, guidelines and goals set by the Board are carried out within Cargotec. He also ensures that the accounting practices of the company comply with the law and that financial matters are handled in a reliable manner. The employment terms of the President and CEO are defined in a written employment contract.

Mikael Mäkinen, Cargotec's President and CEO since 2006, was appointed President, MacGregor (former Marine) as of 8 October 2012. Tapio Hakakari, Vice Chairman of the Board of Directors, was appointed interim President and CEO as of 8 October 2012 during the recruitment phase of the new President and CEO. Pekka Vauramo, Chief Operating Officer, acted as Deputy to the CEO until 7 October 2012. After that no Deputy to the President and CEO was appointed.

Cargotec's Board of Directors appointed on 27 January 2013 Mika Vehviläinen as the new President and CEO as of 1 March 2013.

Executive Board

Supporting the President and CEO in his duties, the Executive Board is responsible for business development and the company's operational activities in accordance with targets set by the Board of Directors and the President and CEO. The Executive Board also defines operative principles and procedures in accordance with guidelines set by the Board. The Executive Board convenes every month and whenever necessary. The President and CEO acts as Chairman of the Executive Board.

In September 2012, Cargotec announced plans to develop its governance model towards an organisation driven by three business areas: Marine, Terminals and Load Handling

(called MacGregor, Kalmar and Hiab as of 1 January 2013). Cargotec's Executive Board composition was changed as of 8 October 2012 to support the new governance model and manage the transformation. The role of Cargotec's corporate functions has also been restructured to enable more independent businesses.

Executive Board at the end of the year 2012

- Tapio Hakakari, Vice Chairman of the Board of Directors, interim President and CEO and Chairman of the Executive Board as of 8 October 2012
- Eeva Sipilä, Executive Vice President, Chief Financial Officer
- Mikael Mäkinen, President, MacGregor (former Marine) as of 8 October 2012; President and CEO of Cargotec Corporation and Chairman of the Executive Board until 7 October 2012; headed Marine also 14 May – 1 August 2012
- Olli Isotalo, President, Kalmar (former Terminals) as of 14 May 2012; Executive Vice President, Marine until 13 May 2012
- Axel Leijonhufvud, President, Hiab (former Load Handling)

Members of the Executive Board during 2012

Until 7 October 2012

- Lennart Brelin, Executive Vice President, Americas
- Harald de Graaf, Executive Vice President, Europe, Middle East and Africa
- Stefan Gleuel, Executive Vice President, Services
- Ken Loh, Executive Vice President, Asia-Pacific
- Kirsi Nuotto, Executive Vice President, Human Resources
- Matti Sommarberg, Chief Technology Officer
- Pekka Vauramo, Chief Operative Officer until 1 August 2012; Deputy to the President and CEO until 7 October 2012; Director, Marine 1 August – 7 October 2012

Until 24 August 2012

- Unto Ahtola, Executive Vice President, Terminals until 13 May 2012; Executive Vice President, Development Projects 14 May – 24 August 2012

CV's of Executive Board members



Tapio Hakakari

born 1953, Finnish, LL.M.
Interim President and CEO

Interim President and CEO as of 8 October 2012

Member of the Board of Directors 2005– and Vice Chairman 2009–, member of the Nomination and Compensation Committee

KONE Corporation, Director, Secretary to the Board 1998–2006

KCI Konecranes Plc, Director Administration 1994–1998
Employed by KONE Corporation 1983–1994

Chairman of the Board

Enfo Oyj 2007–
Esperi Care Oy 2006–2010

Member of the Board

Martela Oyj 2003–
Etteplan Oyj 2004–
Hollming Oy 2008–
Opteam Yhtiöt Oy 2011–
Havator Holding Oy 2007–2010

Cargotec shares 31 December 2012

155,563 class B shares



Eeva Sipilä

born 1973, Finnish, M.Sc. (Econ.), CEFA
**Executive Vice President,
Chief Financial Officer**

Employed by Cargotec and member of the Executive Board 2005–

Primary working experience

Senior Vice President, Investor Relations & Communications, Cargotec 2005–2008

Vice President, Investor Relations, Metso Corporation 2002–2005

Equity Analyst, Mandatum Stockbrokers Ltd (Sampo Bank plc) 1999–2002

Key positions of trust

Member of the Board:
Metso Corporation 2012–
Basware Corporation 2010–

Cargotec shares 31 December 2012

In direct ownership 6,540 class B shares,
through Moving Cargo Oy 226,694 class B shares



Mikael Mäkinen

born 1956, Finnish,
M.Sc. (Eng.) Nav. Arch.

President, MacGregor

Employed by Cargotec, Member of the Executive Board
2006–

Primary working experience

President and CEO, Cargotec 2006–2012
Employed by Wärtsilä Corporation 1982–2006:
Deputy to President and CEO 2005–2006
Group Vice President, Ship Power 1999–2006
Managing Director, Wärtsilä NSD Singapore 1997–1998
Vice President, Marine, Wärtsilä SACM Diesel 1992–1997

Key positions of trust

Member of the Board:
Stora Enso Oyj 2010–
Lemminkäinen Corporation 2009–
International Chamber of Commerce ICC Finland 2009–
2011, Chairman in 2012
The Federation of Finnish Technology Industries 2008–
2011
Finpro 2009–2011, Chairman in 2010
Glaston Corporation 2008–2009

Cargotec shares 31 December 2012

In direct ownership 13,820 class B shares,
through Moving Cargo Oy 226,694 class B shares



Olli Isotalo

born 1959, Finnish, M.Sc. (Eng.)

President, Kalmar

Employed by Cargotec 1993–
Member of the Executive Board 2006–

Primary working experience

Executive Vice President, Marine 2006–2012
President, Bromma Conquip AB 2003–2006
Managing Director, Velsa Oy 1999–2002
Vice President, Technology and Production Development,
Kalmar Industries AB 1997–1999

Key positions of trust

Member of the Board:
GS-Hydro Ltd 2011–

Cargotec shares 31 December 2012

In direct ownership 213 class B shares,
through Moving Cargo Oy 226,694 class B shares



Axel Leijonhufvud

born 1961, Swedish,
M.Sc. (Mech. Eng.)

President, Hiab

Employed by Cargotec 2007–

Member of the Executive Board 2008–

Primary working experience

Executive Vice President, Supply, Cargotec 2010–2011

Senior Vice President, Product Supply, Cargotec 2009

Vice President, Product Supply, Kalmar 2007–2008

Vice President, Components, Ruukki Engineering 2005–
2006

CEO, Weibulls group 2000–2005

Managing Director, Weibulls Sweden AB 1996–2000

Production Manager, Saint-Gobain Isover AB 1995–1996

Cargotec shares 31 December 2012

In direct ownership 470 class B shares,

through Moving Cargo Oy 226,694 class B shares

Insiders

Cargotec applies the insider guidelines of NASDAQ OMX Helsinki Ltd, in addition to which Cargotec's Board of Directors has approved internal insider guidelines based on the OMX guidelines.

Insider registers

In compliance with the Finnish Securities Markets Act, Cargotec's permanent public insiders due to their positions are the members of the Board, the President and CEO, the auditors, and members of the Executive Board as defined by the company. Information in the public register of insiders is updated every stock exchange trading day and is available on the company website www.cargotec.com > Investors > Shareholders > Insider register.

The company's permanent company-specific group of insiders includes people employed by the company, and people who work for it under contract, and who, due to their duties, have regular access to insider information. People who, on the basis of an employment or other contract, work for the company and obtain insider information associated with a specific project, are entered in the company's project-specific insider register, which is established when necessary.

Trading rules

Permanent insiders are prohibited from trading in Cargotec's securities for 21 days prior to the publication of Cargotec's interim reports or financial statement releases (closed window). Project-specific insiders are prohibited from trading in the company's securities until the project concerned has been cancelled or disclosed.

Insider administration

Corporate Legal is responsible for adherence to insider guidelines and for monitoring the duty to declare as well

as the maintenance of insider registers. The company maintains its insider registers in Euroclear Finland Oy's SIRE system.

External audit

The statutory external audit for the financial period includes auditing of accounting records, financial statements and administration. In addition to the auditor's report issued annually, the auditors report to the Board of Directors on their audit findings on a regular basis, and attend the Board Audit and Risk Management Committee meetings.

According to the Articles of Association, the company has at least one and a maximum of three auditors. The auditors must be public accountants authorised by the Central Chamber of Commerce, or an auditing firm. The auditors are elected annually by the Annual General Meeting (AGM) and their assignment expires at the end of the first AGM following the election.

2012

The Audit and Risk Management Committee arranged a competitive bidding round for corporate audit services, and based on the bids received made a proposal to the AGM that Authorised Public Accountants (APA) Jouko Malinen and PricewaterhouseCoopers Oy be elected as Cargotec's auditors. The AGM elected the auditors according to the proposal. PricewaterhouseCoopers nominated APA Tomi Hyryläinen as its principal auditor. Auditors' fees are compensated against an invoice.

PricewaterhouseCoopers Oy, APA, has acted as Cargotec's auditor since 2005. Jouko Malinen, APA, has acted as the principal auditor nominated by the auditing firm 2005–2012.

Fees paid to auditors

MEUR	1 Jan–31 Dec 2012	1 Jan–31 Dec 2011
Annual audit	1.9	2.6
Tax advice	1.0	0.9
Other services	0.9	0.3
Total	3.8	3.8

Internal control of the financial reporting process

Cargotec compiles its financial reporting in accordance with the International Financial Reporting Standards (IFRS), the Securities Markets Act, the Finnish Accounting Act and the Finnish Accounting Board's guidelines and statements, while complying with the standards of the Financial Supervisory Authority (FIN-FSA) and the rules of NASDAQ OMX Helsinki Ltd. The internal control and risk management principles, guidelines, practices and responsibilities pertaining to the company's financial reporting process, have been designed to ensure that the financial reports disclosed by Cargotec are reliable and meet the requirements of the law, regulations and company principles.

Instructions regarding the publication of financial information and external communications are included in Cargotec's disclosure policy approved by the Board of Directors. This is available in Cargotec's intranet and on the company website at www.cargotec.com > Investors > Investor services. Investor Relations together with Corporate Communications are responsible for ensuring the accuracy of and compliance with the policy.

Internal control

The objective of Cargotec's internal control is to ensure that its operations are efficient and profitable, its risk management is adequate and appropriate, and that financial and other information produced is reliable. Cargotec's internal control is based on its values and the code of conduct. With respect to the financial reporting process, these are supported by Cargotec's policies and guidelines, as well as its clearly defined internal financial reporting process and communication. Cargotec's internal control policy, which is approved by the Board of Directors, specifies the applicable control principles, procedures and responsibilities. Similarly to other Cargotec operations, responsibility for internal control is divided into three tiers. Line management is primarily responsible for internal control. This is backed up by corporate support functions, which define instructions applicable across the company and supervise risk management. Internal and external audits form the third tier, their task being to ensure that the first two tiers are functioning effectively.

Cargotec's Corporate Audit function operates separately from the operative organisation and reports to the Board Audit and Risk Management Committee and, administratively, to the President and CEO. In 2012, Corporate Audit was developed to be more business oriented. Corporate Audit will concentrate especially on the central risks that have been identified in the company's risk map and will follow the risk mitigation. The audits of the operations of major subsidiaries and business units assess the effectiveness of internal control and risk management, as well as compliance with operating principles and guidelines. Furthermore, Corporate Audit audits and assesses financial reporting processes and compliance with related control measures in Cargotec units. It regularly reports on its findings and audit activities to the company management and the Board Audit and Risk Management Committee.

Risk management

In Cargotec, risk management is part of internal control operations. Approved by the Board of Directors and based on Cargotec values, the risk management policy specifies the objectives and principles of the risk management as well as the responsibilities involved. A core principle is continuous, systematic and preventive action taken to identify risks, define the company's risk appetite, assess and handle risks and, if they materialise, to deal with them effectively. The President and CEO and the Executive Board are responsible for the methods, implementation and supervision of risk management, and report on these to the Board of Directors. Cargotec's risk management is spread across units and corporate support functions that assign responsibility for risk management and are in charge of identifying, managing and reporting risks. Financial risks are centrally managed by the Corporate Treasury, which draws up financial risk reports for corporate management and the Board of Directors on a regular basis.

Financial reporting process

The effectiveness of internal control measures related to financial reporting is monitored by the Board of Directors, the Audit and Risk Management Committee,

the President and CEO, the Executive Board and business area management teams. Various control measures, such as reconciliations, logic analyses and comparative analyses, are performed at different organisational levels. The purpose of these control measures is to detect, prevent and correct any errors and deviations in financial follow-up.

Cargotec's financial reporting is based on monthly performance monitoring in a centralised reporting system. Financial reports are first reviewed at reporting unit level, and then in the review meetings of the operative management teams on division level, followed by business area level review. Finally, the reports are handled at the Executive Board's monthly review meeting. Financial information is also reported to the Board of Directors on a monthly basis. Controllers report any deviations from the plans to the management teams, analyse the reasons for such deviations and support the management in decision-making. Monthly reviews also ensure that performance is in line with annual targets and financial forecasts are up to date.

The financial reporting and planning instructions (Cargotec accounting standards and Cargotec reporting manual)

are available to all employees on Cargotec's intranet. The company's finance function aims to harmonise the practices and procedures applied by controllers, while ensuring consistent interpretation of instructions and further improving them. In addition to the two global Cargotec Finance Excellence programmes carried out in 2011, one training programme was organised in 2012 to enhance finance-related competence and to support operational consistency.

Efforts continued in 2012 to harmonise financial reporting across Cargotec. A common enterprise resource planning (ERP) system for the sales and maintenance network was implemented in several European countries. At the same time, the countries started to make use of Cargotec's Shared Service Centre for financial services. Based on the experience from the implementation, the processes were specified and the reporting tools were developed. The implementation will continue in several countries during 2013. A substantial part of the operations of the Shared Service Centre was outsourced to a partner. The improvement of the quality of processes and operations as well as cost-efficiency will continue in 2013.