

# Insider Regulations

**Revised 13 June 2016**

The Board of Directors of Cargotec Corporation has on 13 June 2016 accepted these Insider Regulations that base on the EU and national legislation and on the Guidelines for Insiders given by Nasdaq Helsinki Ltd.

## 1 INTRODUCTION

Insider legislation governs the maintenance of insider lists, list of Managers and their closely associated persons, the publicity of Managers' transactions and the disclosure of inside information, with the purpose of maintaining market integrity, promoting trust in the securities markets and preventing incidents of market abuse. Cargotec is committed to these objectives and therefore informs its' personnel with these regulations of the appropriate procedures relating to the use of inside information and trading with Cargotec financial instruments.

*Inside information* refers to all information, relating to Cargotec, to one or more financial instruments, which is of a precise nature, which has not been made public, and which, if it were made public, would be likely to have a significant effect on the prices of Cargotec financial instruments.

*Insider* means a person possessing inside information. In most situations being an insider is based on position and work duties or taking part in a particular project. It is also possible to become an insider accidentally by simply receiving inside information.

*Manager* means person discharging managerial responsibilities in Cargotec, as defined in section 5.

*Closely associated person* means person or organisation closely associated with a Manager, as defined in section 5.

*Cargotec* means the Cargotec group of companies as a whole.

*FSA* means the Finnish Financial Supervisory Authority.

## 2 SCOPE OF PROHIBITION AND CONFIDENTIALITY

Cargotec personnel, their outside advisors and all other parties must maintain the secrecy of Cargotec inside information, regardless of the way the information is received and whether the receiving party is registered as an insider or not.

It is always prohibited to use inside information in transactions with financial instruments. If inside information is used with the purpose to gain economic benefit for the receiving party itself or for any other person, the act is punishable according to the Penal Code.

Disclosure of inside information by insiders is in principle always prohibited. Disclosure is, however, permitted to the disclosing party's subordinates or advisors in the normal course of exercising professional duties under the preconditions that

- the disclosure is justifiable in view of Cargotec's operations;
- the receiving party is aware of the confidential nature of the information and bound by confidentiality obligations (by law or by contract) and
- the receiving party is added into the relevant insider list.

It is forbidden to try to circumvent these Insider Regulations by using a third party as an intermediary or giving advice in securities transactions, even if the inside information itself would not be disclosed to such third party.

### **3 TRADING RULES**

#### **3.1 Prohibition to trade**

Cargotec regards it as desirable that its employees and elected officials acquire Cargotec financial instruments as long-term investments. It is recommended to schedule the trading with Cargotec's financial instruments as far as possible to the moment, when the markets have as exact information as possible of the issues influencing the value of the security (e.g. after the publication of earnings information).

Trading in Cargotec financial instruments is prohibited

- (i) if a person possesses inside information or
- (ii) regarding permanent insiders (as defined in section 4.1) and their dependent children, during a period of 30 days prior to the publication of Cargotec's annual or interim reports (closed window) or
- (iii) regarding persons having access to full Cargotec financials, especially persons engaged with preparing Cargotec's annual or interim reports, and their dependent children, during a period of 30 days prior to the publication of such report.
- (iv) regarding project-specific insiders, for the duration of the project until the project is published or otherwise terminated.

The insider or Manager may apply for permission to trade during closed window period, under following conditions: a) the person's exceptional circumstances, such as financial problems, require immediate sale of shares; or b) regarding transactions that belong to the employees shareholding or saving programme or acquisition of shares as part of a managerial position or if the holding in the financial instrument does not change. The permission will be granted by Cargotec General Counsel.

#### **3.2 Advance evaluation**

Cargotec General Counsel may, at the insider's initiative, evaluate in advance the compliance of a planned transaction with Cargotec financial instruments with the valid insider regulations. Such evaluation is voluntary and conducted on the basis of the information provided by the insider and otherwise available at the time of the evaluation. Such advance evaluation does not, however, alter the

insider's ultimate responsibility for the compliance of its trading decision with the valid insider regulations.

## **4 INSIDER LISTS**

Cargotec maintains lists on both permanent and project-specific insiders. The lists are not made public. They are only available to Cargotec insider management personnel and to FSA and other authorities by request.

Corporate Legal notifies the permanent and project-specific insiders of the commencement of their insider status by e-mail containing these Insider Regulations. The persons receiving the notification and included in the lists are obliged to approve in writing the legal and regulatory obligations regarding inside information and their awareness of the sanctions of insider trading and illegal disclosure of inside information.

### **4.1 Permanent insider list**

Persons who have access to all Cargotec inside information when performing their duties are registered permanently. The members of the Board of Directors, the CEO and the other members of the Extended Executive Board are included in the permanent insider list, together with other persons determined by Cargotec.

### **4.2 Project-specific insider list**

A project may be defined as a specifiable plan or scheme that contains inside information, is prepared confidentially and upon implementation is likely to have a material effect on Cargotec's financial instruments.

As an issuer, Cargotec must disclose to the public as soon as possible such inside information that directly concerns the issuer. Cargotec may delay the disclosure of inside information provided that all of the following conditions are met: 1. immediate disclosure is likely to prejudice the legitimate interests of Cargotec; and 2. delay of disclosure is not likely to mislead the public; and 3. Cargotec is able to ensure the confidentiality of that information.

If these conditions are met, Cargotec must make a decision to delay disclosure of inside information, document the said decision and establish a project-specific insider list. The decision is made by the Board of Directors, CEO, CFO or the Executive Board.

Project-specific insider lists are maintained for the duration of individual projects. In addition to Cargotec personnel, also external advisors (attorneys, consultants) are registered, if they receive project-specific inside information in fulfilling their contractual duties. Persons registered in the permanent insider list are not registered in the project-specific lists.

The person in charge of a project evaluates case-by-case whether the threshold for deciding on delaying the disclosure of inside information and establishing a project-specific insider list is reached. The evaluation criteria are complex and require overall evaluation of all known factors. Therefore it is recommended that persons in charge of the project familiarize themselves with the Nasdaq Helsinki Ltd's Guidelines for Insiders and contact Corporate Legal for assistance in the evaluation process.

The following events are typically considered as projects: large reorganisations of the whole or a substantial part of Cargotec, significant corporate or business acquisitions, issuance of shares and important cooperation agreements. The list is non-exhaustive.

## 5 LIST OF MANAGERS AND THEIR CLOSELY ASSOCIATED PERSONS

Cargotec is obliged to maintain a list of its' Managers and their closely associated persons. The list is not made public. It is only available to Cargotec insider management personnel.

Cargotec's **Managers** include persons discharging managerial responsibilities in Cargotec, i.e. the members of the Board of Directors, the CEO and the other members of the Executive Board. **Closely associated persons** means persons or organisations closely associated with a Manager. Such related associated persons include

- a) a spouse and partner;
- b) a dependent child;
- c) a relative who has shared the same household for at least one year on the date of the transaction;
- d) a legal person, trust or partnership, the managerial responsibilities of which are discharged by the Manager or a person closely associated to the Manager; or
- e) a legal person, trust or partnership, which is directly or indirectly controlled by the Manager or a person closely associated to the Manager, or which is set up for the benefit of the Manager or a person closely associated to the Manager, or the economic interests of which are substantially equivalent to those of the Manager or a person closely associated to the Manager.

On becoming a Manager of Cargotec, a person will be informed by Corporate Legal on the Manager status and its' implications, including the obligation to notify of any transactions made with Cargotec financial instruments. The Manager must declare as soon as possible the information necessary for identifying the Manager and her/his closely associated persons. The Manager must also notify her/his closely associated persons of their individual duties as defined in section 6, Duty to declare. The Manager is obliged to inform the closely associated persons of possible changes in her/his position (for example commencement or termination of a board membership or other managerial position) and respectively inform Cargotec of changes in the sphere of the closely associated persons.

## 6 DUTY TO DECLARE

### 6.1 Managers' and closely associated persons' duty to notify of transactions

Cargotec Managers and their closely associated persons have an individual obligation to notify Cargotec and the FSA of every transaction conducted on their own account relating to Cargotec's financial instruments, such as acquisitions, disposals, pledging, lending and subscription of financial instruments as well as gifts given or received and inheritance received. Financial instruments covered by the notification obligation include, inter alia:

- Cargotec class A and class B shares;
- Cargotec debt instruments, such as bonds and convertible bonds, money-market instruments (for example certificates of deposits and commercial papers) and interest rate warrants;
- derivatives linked to the shares and debt instruments of Cargotec, such as options, forwards, futures, swaps, warrants, credit default swaps (CDSs) and contracts for difference (CFDs); and

- other financial instruments linked to Cargotec's shares and debt instruments, such as units and shares of UCITS/AIF, units and shares of index funds, depositary receipts and exchange-traded funds (ETFs).

The notification obligation also covers transactions conducted by a third party on behalf of the Manager or the closely associated person and transactions conducted under insurance products when the transaction in question relates to Cargotec's financial instruments.

The notification shall be made promptly and no later than three (3) business days after the date of the transaction using the [form provided by the FSA](#). The form shall be sent to Cargotec by email to [insider@cargotec.com](mailto:insider@cargotec.com) and to FSA by secured email (via <https://securemail.bof.fi>) to [johdonkaupat@finanssivalvonta.fi](mailto:johdonkaupat@finanssivalvonta.fi). Further instructions are available on Cargotec website [www.cargotec.com](http://www.cargotec.com) > Investors > Shareholders > Notification of transactions by Managers and closely associated persons.

## 6.2 Cargotec's duty to disclose the notifications

Cargotec has an obligation to disclose the notification made by the Manager or his/her closely associated person in the form of a stock exchange release within the same time limit, i.e. no later than three (3) days after the date of the transaction.

## 7 SANCTIONS

EU and national legislation include sanctions to both persons and the company. FSA is also authorised to impose administrative sanctions for individuals and legal persons, who fail to fulfil their obligations relating to insider regulations.

It is notable that the sanctions can be imposed on any person guilty of abuse of inside information, irrespective of that person's insider status or relationship with Cargotec.

Cargotec employees can notify the company of any suspected breach of laws and regulations as defined in the Code of Conduct.

## 8 INSIDER MANAGEMENT

The General Counsel of Cargotec is responsible for the overall insider management in Cargotec, including necessary training. Corporate Legal is responsible for maintaining the list of Managers and the insider lists and informing the insiders on their insider status and of closed windows. Corporate Communications is responsible for disclosing the Managers' transactions.

## 9 LEGAL BASIS

These Insider Regulations base on and are complemented by the following laws and regulations:

- *Market Abuse Regulation No 596/2014/ EU and directive on criminal sanctions for market abuse 2014/57/EU (MAD II) and the related second and third level EU regulation*
- *Securities Markets Act ;*
- *Penal Code Chapter 51;*

- *Act on Financial Supervisory Authority;*
- *Nasdaq Helsinki Guidelines for Insiders*

Cargotec insiders and other employees may request copies of the above documents from Corporate Legal or obtain them from the internet.

## **10 VALIDITY**

These Inside Regulations shall be valid as of 3 July 2016.