

Remuneration Statement 2013

Cargotec's remuneration statement presents the company's remuneration principles and the remuneration paid to members of the Board, President and CEO and the Executive Board in 2013. The statement also describes Cargotec's long-term incentive plan.

Board of Directors

The Annual General Meeting decides on the remuneration of members of the Board of Directors, on the basis of a proposal made by the Board's Nomination and Compensation Committee. In determining such remuneration, the Committee takes account of the Board members' responsibilities and obligations towards the company. Furthermore, the Committee compares the Board's remuneration packages to those paid by other companies of the same size (sales) operating in a comparable business environment.

Based on the decision of the Annual General Meeting of 20 March 2013, the Board's annual remunerations for the year 2013 are as follows:

- Chairman: EUR 80,000
- Vice Chairman: EUR 55,000
- Chairman of the Audit and Risk Management Committee: EUR 55,000
- Other Board members: EUR 40,000

In addition, a fee of EUR 500 is paid for attendance of meetings of the Board and its committees.

Of the total annual remuneration, 30 percent is paid in Cargotec's class B shares and the rest in cash. The shares will be purchased at market price on a quarterly basis. Board members must keep the shares they have obtained as annual remuneration under their ownership for at least two years from the day they obtained them.

Tapio Hakakari, Vice Chairman of Cargotec's Board of Directors, worked as interim President and CEO until 28 February 2013. In addition to remuneration related to Board and Committee memberships, Tapio Hakakari received separate compensation for his work as interim President and CEO. Excluding Tapio Hakakari's temporary arrangement, the Board members receive only remuneration related to their Board and Committee memberships and Board work from the company. Board members are not included in Cargotec's short-term or long-term incentive plans.

Remuneration paid to Board members in 2013 is shown in the following table.

Member of the Board	Remuneration for Board membership and Board work, EUR*	Number of class B shares obtained as remuneration**	Remuneration for the work done for the company, EUR
Ilkka Herlin, Chairman	92,740	991	
Tapio Hakakari, Vice Chairman	64,740	682	70,040
Jorma Eloranta, member ¹	35,500	234	
Peter Immonen, member	49,500	496	
Karri Kaitue, member ²	11,500	262	
Antti Lagerroos, member	49,000	496	
Teuvo Salminen, member	60,750	584	
Anja Silvennoinen, member	49,000	496	
Total	412,730	4,241	70,040

* Including annual remuneration, meeting attendance fees and fringe benefits

** Value included in remuneration for Board membership and Board work

¹ 20 Mar–31 Dec 2013

² 1 Jan–20 Mar 2013

President and CEO and the Executive Board

Cargotec's reward principles are applied in determining the total remuneration of the President and CEO and the Executive Board. The Nomination and Compensation Committee (NCC) decides on base salaries, the short-term incentive plans and other benefits of the Executive Board members. Based on a proposal by the NCC, the Board of Directors decides on the annual base salary, incentive plans and benefits of the President and CEO. In addition, the Board of Directors decides on long-term incentive programmes and on the target group and allocation of such programmes based on a proposal by the NCC.

The total remuneration structure of the President and CEO and the Executive Board comprises a fixed base salary including fringe benefits and incentive plans, for which both short and long-term targets have been defined. The variable salary component consists of a share-based incentive programme and an option programme, both linked to the company's long-term targets, as well as short-term bonus.

In 2013, the short-term bonus plan included financial and strategic individual targets. Based on the 2013 short-term incentive plan, the maximum annual bonus level for President and CEO **Mika Vehviläinen** is 100 percent of the annual

base salary. For other members of the Executive Board it is 60 percent of the annual base salary at the maximum. The bonus payout based on 2013 targets will be made in 2014.

For the financial period 2013 (as of 1 March 2013), the base salary of Cargotec's President and CEO Mika Vehviläinen was EUR 498,710 including fringe benefits. In addition costs incurred when cancelling benefits included in his previous contract was compensated with a single non-recurring payment amounting to EUR 80,000. The President and CEO is covered by Cargotec's share-based incentive programme, option programme and short-term incentive programme. Cargotec's Board of Directors has granted Mika Vehviläinen 60,500 Cargotec 2010A stock options. He will be obliged to keep the stock options and shares possibly subscribed for with the stock options for a period of one year until 1 April 2014.

The remuneration paid in 2013 (until 28 February 2013) to the Interim President and CEO, Tapio Hakakari, was EUR 70,040. Tapio Hakakari is not a participant in the share-based incentive programme, option programme nor the short-term incentive programme.

The monetary remuneration paid to the President and CEO, Interim President and CEO, and Executive Board members in 2013 is stated in the tables below.

	Base salary including fringe benefits, EUR	Short-term bonus payout, EUR
Interim President and CEO Tapio Hakakari 1 Jan–28 Feb 2013	70,040	
President and CEO Mika Vehviläinen 1 Mar–31 Dec 2013	498,710	
Other members of Executive Board 1 Jan–31 Dec 2013*	1,442,328	295,947

* Eeva Sipilä, Mikko Pelkonen (as of 12 Aug 2013), Eric A. Nielsen (as of 16 Sep 2013), Olli Isotalo, Mikael Mäkinen (President, MacGregor 1 Jan–15 Sep 2013), Axel Leijonhufvud (President, Hiab 1 Jan–24 Oct 2013).

The total number of shares and share-related rights granted to the President and CEO Mika Vehviläinen and Executive Board is summarised in the following table. Realisation of the shares and share-related rights is based on the earnings criteria described in the section Long-term incentive plan.

Number of shares and share-related rights granted	President and CEO Mika Vehviläinen	Other members of Executive Board
2013		
Share-based incentive programme, earnings period H2 2013 (on target performance), number of class B shares (gross)	11,500	21,900
2012		
Option programme in 2012, 2010C option rights		16,000
Share-based incentive programme, earnings period 2012–2014, number of class B shares (gross)		20,000
2011		
Option programme in 2011, 2010 B option rights		16,000
Share-based incentive programme, earnings period 2011–2013, number of class B shares (gross)		15,000
2010		
Option programme in 2010, 2010A option rights	60,500	17,500
Share-based incentive programme, earnings period 2010–2012, number of class B shares (gross)		14,000

The members of the Executive Board are entitled to a statutory pension. Their retirement age is determined in line with the statutory pension scheme. For Finnish nationals on the Executive Board, the statutory retirement age is 63 years in accordance with the current legislation.

Members of the Executive Board have a period of notice of 6 months and are entitled to compensation, for termination of employment, corresponding to 6 to 12 months' salary.

Long-term incentive plan

Share-based incentive programme 2013

In August 2013, the Board of Directors has approved a new share-based incentive programme for key personnel of

Cargotec. The purpose of the programme is to encourage the key persons to work to increase long-term shareholder value and also to commit them to the company. The programme consists of an earnings period based on the H2 2013 financial performance and a holding period of approximately two years following the performance period.

The potential reward will be delivered in Cargotec class B shares. The shares will be delivered in spring 2014 and will be released in two tranches during year 2015. The minimum earnings criterion was corporate operative cash flow of EUR 127.8 million for H2 2013, which was fulfilled. Additionally, business area specific earnings criterion was fulfilled by one business area. The number of the participants was 43 persons, including Cargotec's President and CEO and members of the Executive Board, of which 20 will be rewarded.

Earnings period	Earnings criteria	Target group	Outcome
H2 2013	Cargotec corporation and Business Area specific operative cash flow	43 participants, including Executive Board members	20 participants

Share-based incentive programme 2010

In March 2010, the Board of Directors decided to establish a share-based incentive programme for Cargotec executives. This programme aims to ensure the alignment of shareholders' objectives with those of executives, in order to increase the value of Cargotec, while committing the executives to the company and offering them a competitive incentive programme based on ownership in the company.

The programme includes three earnings periods, each lasting for three calendar years, which commence in 2010, 2011 and 2012. The Board of Directors has decided on the target group, earnings criteria and the targets to be established for them, as well as the maximum amount of payable reward for each earnings period.

In 2013, 2014 and 2015 the potential payment will partly be in Cargotec's class B shares and partly in cash. The proportion to be paid in cash is intended to cover taxes and tax-related costs arising from the reward. Rewards to be paid

on the basis of the earnings periods 2010–2012, 2011–2013 and 2012–2014 will correspond to a maximum total of 300,000 Cargotec class B shares (including the proportion to be paid in cash). If the employment terminates before the share payment, the participant will lose the right to the share reward.

In the spring of 2011, the Board of Directors decided to alter the terms of its share-based incentive programme in such a way that persons covered by the system receive full rights to rewarded shares at the time of payment. The terms of the share-based incentive programme, which forbade the transfer of shares for two years from each reward payment, were removed. In this way, the programme's duration for each share lot was shortened from five to three years.

The minimum earnings criterion for the first earnings period 2010–2012 and for the second earnings period 2011–2013 were not fulfilled and hence there is no payout based on the first and second earnings periods. Information concerning the share-based incentive programme's earnings criteria and target group is summarised in the table below.

Earnings period	Earnings criteria	Target group
First earnings period 2010–2012	Operating profit margin and sales for financial year 2012	Executive Board in spring 2010
Second earnings period 2011–2013	Operating profit margin and sales for financial year 2013	Executive Board in spring 2011
Third earnings period 2012–2014	Operating profit and sales for financial year 2014	Executive Board in spring 2012

Option programme

The Annual General Meeting on 5 March 2010 confirmed that stock options will be issued to the key personnel of Cargotec and its subsidiaries. This programme is intended to encourage key personnel to engage in long-term work in increasing the company's shareholder value, as well as to commit key personnel to the employer. The maximum total number of stock options reserved for the programme is 1,200,000. On an annual basis, in the spring of the years 2010 (2010A stock options), 2011 (2010B stock options) and 2012 (2010C stock options), the Board has decided on the programme's target group, earnings criteria and option issuance.

In the spring of 2010, 2010A option rights were issued to 54 persons, including the members of Cargotec's Executive Board. In the case of the 2010A option right, the share subscription price is EUR 21.35 per share (the trade volume weighted average price of the company's class B share on NASDAQ OMX Helsinki Ltd during the period 8–19 March 2010). Any annual dividends paid are deducted from the

subscription price. 2010A option rights entitling to 400,000 Cargotec class B shares, either new or treasury shares held by the company, were subject to a criterion regarding the operating profit for 2010. Since the operating profit target was fulfilled, share subscription for all 332,000 2010A stock options granted began in April 2013, as per the programme terms and conditions.

In the spring of 2011, the Board issued 2010B stock options to nearly 80 persons, including the members of Cargotec's Executive Board. In the case of the 2010B option right, the share subscription price is EUR 31.23 per share (the trade volume weighted average quotation of the class B share on NASDAQ OMX Helsinki Ltd during 14–25 March 2011). Any annual dividends paid are deducted from the subscription price. 2010B option rights entitle their holders to subscribe for a total maximum of 400,000 class B shares in Cargotec, either new or treasury shares held by the company. The earnings criteria for stock option 2010B included a provision on the operating profit for 2011; this operating profit target

was partly fulfilled. Share subscription for 25,456 2010B stock options will begin in April 2014, as per the programme terms and conditions.

In the spring of 2012, the Board issued 2010C stock options to nearly 80 persons, including the members of Cargotec's Executive Board. In the case of the 2010C option right, the share subscription price is EUR 28.80 per share (the trade volume weighted average quotation of the class B share on NASDAQ OMX Helsinki Ltd during 26 March–6 April 2012). Any annual dividends paid are deducted from the subscrip-

tion price. 2010C option rights would have entitled their holders to subscribe for a total maximum of 400,000 class B shares in Cargotec, either new or treasury shares held by the company. The minimum earnings criterion for stock options 2010C subscription to commence was 2012 operating profit of EUR 230 million. The target was not fulfilled.

If the employment terminates before the share subscription period has begun, the participant will lose the right to the options.

The subscription periods and earnings criteria for Cargotec's option programme's are as follows:

	Subscription price, dividends deducted, EUR (as of 1 April 2013)	Subscription period	Earnings criteria
Stock options 2010A	19.02	1 April 2013–30 April 2015	Operating profit 2010
Stock options 2010B	29.51	1 April 2014–30 April 2016	Operating profit 2011
Stock options 2010C	28.08	1 April 2015–30 April 2017	Operating profit 2012