

PALFINGER AG
Bergheim, Austria, entered into the commercial register
under file no. FN 33393 h

Proposals to the
Annual General Meeting
7 March 2018

- 1. Presentation of the financial statements, including the management report and the corporate governance report, the consolidated financial statements, including the consolidated management report, the proposal with respect to the distribution of profits and the report of the Supervisory Board for the 2017 financial year**

No resolution is required in respect of this agenda item.

- 2. Resolution on the distribution of the net profit for the year**

The management board and the supervisory board suggest to make use of the balance sheet profit of the financial year in the amount of EUR 306,750.283,38 as follows:

- (i) Distribution of a dividend of EUR 0,47 for each share; a total dividend of EUR 17,668.831,-
- (ii) To carry forward onto new account the remaining amount of EUR 289,051.452,12.

Dividend payment day is the 13th of March 2018.

The financial year 2016 was closed with a balance sheet profit of € 287.096.880,35.

- 3. Resolution on the discharge of the members of the Management Board from their responsibility for the 2017 financial year**

The Management Board and the Supervisory Board propose to resolve on the discharge of the members of the Management Board holding office in 2017 from their responsibility for such time.

- 4. Resolution on the discharge of the members of the Supervisory Board from their responsibility for the 2017 financial year**

The Management Board and the Supervisory Board propose to resolve on the discharge of the members of the Supervisory Board holding office in 2017 from their responsibility for such time.

5. Resolution on the remuneration for the Chairman of the Audit Committee

The Management Board and the Supervisory Board propose to resolve on an adjustment of the remuneration for members of the supervisory board (approved on March 9, 2016) as follows:

In addition to the existing remuneration the Chairman of the Audit Committee shall receive an annual remuneration of EUR 15.000,- from the financial year 2018 onwards.

The payment shall be made pro rata (on monthly basis).

The amounts determined for the fixed compensation are to be adjusted according to the consumer price index 2010 announced by Statistik Austria starting for the financial year 2018 (base index January 2018) (if this index will not be announced, by a possible successor index). Based on the monthly index for January announced by Statistik Austria and the base index (January 2018) or the last decisive index number for the value adjustment, the remuneration and the attendance fees will be adjusted for the whole current financial year.

6. Election of the auditor of the financial statements and the consolidated financial statements for the 2018 financial year

Following a recommendation made by the Audit Committee, the Supervisory Board proposes to elect Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H., Salzburg, as the auditor of the financial statements and the consolidated financial statements for the 2018 financial year.

7. Election of one member to the Supervisory Board

Dawei Duan announced to step down as member of the Supervisory Board.

According to para. 10.1 of the Articles of Association, the Supervisory Board consists of four to eight members elected by a General Meeting.

Since the last elections to the Supervisory Board during the Annual General Meeting, the Supervisory Board has had 6 members elected by the Annual General Meeting. (The members of the workers council are in addition, according to the Austrian "Arbeitsverfassungsgesetz".)

In the upcoming annual general meeting one member is to be elected. Thus the Supervisory Board shall after the Annual General Meeting on March 7, 2018 again consist of 6 members elected by the Annual General Meeting.

The following proposal by the supervisory board is made in compliance with § 87/2a of the Austrian "AktG" and the Austrian Corporate-Governance-Code.

PALFINGER AG is bound to § 86/7 of the Austrian "AktG" and has to stick to the quota regulation according to § 86/7 AktG.

A veto based on § 86/9 AktG was neither communicated from the majority of supervisory board members elected by a general meeting nor from the majority of the members appointed by the workers council. That's why there is no separate but a common fulfilment of the quota regulation according to § 86/7 AktG.

Based on that a female candidate has to be proposed in order to fulfil the quota regulation according to § 86/7 AktG.

The supervisory board proposes to elect with effect as from the end of this annual general meeting Ellyn Shenglin Cai, born on September 27, 1986, in compliance with section 10.2. of the Articles of Association until the end of the annual general meeting which decides on the discharge from responsibility for the fourth financial year after his election, not taking into account the year of election. Should the present balance sheet date (31 December) be maintained, the term of office of the Supervisory Board member to be elected would expire at the end of the General Meeting resolving on their discharge from responsibility for the 2022 financial year.

The candidate nominated has submitted a statement pursuant to sec. 87 para. 2 of the (Austrian) Companies Act (AktG), which is also available for download at the Company's website.

The nomination committee of the Supervisory Board prepared the proposal above according to § 87 /2a AktG and taken into consideration the qualification and expertise, diversity, gender and internationality of the members.

In such election the AGM is bound by the nominations in the following manner. Any nominations of new Supervisory Board members, including the statements pursuant to sec. 87 para. 2 of the Companies Act made by the candidates nominated, must be made available at the Company's website by 28 February 2018 at the latest, in default whereof the candidate concerned will not be included in the vote. This also applies to any nominations made by shareholders pursuant to sec. 110 of the Companies Act that have to be presented to the Company in text form (i.e. in writing but no signature required) no later than 27 February 2017. With regard to the details and prerequisites for considering such nominations please refer to the "Information on shareholders' rights under secs. 109, 110, and 118 of the Companies Act".

Bergheim, 8th February 2018