



PALFINGER AG
Bergheim
FN 33393 h, ISIN AT0000758305

Invitation to AGM

We hereby invite our shareholders to the Annual General Meeting of PALFINGER AG to be held on **Wednesday, 7 March 2018, at 11.00 a.m.**, at **PALFINGER's Brand World** in **5211 Lengau, Kapellenstrasse 18**, a production site of an Austrian group company.

I. AGENDA

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
2. Resolution on the distribution of the net profit for the year
3. Resolution on the discharge of the members of the Management Board from their responsibility for the 2017 financial year
4. Resolution on the discharge of the members of the Supervisory Board from their responsibility for the 2017 financial year
5. Resolution on the remuneration of the Chairman of the Audit Committee
6. Election of the auditor of the financial statements and the consolidated financial statements for the 2018 financial year
7. Election of a Supervisory Board Member

II. AGM DOCUMENTS; PROVIDING INFORMATION AT THE WEBSITE

The following documents will be available at the Company's website www.palfinger.ag, which has been entered in the commercial register, no later than **14 February 2018**:

- financial statements, including management report
- corporate governance report
- consolidated financial statements, including consolidated management report
- proposal with respect to the distribution of profits
- report of the Supervisory Board,

each for the 2017 financial year;

- proposals for resolution on agenda items 2–7
- statement by the candidate for election to the Supervisory Board pursuant to sec. 87 para. 2 of the Companies Act (AktG) regarding agenda item 7, including CV
- form for granting proxy
- form for granting proxy to a representative of IVA
- form for revoking a proxy

- complete text of this invitation

III. QUALIFYING DATE AND PREREQUISITES FOR ATTENDING THE ANNUAL GENERAL MEETING

The shareholders' rights to attend the Annual General Meeting and to exercise the voting right and the other shareholder rights to be asserted in the course of the Annual General Meeting are governed by their shareholdings as of the **close of 25 February 2018 (Qualifying Date)**.

The Annual General Meeting may only be attended by persons who are shareholders at such Qualifying Date and who provide evidence thereof to the Company.

A certificate of deposit pursuant to sec. 10a of the Companies Act must be submitted to evidence a shareholder's shareholding as at the Qualifying Date, which is to be delivered to the Company no later than **2 March 2018** (24.00 CET = Vienna time) exclusively via one of the communication channels and corresponding addresses indicated below:

- (i) For submission of the certificate of deposit in text form as specified to be sufficient pursuant to art. 18 para. 2 of the Articles of Association

By telefax: +43 (1) 8900 500 - 78

By e-mail anmeldung.palfinger@hauptversammlung.at

(certificate of deposit as PDF file)

- (ii) For submission of the certificate of deposit in written form

By post or courier PALFINGER AG

c/o HV-Veranstaltungsservice GmbH

8242 St. Lorenzen am Wechsel, Köppel 60

By SWIFT GIBAATWGGMS

(message type to be used is MT598 or MT599,

always state ISIN AT0000758305 in the text)

Shareholders are requested to contact their custodian banks and make arrangements for the issue and transfer of a certificate of deposit.

The Qualifying Date has no effect on the saleability of the shares and no relevance for any dividend entitlements.

Certificates of deposit pursuant to sec. 10a of the Companies Act

The certificate of deposit is to be issued by the relevant custodian bank with its headquarters in a member state of the European Economic Area or in a full member state of the OECD and must include the following information:

- information on the issuer: corporate name and address or any code that is customarily used among credit institutions

8242 St. Lorenzen am Wechsel, Köppel 60
By telefax: +43 (1) 8900 500 - 78
By e-mail: anmeldung.palfinger@hauptversammlung.at
(proxies as PDF files)

If a proxy is not personally delivered on the date of the AGM at the entry/exit checkpoint, it must be delivered to one of the addresses indicated above no later than **6 March 2018 at 4 p.m.**

A proxy form and a form for revoking the proxy may be downloaded from the Company's website at www.palfinger.ag. To ensure smooth admission proceedings, we kindly ask you to use these forms at all times.

Details on granting proxy, in particular as to the text form and the subject matter, can be found in the proxy form made available to shareholders.

If a shareholder has granted proxy to his/her custodian bank (sec. 10a of the Companies Act), it is sufficient for the bank, in addition to submitting the certificate of deposit, to declare that it has been granted proxy, in the manner specified for delivery to the Company.

Shareholders may also exercise their rights personally at an AGM even after they have granted proxy. Personal attendance will be regarded as a revocation of a previously granted proxy.

The rules indicated above regarding the granting of proxy apply mutatis mutandis to its revocation.

Please bear in mind that in principle, for organizational reasons, a maximum of two persons (one shareholder and his/her representative or, instead of the shareholder, two representatives) per certificate of deposit will be admitted.

Independent proxy

As a special service a representative of the “Interessenverband für Anleger” (IVA, Austrian Association of Investors), 1130 Vienna, Feldmühlgasse 22, is available to shareholders as an independent proxy bound by the shareholders’ instructions for exercising their voting rights at the Annual General Meeting. A special proxy form may be downloaded from the Company’s website at www.palfinger.ag/en/investor-relations/shareholder-meeting. Shareholders may also contact Michael Knap of the IVA directly by calling +43 1 8763343-0, by fax at +43 1 8763343-49 or by e-mail to michael.knap@iva.or.at.

V. INFORMATION ON SHAREHOLDERS’ RIGHTS PURSUANT TO SECS. 109, 110, 118 AND 119 OF THE COMPANIES ACT

1. Additions to the agenda made by shareholders pursuant to sec. 109 of the Companies Act

Shareholders who jointly hold at least 5 per cent of the share capital and who have been the holders of these shares for at least three months prior to making such request are entitled to request in writing that **additional items be put on the agenda** of this AGM and be published provided that such written request is delivered to the Company no later than **14 February 2018** (24.00 CET = Vienna time) exclusively at the address 5101 Bergheim near Salzburg, Lamprechtshausener Bundesstrasse 8, Corporate Communications, attn. Mr Hannes Roither. Shareholders must also indicate proposals for resolutions regarding each item on the agenda so requested, including a statement of grounds. A certificate of deposit pursuant to sec. 10a of the Companies Act stating that the shareholders making such requests have held their shares for at least three months prior to making such requests must be submitted to evidence shareholder status; this certificate may not be older than seven days at the time of it being submitted to the Company. As regards the other requirements of the certificate of deposit, please refer to the information on the right to attend the Annual General Meeting (Item III).

2. Resolution proposals by shareholders on items of the agenda pursuant to sec. 110 of the Companies Act

Shareholders holding jointly at least 1 per cent of the share capital are entitled to submit **proposals for resolution** on any item of the agenda, including a statement of grounds, in text form and to demand that such proposals, including the names of the respective shareholders, the grounds therefor and any statements made by the Management Board or the Supervisory Board be made available on the Company website that has been entered in the commercial register. Such request must be delivered to the Company in text form no later than **26 February 2018** (24.00 CET = Vienna time) either by telefax at +43 662 2281-81070 or at the address 5101 Bergheim near Salzburg, Lamprechtshausener Bundesstrasse 8, Corporate Communications, attn. Mr Hannes

Roither, or by e-mail to h.roither@palfinger.com, in which case such request must be attached to the e-mail in text form, such as a PDF file.

A certificate of deposit pursuant to sec. 10a of the Companies Act must be submitted to evidence that the shareholders are entitled to exercise their shareholders' rights; this certificate may not be older than seven days at the time of it being submitted to the Company. As regards the other requirements of the certificate of deposit, please refer to the information on the right to attend the AGM (Item III).

In case of a **proposal requesting the election of a Supervisory Board member**, the statement of grounds will be replaced by a candidate statement pursuant to sec. 87 para. 2 of the Companies Act.

3. Information pursuant to sec. 110 para. 2, 2nd sentence of the Companies Act

Regarding agenda item 7 "Election of a Supervisory Board Member" and any proposals made by shareholders pursuant to sec. 110 of the Companies Act, the Company declares as follows:

The Supervisory Board of PALFINGER AG is currently composed of six members elected by the Annual General Meeting (shareholder representatives) and three members delegated by the Works Council pursuant to sec. 110 of the Labour Constitution Act (ArbVG). The six shareholder representatives and the three employee representatives are men, which means that the Supervisory Board is currently made up of men only.

It is hereby stated that pursuant to sec. 86 para. 9 of the Companies Act neither the majority of the shareholder representatives nor the majority of the employee representatives have raised an objection and that therefore the "joint fulfilment rule" rather than the "separate fulfilment rule" pursuant to sec. 86 para. 7 of the Companies Act will be applied.

Art. 10.1 of the Articles of Association of PALFINGER AG provides that the Supervisory Board is to be composed of four to eight members elected by the Annual General Meeting.

If, pursuant to sec. 110 of the Companies Act, any shareholder makes a proposal regarding agenda item 7 "Election of a Supervisory Board Member", it is to be taken into account that a woman candidate is to be proposed, in order to meet the minimum quota laid down in sec. 86 para. 7 of the Companies Act.

4. Shareholders' right to be informed pursuant to sec. 118 of the Companies Act

At the AGM, each shareholder has the right to be informed on any matters pertaining to the Company if so requested, provided that such information is necessary for a proper opinion regarding a particular agenda item. The right to be informed also extends to the

Company's legal relationships with any associated company as well as to the position of the Group and of any companies included in the consolidated financial statements.

The Company may refuse to supply such information if, according to sound business judgement, it could be seriously prejudicial to the Company or one of its associated companies or if providing such information would constitute a criminal offence.

As a rule, requests for information should be made orally at the Annual General Meeting, but they may also be made in writing.

For the sake of an efficient meeting, questions whose response needs longer preparation must be submitted in text form to the Management Board in a timely manner before the AGM. They may be delivered to the Company by post at the address 5101 Bergheim near Salzburg, Lamprechtshausener Bundesstrasse 8, Corporate Communications, attn. Mr Hannes Roither, or by e-mail to h.roither@palfinger.com.

5. Requests filed at the Annual General Meeting pursuant to sec. 119 of the Companies Act

Irrespective of their shareholdings in the Company, every shareholder has the right to make requests regarding each item on the agenda at the Annual General Meeting. If several requests have been made regarding one item on the agenda, the Chairman will determine the order of voting pursuant to sec. 119 para. 3 of the Companies Act.

Shareholder motions on item 7 "Election of a Supervisory Board member" require the timely submission of a proposal for resolution pursuant to sec. 110 of the Companies Act: Candidates for Supervisory Board elections may only be proposed by shareholders holding jointly at least 1 per cent of the share capital. Candidate proposals must be received by the Company no later than **26 February 2018** in the above-stated manner (Item V para. 2) and must be accompanied by a candidate statement pursuant to sec. 87 para. 2 of the Companies Act, which includes a description of the candidate's professional qualifications, professional or comparable functions and any circumstances that could give reason for concern in respect to potential bias. Otherwise, the shareholder motion requesting the election of a Supervisory Board member may not be considered in the election.

6. Information at the Company's website

Additional information on shareholders' rights pursuant to secs. 109, 110, 118 and 119 of the Companies Act is available as of now at the Company's website www.palfinger.ag.

VI. FURTHER DISCLOSURES AND INFORMATION

Total number of shares and voting rights

At the date of convening the AGM, the Company's share capital amounts to EUR 37,593,258 and is divided into 37,593,258 no-par-value shares. Each share entitles its holder to one vote. Hence, at the date of convening the AGM, the total number of voting rights amounts to 37,593,258. At the date of convening the AGM, the Company holds no treasury stock, either directly or indirectly.

Green Event

The Company is striving to organize the AGM in line with the standards of the Austrian environmental seal for Green Meetings/Events.

We are trying to make it as easy as possible to travel to the AGM by public transport. If possible, please use environmentally friendly transport. The latest timetables can be found at www.oebb.at and www.westbahn.at.

If you are arriving by train from Vienna, we recommend the following:

ÖBB: Departure from Wien Hauptbahnhof (Vienna Central Station) at 7.30 am, arrival at Salzburg Main Station at 9.52 a.m.

Westbahn: Departure from Wien Hauptbahnhof (Vienna Central Station) at 7.06 am, arrival at Salzburg Main Station at 9.38 a.m.

The Chairman will open the Annual General Meeting no later than 11.15 a.m. even in the event of train delays.

We will operate a shuttle service from the Salzburg Main Station to Lengau and back. Departure: 10.00 am; the bus will depart at Lastenstraße and will be marked with a PALFINGER sign. At the station, please take the exit "Lastenstraße/ Schallmoos".

Please send your binding registration for the shuttle bus by e-mail to b.kotesovec@scholdan.com no later than 21 February 2018.

After the AGM, we will offer guided tours of PALFINGER World. Please register by e-mail to b.kotesovec@scholdan.com no later than 21 February 2018.

Please note that guests will only be admitted to the Annual General Meeting with the Company's prior approval.

Bergheim near Salzburg, February 2018

The Management Board