



Declaration of compliance with the German Corporate Governance Code in accordance with Section 161 of the AktG (German Stock Corporation Act)

The German Corporate Governance Code contains recommendations and proposals for managing and monitoring German listed companies in relation to shareholders and the Annual General Meeting (AGM), the Executive Board and the Supervisory Board, transparency, accounting and auditing. The German Stock Corporation Act requires the Executive Board and the Supervisory Board of listed companies to disclose each year the recommendations of the German Corporate Governance Code which the company has not followed or is not following, and to explain the reasons for noncompliance (“comply or explain”).

The Executive Board and the Supervisory Board identify with the duty as outlined in the German Corporate Governance Code to uphold the principles of a social market economy and maintain the substance of the company as a going concern and its ability to generate value in a sustainable fashion (company interest) and to further promote responsible and transparent management and governance of the company.

In accordance with Section 161 AktG, the Executive Board and the Supervisory Board of Wacker Neuson SE hereby declare that since the submission of the most recent declaration of compliance of December 9, 2015, the company has complied with the recommendations issued by the German Corporate Governance Code Commission published by the German Federal Ministry of Justice (BMJ) in the official section of the Federal Gazette as amended on May 5, 2015 and continues to comply with the recommendations of the Code as amended on May 5, 2015, with the exceptions listed and explained in more detail below:

1. Section 3.8 (3) of the German Corporate Governance Code: The company's directors' and officers' (D&O) liability insurance policy for its Supervisory Board has been concluded without a deductible. The company is of the opinion that a deductible would not improve the sense of motivation and responsibility with which the Supervisory Board members perform their duties. D&O insurance safeguards the company against substantial internal risks and – only as a secondary function – protects the assets of members of its executive bodies. Hence it is the company's intention to refrain from implementing a deductible on Supervisory Board members until further notice.
2. Section 4.2.2 (2) of the German Corporate Governance Code: When setting the overall remuneration payable to individual members of the Executive Board, the Supervisory Board respects legal requirements and further ensures, in particular, that such remuneration is commensurate with each member's responsibilities and performance, as well as with the situation of the company, and that it does

not exceed customary remuneration levels unless there are compelling grounds to do so.

Section 4.2.2 (2) sent. 3 of the German Corporate Governance Code also recommends that the Supervisory Board set the remuneration of the Executive Board in relation to the remuneration of senior executives and staff in general, also over time. The Supervisory Board is responsible for defining how senior executives are to be distinguished from staff in general. Compliance with this guideline, in the view of the Executive Board and the Supervisory Board, is not necessary at present to provide a concrete corridor for reasonable Executive Board remuneration levels. However, the Supervisory Board is closely monitoring developments in this area and will re-examine the possibility of complying with this recommendation at a later point in time.

3. Section 4.2.3 (6) of the German Corporate Governance Code: The AGM is not informed separately about the main terms of and changes to the remuneration system for Executive Board members as this information is already disclosed in the Group Management Report, which is available to all shareholders.
4. Sections 4.2.4, 4.2.5, 5.4.6 (3) and 7.1.3 of the German Corporate Governance Code: The AGM has decided not to publish the income of each individual Executive Board member in the notes to the Annual and Consolidated Financial Statements. In line with this, the remuneration report and the corporate governance report do not include an individualized report on the remuneration of the Executive Board. Nor does it contain specific information about share-based incentive systems for the Executive Board (which the company does not have in any case). For this reason, this information is not presented in the model tables recommended in Section 4.2.5 (3) of the German Corporate Governance Code.

Similarly, the remuneration of individual Supervisory Board members is not published. Remuneration is clearly regulated in the company's Articles of Incorporation. The Executive Board and Supervisory Board are of the view that these Articles coupled with other mandatory legal disclosures provide investors and the public with sufficient information in this area.

5. Section 5.3.3 of the German Corporate Governance Code: The Supervisory Board has not formed a nomination committee. The size of the Supervisory Board (four shareholder representatives) and the shareholder structure do not warrant a dedicated committee for proposing the shareholders' Supervisory Board candidates.
6. Section 5.4.1 of the German Corporate Governance Code: When submitting its election proposals to the Annual General Meeting regarding the election of the shareholder representatives, the Supervisory Board takes into account the statutory requirements and recommendations of the German Corporate Governance Code in relation to the personal requirements to be met by Supervisory Board members.

Here the focus is placed – irrespective of nationality and gender – on the specialist and personal competence of potential candidates, paying special attention to the company-specific situation. Within the scope of evaluating competence, the Supervisory Board also factors in the company's international involvement, potential conflicts of interest, the number of independent members of the Supervisory Board, the age limit stipulated for members of the Supervisory Board and the principle of diversity.

The Supervisory Board declines to set a limit on the term of office as it is of the view, given the business context of a family-run enterprise, that continuity is the main priority. Besides, provisions in place stipulating the maximum age effectively limit the term of office assuming members join the Board at the usual age.

In the Supervisory Board's view, it is still not necessary to specify concrete aims for its composition, which means that the Supervisory Board's goals and progress in achieving those goals – with the exception of satisfying legal requirements arising from the German law governing Equal Participation of Women and Men in Management Positions ("women's quota") – are not published in the corporate governance report either.

7. Sections 5.4.2 and 5.3.2 of the German Corporate Governance Code: The following situation is noted, which is also described in the Group Management Report: A pool agreement is in place between some of the shareholders of the Wacker and Neunteufel families. The parties to this pool agreement collectively hold about 63 percent of the shares of Wacker Neuson SE and can thus jointly (but not individually, i.e. individual members of the pool agreement acting in isolation) control the company. In accordance with the provisions of the pool agreement, each party to the pool agreement must exercise its right to vote and submit proposals at the Annual General Meeting such that two Supervisory Board members nominated as shareholders' representatives by the Wacker family and two by the Neunteufel family are always elected.

The shareholders' Supervisory Board members thus elected are, however, not bound in any way to the directions of individual, several or all of the parties to the pool agreement and any and all decisions they make within the Supervisory Board are made exclusively in the company's interests. Even though these shareholders' Supervisory Board members always enjoy the special trust of the parties to the pool agreement appointing them, they are not, in the Supervisory Board's view, in any personal or business relationship with a controlling shareholder, which could lead to a fundamental conflict of interest. In the view of the Supervisory Board, the shareholder representatives in the Supervisory Board, including the chairman of the Audit Board, are therefore to be considered independent. The Supervisory Board is thus composed of a sufficient (in its opinion) number of independent members. Given the ongoing legal uncertainty surrounding interpretation of the term "independence", the company nonetheless declares non-conformance as a precautionary measure.

8. Section 5.4.3., sent. 3 of the German Corporate Governance Code: So that the Supervisory Board can continue to vote impartially for its chairperson, the proposed candidates will not be announced in advance.
9. Section 5.4.6 (2) sent. 2 of the German Corporate Governance Code: Along with a fixed remuneration, the Supervisory Board members shall be paid a variable remuneration which depends exclusively on the success of the relevant fiscal year. The Executive Board and the Supervisory Board are of the view that the current remuneration regulation is still appropriate and reflects the Supervisory Board's tasks and functions and therefore are refraining from proposing a change at the Annual General Meeting.
10. Section 6.3 sent. 1 of the German Corporate Governance Code: Share ownership by individual members of the executive bodies exceeding one percent of shares issued by the company has not been and will not be stated in the corporate governance report. The Executive and Supervisory Boards are of the view that protecting personal and family privacy takes priority here.

Munich, December 15, 2016

Wacker Neuson SE

Executive Board and Supervisory Board

Cem Peksaglam

Hans Neunteufel