



PALFINGER AG
Bergheim, FN 33393 h

Proposed resolutions of the Executive Board and the Supervisory Board for the 38th Annual General Meeting
April 8, 2026

1. Presentation of the annual financial statements including management report and corporate governance report, the consolidated financial statements, the group management report including the consolidated non-financial report, the proposal for the distribution of profits and the report of the Supervisory Board for the financial year 2025

Because these documents are presented to the Annual General Meeting merely for informational purposes, no resolution will be adopted in respect of this agenda item. The 2025 financial statements have already been approved by the Supervisory Board and have thus been adopted.

2. **Resolution on the distribution of the net result for the year**

The Executive Board and the Supervisory Board propose that the net result for the year as reported in the adopted financial statements as at December 31, 2025 in the amount of EUR 325,478,342.69 be used as follows:

- (i) Distribution of a dividend of EUR 0.90 per share entitling its holder to a dividend,

i.e. dividends in the total amount of EUR 33,833,932.20

- (ii) Carry-forward of the remaining amount of EUR 291,644,410.49 to a new account.

The dividend payment date is April 15, 2026.

3. **Resolution on release of the members of the Executive Board from liability for their management activities in the financial year 2025**

The Executive Board and the Supervisory Board propose that the members of the Executive Board holding office in the financial year 2025 be released from liability for their management activities during this period.

4. Resolution on release of the members of the Supervisory Board from liability for their supervisory activities in the financial year 2025

The Executive Board and the Supervisory Board propose that the members of the Supervisory Board holding office in the financial year 2025 be released from liability for their management activities during this period.

5. Election of the auditor and consolidated financial statements auditor as well as the auditor of the consolidated sustainability report for financial year 2026

The Supervisory Board proposes that PwC Wirtschaftsprüfung GmbH, Vienna, be elected as the auditor of the financial statements and the auditor of the consolidated financial statements and the auditor of the consolidated sustainability report for the financial year 2026.

This resolution proposed by the Supervisory Board is based on a recommendation of the Audit Committee to the Supervisory Board to propose PwC Wirtschaftsprüfung GmbH, Vienna, to the Annual General Meeting for the election of the auditor and the auditor of the consolidated sustainability report.

6. Election to fill three seats on the Supervisory Board

The term of office of Ing. Mag. Hannes Palfinger, Gerhard Rauch and Prof. Dr. Sita Monica Mazumder as members of the Supervisory Board will expire at the close of the coming regular Annual General Meeting.

Under Item 10.1 of the Articles of Association of PALFINGER AG, the Supervisory Board shall consist of four to eight members elected by the Annual General Meeting.

Currently, i.e. since the last election by the Annual General Meeting, the Supervisory Board has consisted of six members elected by the Annual General Meeting. (This does not include the members delegated in accordance with the Austrian Labor Constitution Act.)

Three people would have to be elected to the Supervisory Board to retain the current number of members.

The Supervisory Board proposes that the three vacancies be filled, so that the Supervisory Board will again consist of six members elected by the Annual General Meeting following the election to be held at the Annual General Meeting on April 8, 2026.

Sec. 86 para. 7 of the Stock Corporation Act (AktG) applies to PALFINGER AG. Of the current six shareholder representatives, there are four men and two women. The employee representatives are two men and one woman.

On the part of the shareholder representatives as well as the employee representatives on the Supervisory Board, the 30 % quota in accordance with Sec.

86 (7) of the Stock Corporation Act has already been fulfilled by means of the minimum shareholding requirement.

It is noted that the majority of the shareholder representatives has filed an objection in accordance with Sec. 86 (9) of the Stock Corporation Act. Therefore, there must be separate compliance with the minimum quota requirement under Sec. 86 (7) of the Stock Corporation Act.

When the Supervisory Board submitted the election proposal, it took into consideration that, if six shareholder representatives are elected to the Supervisory Board, at least two must be women to meet the minimum quota requirement (30%) in accordance with Sec. 86 (7) of the Stock Corporation Act.

The Supervisory Board makes the following election nominations based on the requirements of Sec. 87 (2a) of the Stock Corporation Act and the Corporate Governance Code.

The Supervisory Board nominates Hannes Palfinger, born in 1973, Gerhard Rauch, born in 1963, and Prof. Dr. Sita Monica Mazumder, born in 1970, for election to the Supervisory Board, to take effect as of the end of the Annual General Meeting and remain in effect, in accordance with Item 10.2 of the Articles of Association and Sec. 87 para. 7 of the Stock Corporation Act, until the close of the Annual General Meeting that adopts a resolution releasing them from liability for the financial year 2030.

The Supervisory Board intends to take a separate vote for each of the positions to be filled (three positions) at the coming Annual General Meeting. The vote will be taken in the order mentioned.

In the event of the election of the proposed persons by the Annual General Meeting, the Supervisory Board will again consist of six members who are shareholder representatives, of which four are men and two are women. The minimum quota requirement in accordance with Sec. 86 (7) of the Stock Corporation Act (30 % quota) is therefore fulfilled.

The right to rank the proposed persons for the individual positions is reserved.

Each of the persons nominated has made a declaration in accordance with Sec. 87 (2) of the Stock Corporation Act, which is also available on the Company's website, stating as follows:

1. all circumstances in connection with Sec. 87 (2) of the Stock Corporation Act have been disclosed and, in the opinion of the nominee, there are no circumstances that could give rise to concern regarding their bias,
2. no final judgment has been issued convicting the nominee of any criminal offense, particularly any criminal offense that could call their professional reliability into question under Sec. 87 (2a) (3) of the Stock Corporation Act, and

3. there are no obstacles to their appointment within the meaning of Sec. 86 (2 and 4) of the Stock Corporation Act.

The Supervisory Board's Nomination Committee prepared this proposal and has considered the professional and personal qualifications of the members and the professionally balanced composition of the Supervisory Board in accordance with Sec. 87 (2a) of the Stock Corporation Act in submitting the proposal and has given reasonable consideration to the aspect of the diversity Supervisory Board in terms of the representation of both genders and the age structure and internationalism of the members.

The Annual General Meeting is bound by the nominations in the elections in the following manner. Nominations for the election of Supervisory Board members, together with the declarations for each nominee in accordance with Sec. 87 (2) of the Stock Corporation Act, must be available on the company's website no later than March 31, 2026. Otherwise, the respective person may not be included in the voting. This also applies to election proposals by shareholders in accordance with Sec. 110 of the Stock Corporation Act, which must be received by the Company in text form no later than March 27, 2026.

7. Resolution on the remuneration report

The Executive Board and the Supervisory Board of a listed company shall prepare a clear and comprehensible remuneration report for the remuneration of the members of the Executive Board and the members of the Supervisory Board in accordance with Sec. 78c in conjunction with Sec. 98a of the Stock Corporation Act.

This remuneration report is to provide a comprehensive overview of the remuneration paid in the course of the past financial year to current and former members of the Executive Board and Supervisory Board in accordance with the remuneration policy (Sec. 78a in conjunction with Sec. 98a of the Stock Corporation Act), including all benefits in any form.

The remuneration report for the past financial year must be submitted to the Annual General Meeting for approval. The vote has the nature of a recommendation. The resolution cannot be contested (Sec. 78d (1) of the Stock Corporation Act).

The Executive Board and the Supervisory Board must make a proposal to adopt a resolution on the remuneration report in accordance with Sec. 108 (1) of the Stock Corporation Act.

At their meeting on March 2, 2026, the Executive Board and the Supervisory Board of PALFINGER AG adopted a remuneration report in accordance with Section 78c

in conjunction with Sec. 98a of the Stock Corporation Act and proposed a resolution in accordance with Section 108 para. 2023 of the Stock Corporation Act.

The Executive Board and Supervisory Board propose that the remuneration report for financial year 2025 available on the website recorded in the commercial register be adopted.

The remuneration report is attached to this proposed resolution as *Annex ./1.*

8. Resolution on the remuneration for the members of the Supervisory Board

The Executive Board and the Supervisory Board propose the following adjustments to the remuneration of the members of the Supervisory Board elected by the Annual General Meeting (the “shareholder representatives”), which was adopted at the Annual General Meeting of April 3, 2025, to compensate them for assuming the mandate and where applicable assuming the Chair and participating in the meetings of the Supervisory Board and its committees during the financial year 2026 and thereafter:

The following basic remuneration is established (in EUR):

- for the Chair of the Supervisory Board	95,000
- for the Vice-Chairs	60,000
- for each member of the Supervisory Board	55,000

In addition, the Chairs, or where appropriate, their deputies on certain committees are paid the following remuneration (in EUR):

- for the Chair of the Audit Committee	20,000
- for the Vice-Chair of the Audit Committee	7,500
- for the Chair of the Nomination Committee and Remuneration Committee, each	5,000

There is no separate remuneration for simple committee membership for assuming the Chair of other committees.

The attendance fee for attending Supervisory Board meetings (for in-person or telephone meetings, i.e. via telephone, Internet or video connection) is set as follows per meeting (in EUR):

- for regular meetings of the Supervisory Board 4,000
- for extraordinary or constituent meetings of the Supervisory Board 2,000

For meetings lasting several days, the attendance fee is only available once. There is no separate remuneration for attending committee meetings.

To the extent that members of the Supervisory Board or a committee have not been members of, or chaired, that governing body for the entire financial year, the remuneration shall be calculated pro rata (on a monthly basis).

Should members of the Supervisory Board - outside of meetings - travel or perform representative functions on behalf of the Company in exercising their Supervisory Board function, a daily rate of EUR 1,800 is set for these special activities. These activities shall be invoiced on a pro rata basis in half days.

The amounts mentioned above for the attendance fee, base remuneration, remuneration for specific committee functions, and the daily rate for special activities shall be value indexed commencing with the financial year 2027 (base figure January 2026) in accordance with the 2020 consumer price index published by Statistik Austria (and, if this is not disclosed, in accordance with any applicable index published after that). The basic remuneration and the attendance fee shall be adjusted for the relevant financial year based on the monthly index figure published for January of the fiscal year by Statistik Austria and the base figure for January 2026 or the latest index figure that affected value adjustment.

9. Resolution on the (amended) remuneration policy

The Supervisory Board of a listed company must formulate the principles for the remuneration of the members of the Executive Board and the Supervisory Board in accordance with Sec. 78a in conjunction with Sec. 98a of the Stock Corporation Act (remuneration policy) and make a proposal for a resolution on the remuneration policy by the Annual General Meeting in accordance with Sec. 108 para. 1 of the Stock Corporation Act.

The remuneration policy must be submitted to the Annual General Meeting for a vote at least every fourth financial year and whenever there is a material change.

The most recent was the adoption of an (amended) remuneration policy at the Annual General Meeting on April 10, 2024.

At the coming Annual General Meeting, it is proposed to adopt an amended remuneration policy at the next general meeting in order to enable individual objectives to be set for the Executive Board as targets for the short term incentive (STI).

During their meeting on March 2, 2026, the Remuneration Committee and Supervisory Board of PALFINGER AG revised the principles for remunerating the members of the Executive Board and Supervisory Board in accordance with Section 78a in conjunction with Section 98a of the Stock Corporation Act (amended remuneration policy).

The Supervisory Board proposes to adopt the remuneration policy with regard to the principles for the remuneration of members of the Executive Board and the Supervisory Board, as made available on the website registered in the commercial register.

The (updated) remuneration policy is attached to this proposed resolution as *Annex /2*.

The Annual General Meeting's vote on the remuneration policy is a recommendation. The resolution cannot be contested (Sec. 78b para. 1 of the Stock Corporation Act).

Annex. /1 Remuneration report
Annex. /2 Remuneration policy

Bergheim bei Salzburg, on March 2, 2026

The Executive Board

[signed]

.....

Andreas Klauser
Chair

[signed]

.....

Felix Strohbichler

[signed]

.....

Maria Koller

[signed]

.....

Alexander Susanek

Chair of the Supervisory Board

[signed]

.....

Hubert Palfinger

REMUNERATION REPORT OF PALFINGER AG FOR THE FINANCIAL YEAR 2025

I. ECONOMIC DEVELOPMENT AND SIGNIFICANT EVENTS IN THE FINANCIAL YEAR - FOREWORD BY THE CHAIR OF THE SUPERVISORY BOARD

The financial year 2025 was marked by planning with foresight, rapid decision-making processes, and proactive implementation. These three factors enabled PALFINGER to make the most of opportunities and take initiatives in an environment characterized by global volatility and slow economic development. The package of actions initiated back in 2024, consisting of optimization of working capital, stringent investment management and targeted cost reductions, played a significant role in PALFINGER's successful performance. Against this backdrop, in 2025 PALFINGER generated a revenue of EUR 2,339.29 million, an EBIT of EUR 174.33 million, and increased its equity ratio to 42.9 percent.

Despite the infrastructure investment packages initiated by the new German government in the first half of 2025, the economic upswing forecast for Europe did not actually take place to the extent expected. The reasons for this were, on the one hand, global uncertainty in view of the tariffs imposed by the US, and on the other hand, the fact that industry and business, particularly in EMEA, are undergoing a phase of fundamental change. It appears that it is no longer enough to focus just on the high costs of labor and energy. In order to continue to be successful in the future, change needs to be implemented at all levels. In the end, the aim is to generate productivity gains and growth potential from innovative technologies, progressive digitalization, and the development of new business areas. For this reason, PALFINGER revised its previous strategy and presented its new Strategy 2030+ at Capital Markets Day 2025.

It defines three strategic directions: Lifting Customer Value, Balanced Profitable Growth and Execution Excellence, which consist of a total of 18 strategic programs. Five of these are considered to be "must-win action fields." Achieving them is essential for success. At the same time, and in line with Strategy 2030+, the PALFINGER culture and brand have been sharpened with the LIFETIME EXCELLENCE customer promise. Their close interaction should have a positive effect on every level.

An essential part of Strategy 2030+ is the increased expansion of service structures in NAM. Following the opening of the new logistics distribution center in Huntley, Illinois, PALFINGER significantly strengthened its service network in the USA, Canada and Mexico. Marine built a new, high performance service center in Singapore. And in India, PALFINGER entered into a research and development cooperation with a local partner, which will also involve the construction of a new production site in 2026. These investments ensure the realization of growth opportunities in North America and Asia. Another focus pinpoints defense activities. In addition, PALFINGER placed treasury shares worth EUR 100 million in July. The net proceeds from the transaction, which has been oversubscribed several times, made a significant contribution to strengthening equity. In general, the performance of the PALFINGER share on the Vienna Stock Exchange reflects the good long-term development of the company. This also increases the chances of inclusion in the ATX index.

Proximity to customers has always been PALFINGER's key characteristic. In 2025, PALFINGER was represented at bauma, the world's leading trade fair, in Munich, with 180 experts and 30 products and services, including world premieres such as the PK 880 TEC loader crane and the PT28 aerial work platform. In seven days, around 74,000 guests visited the PALFINGER trade fair stand, which, for the first time, focused on service. PALFINGER MARINE was also present at the leading Aquanor trade fair in Trondheim with products and technologies for the aquaculture industry.

In this challenging environment and with the measures mentioned above, PALFINGER achieved a revenue of EUR 2.34 billion in 2025. (2024: EUR 2.36 billion). At EUR 174.33 million, the operating result (EBIT) was slightly lower than in the previous year (EUR 185.6 million). At 7.5 percent, the EBIT margin is below the comparative figure for the same period of the previous year (7.9 percent). The consolidated net result amounted to EUR 96.7 million (2024: EUR 100.0 million).

As part of Strategy 2030+ and the associated growth potential, the Executive Board has clearly formulated the financial targets for 2030: revenue of over 3.0 billion EUR, ROCE of over 15 percent and an EBIT margin of twelve percent.

In the opinion of the Remuneration Committee of PALFINGER AG's Supervisory Board, the remuneration of the members of the Executive Board for the year 2025 is designed to reward the performance of these executives in line with the market and to retain them and ensure a successful future for the company.

Hubert Palfinger, Chair of the Supervisory Board

II. BASIC PRINCIPLES OF THE REMUNERATION POLICY FOR THE EXECUTIVE BOARD AND THE SUPERVISORY BOARD

II.1. THE REMUNERATION POLICY

PALFINGER AG's remuneration policy formulates the principles utilized in setting the remuneration of the Executive Board and the Supervisory Board of PALFINGER AG. The remuneration system implements the statutory provisions of the Austrian Stock Corporation Act (Secs. 78 et seq. of the Stock Corporation Act) and the recommendations of the Austrian Corporate Governance Code (ÖCGK). The remuneration policy pursues the overall goal of fostering sustainable, long-term corporate development.

PALFINGER AG's first remuneration policy was approved at the Annual General Meeting held on August 5, 2020 with the consent of 87.16 percent of the 79.58 percent share capital present, i.e. 69.36 percent of the total share capital. This remuneration policy was the basis for Executive Board remuneration, in particular the Long-Term Incentive Program (LTI) 2018-2022 and the Short-Term Incentive (STI), up to and including 2022.

An amended remuneration policy was submitted to the Annual General Meeting on March 30, 2023 for resolution. This was approved with the consent of 81.34 percent of the 73.88 percent share capital present, i.e. 60.1 percent of the total share capital. This remuneration policy forms the basis for Executive Board remuneration, in particular the Long-Term Incentive Program (LTI) and the Short-Term Incentive (STI) starting in 2023.

A further amendment to the remuneration policy was adopted at the Annual General Meeting on April 10, 2024. This was approved with the consent of 82.8 percent of the 73.08 percent share capital present, i.e. 60.5 percent of the total share capital.

The current remuneration policy is openly available on the company website (www.palfinger.ag/en/investoren/corporate-governance).

II.2. EXECUTIVE BOARD

The monetary remuneration of the Executive Board has several different components. In addition to fixed remuneration (base salary), there is a short-term variable performance bonus (Short-Term Incentive; STI) and a long-term variable performance bonus (Long-Term Incentive; LTI).

a. Base salary

The base salary is an annual fixed amount, which is paid out in 14 equal installments. The base salary includes payment for all overtime, trips, and travel time. The base salary also covers the assumption of governing body functions in the Group. The base salary is a competitive fixed amount, which covers general assumption of the Executive Board mandate and the related overall responsibility of the individual Executive Board members and provides an incentive for Executive Board members to always act for the benefit of the company and take the interests of shareholders, employees, and the public into account.

b. Short-Term Incentive (STI) up until 2022

The STI is based on the company's success in the recently ended financial year and depends on the Group's EBT as a financial target amount and on non-financial criteria. The weighting between the financial criterion and the non-financial criteria for the STI is in a ratio of 2:1. At the start of the financial year, the Remuneration Committee of the Supervisory Board sets a target value and a lower limit for the financial performance criterion for the current financial year as the evaluation period, which applies uniformly to all Executive Board members. If the target value is reached or exceeded, a target achievement level of 100 percent applies. The target achievement levels in the in-between areas are distributed along a straight line (linear interpolation). Thus, the STI is limited to 100 percent of the bonus for reaching the target value (both with respect to the financial component and overall). The claim to a bonus, which results from meeting the financial performance criterion, is supplemented by the discretionary component, which is not restricted to financial criteria. Discretionary performance is evaluated based on the collective performance of the entire Executive Board as well as the individual performance of the particular Executive Board member. With respect to individual performance, incentives can be set for the specific range of duties and departments of the individual Executive Board members, and sustainable, non-financial performance criteria can also be included in variable remuneration.

c. Short-Term Incentive (STI) starting 2023

In the 2023 remuneration policy, the non-financial, discretionary benefit criterion was removed from the STI. The previous financial target EBT, with a weighting of 66.67 percent, and the discretionary component, with a weighting of 33.33 percent, has been replaced by the EBIT margin with a weighting of 70 percent, the structural cost ratio and revenue, with a weighting of 15 percent each. At the start of the financial year, the Remuneration Committee of the Supervisory Board sets a target value, a lower limit and an upper limit for the performance criteria for the current financial year as the evaluation period, which applies uniformly to all Executive Board members. The target values for the performance criteria are calculated in accordance with the values of the annual budget approved by the company's Supervisory Board for the financial year for which the target value is set. If the lower limit is not reached, the target achievement level is 0 percent. The STI can therefore be completely omitted. If the target value is reached, a target achievement level of 100 percent applies. If the upper limit is reached or exceeded, the degree of target achievement is 125 percent. The STI is therefore limited to 125 percent of the target value incentive (cap). In the range between lower limit and target value and between target value and upper limit, the degrees of target achievement are distributed in a straight line (linear interpolation).

d. Long-Term Incentive (LTI) 2018-2022

The LTI is performance-based remuneration over a period of several years, which is aimed at providing a long-term incentive. In general, the LTI contract period is five years but can be longer or shorter. The LTI is granted based on target achievement as of the end of the LTI contract period. A financial performance criterion is used exclusively, i.e. Group ROCE. At the start of the LTI contract period, the Remuneration Committee of the Supervisory Board sets an LTI target value as well as upper and lower limits for the LTI financial performance criterion for each individual year of the evaluation period. In general, the evaluation period covers the entire LTI contract period, but it can be a shorter period within the LTI contract period. The LTI follows a savings model [Ansparmodell]. Therefore, an individual target achievement determination is made for each year of the evaluation period. A target achievement level is estimated for each year of the evaluation period, in which the target value is reached or exceeded. If the ROCE in the respective financial year is below the lower limit, the target achievement level is 0 percent. If the target value is reached, a target achievement level of 100 percent applies. If the target value is exceeded, a target achievement level of up to 200 percent is applied until the upper limit is reached. The target achievement levels in the in-between areas are distributed along a straight line (linear interpolation). The average of the target achievement levels for the individual years of the evaluation period is determined at the close of the last year of the LTI contract period. The LTI is paid out to Executive Board members in proportion to this average target achievement level. The target achievement level determined in this manner is capped at 100 percent. There is no overall lower limit. The prerequisite for payment of the LTI is

Executive Board membership during a reasonable minimum period of years within the LTI contract period. This is a strong incentive for the long-term loyalty and stability of the Executive Board. The retention effect is further increased by savings over several years.

The 2018-2022 LTI program ended in 2022. The LTI amounts of this LTI program were paid out to the Executive Board in 2023.

e. Long-Term Incentive (LTI) starting 2023

Following the expiry of the LTI program 2018-2022, a new LTI program was worked out and laid down in remuneration policy 2023. In the LTI, the group ROCE performance criterion, which was weighted at 100 percent in the 2020 remuneration policy, has been supplemented with a sustainability target with a weighting of 20-30 percent. Furthermore, the LTI payout amount depends on a share price-based factor. The LTI payout amount is now limited by a cap of 150 percent of the target value. In contrast to the savings model, which was defined in the 2018-2022 LTI program, the long-term variable bonus of the LTI program 2023 is based on a tranche model that provides for rolling annual tranches. In the 2024 remuneration policy, this model replaced the previous average analysis over the entire term of a multi-year LTI tranche with an assessment based on the last year of an LTI tranche. This makes the calculation of the LTI payout amount much easier and more transparent. Objectives will still be set for the long term, at the start of each LTI tranche. A payout is made annually. As a result of the staggered durations, an LTI tranche matures annually over the cycle.

II.3. SUPERVISORY BOARD

The Supervisory Board's remuneration consists of base remuneration for Supervisory Board activities and additional remuneration for certain committee memberships and an attendance fee for participation in Supervisory Board and Committee meetings.

Due to their more extensive range of duties and greater responsibility, the Chair of the Supervisory Board, the Vice-Chair of the Supervisory Board, the Committee Chairs, certain Committee members, and the financial expert can be granted higher base remuneration than regular Supervisory Board members.

a. Remuneration until 2024

In the Annual General Meeting on April 7, 2021, remuneration of the Supervisory Board for financial year 2021 and the following years was revised as follows.

The following basic remuneration is as follows:

- EUR 60,000 for the Chair of the Supervisory Board
- EUR 30,000 for the Vice-Chair
- EUR 18,000 for each member of the Supervisory Board
- EUR 20,000 for the Chair of a permanently established committee (with the exception of the Nomination Committee and the Remuneration Committee) for each mandate
- EUR 2,500 for each committee member per committee mandate

To the extent that members of the Supervisory Board or a committee have not been members of that governing body for the entire financial year, the remuneration shall be calculated pro rata (on a monthly basis).

The per-meeting attendance fee for attending meetings is as follows:

- EUR 3,000 (for physical participation in the meeting) or EUR 1,000 (for remote participation in the meeting – by telephone or by Internet or video conferencing) for Supervisory Board meetings
- EUR 1,500 (for physical participation in the meeting) or EUR 500 (for remote participation in the meeting – by telephone or by Internet or video conferencing) for committee meetings

Should members of the Supervisory Board - outside of meetings - travel or perform representative functions on behalf of the Company in exercising their Supervisory Board function, a daily rate of EUR 1,750 was set for these special activities. These activities shall be invoiced on a pro rata basis in half days.

The amounts mentioned above for the attendance fee, basic remuneration and the daily rate for special activities shall be value indexed commencing with the financial year 2022 (base figure January 2021) in accordance with the 2020 consumer price index published by Statistik Austria (and, if this is not disclosed, in accordance with any applicable index published after that). The basic remuneration and the attendance fee shall be adjusted for the relevant financial year based on the monthly index figure published for January of the financial year by Statistik Austria and the base figure for January 2021 or the latest index figure that affected value adjustment.

For the year 2024, remuneration for the Supervisory Board was paid on this basis in 2025.

b. Remuneration from 2025

In the Annual General Meeting on April 3, 2025, remuneration of the Supervisory Board for financial year 2025 and the following years was revised as follows.

The following basic remuneration is as follows (in EUR):

- EUR 94,000 for the Chair of the Supervisory Board
- EUR 59,000 for the Vice-Chair
- EUR 54,000 for each member of the Supervisory Board

In addition, the Chairs of certain committees receive the following remuneration (in EUR):

- EUR 20,000 for the Audit Committee
- EUR 5,000 for both the Nomination Committee and Remuneration Committee

There is no separate remuneration for simple committee membership for assuming the Chair of other committees.

The attendance fee for attending Supervisory Board meetings (for in-person or telephone meetings, i.e. via telephone, Internet or video connection) has been set as follows per meeting:

- EUR 4,000 for regular meetings of the Supervisory Board
- EUR 2,000 for extraordinary or constituent meetings of the Supervisory Board

For meetings lasting several days, the attendance fee is only available once. There is no separate remuneration for attending committee meetings.

To the extent that members of the Supervisory Board or a committee have not been members of, or chaired, that governing body for the entire financial year, the remuneration shall be calculated pro rata (on a monthly basis).

Should members of the Supervisory Board - outside of meetings - travel or perform representative functions on behalf of the Company in exercising their Supervisory Board function, a daily rate of EUR 1,800 is set for these special activities. These activities shall be invoiced on a pro rata basis in half days.

The amounts mentioned above for the attendance fee, basic remuneration and the daily rate for special activities shall be value indexed commencing with the financial year 2026 (base figure January 2025) in accordance with the 2020 consumer price index published by Statistik Austria (and, if this is not disclosed, in accordance with any applicable index published after that). The basic remuneration and the attendance fee shall be adjusted for the relevant financial year based on the monthly

index figure published for January of the fiscal year by Statistik Austria and the base figure for January 2025 or the latest index figure that affected value adjustment.

For the year 2025, remuneration for the Supervisory Board will be paid on this basis in 2026.

III. PRESENTATION OF OVERALL REMUNERATION

III.1. EXECUTIVE BOARD

Value in EUR thousand, (unless stated otherwise)	Andreas Klauser		Felix Strohbichler		Alexander Susanek		Maria Koller	
	2024	2025	2024	2025	2024	2025	2024	2025
Fixed remuneration								
Base salary ¹	758	781	580	591	566	584	443	459
Remuneration in kind ²	48	55	28	27	22	23	25	26
Subtotal	806	836	608	618	588	607	468	485
Variable remuneration								
Annual bonus (STI) ³	649	655	556	554	491	496	377	377
Special annual bonus	0	0	0	0	0	0	0	0
Performance-based Long-Term Incentive (LTI) ⁴	1,119	932	902	742	841	701	658	542
Subtotal	1,768	1,587	1,457	1,296	1,332	1,197	1,035	919
Other remuneration								
One-time payment	0	0	0	0	0	0	0	0
Total	2,574	2,423	2,065	1,914	1,920	1,804	1,503	1,404
Payment of previous year's bonus	629	649	536	556	246	491	0	377
Payout LTI	1,856	1,119	1,491	902	714	841	0	658
Relative proportion of fixed components (in %)	31	34	29	32	31	34	31	35
Relative proportion of variable components (in %)	69	66	71	68	69	66	69	65
Total 2024/2025	8,063/7,545							

¹⁾ **Base salary:** The base salary is indexed to the CPI.

²⁾ **Remuneration in kind:** The non-cash benefits shown relate to the company cars of the members of the Executive Board. These are made available to each member of the Executive Board irrespective of performance and can also be used privately. The values shown are based on a calculation which combines the leasing installments, the fully comprehensive motor vehicle insurance and the running costs for an underlying mileage to form a total cost rate. Furthermore, the costs of accident insurance (2024/2025: EUR 300) are included in the remuneration in kind for each of the Executive Board members.

³⁾ **Annual bonus (STI):** The target values for the STI's **financial performance criterion** in 2025 are derived from the 2025 budget and are as follows:

(values in EUR million, unless stated otherwise)	Lower limit (0%)	Target (100%)	Upper limit (125%)	Actual	Target achieved (Cap: 125%)
EBIT margin (weighted 70%)	5%	7%	8%	7.45%	111.25%
Structural cost ratio (weighted 15%)	34.3%	31.3%	29.3%	31.77%	84.33%
Revenue (weighted 15%)	1,989.2	2,340.2	2,574.2	2,339.29	99.74%
Weighted overall target achievement					105.49%

According to the 2025 financial statements, the EBIT margin is 7.45 percent and the structural cost ratio is 31.77 percent. Revenue was reported at EUR 2,339.29 million. Linear interpolation between the target values and the upper and lower limits results in the target achievement levels shown in the table above. The overall target achievement of 105.49 percent is determined by the corresponding weighting of the target achievement levels.

The following payout amounts are calculated based on the overall target achievement level and target value bonuses.

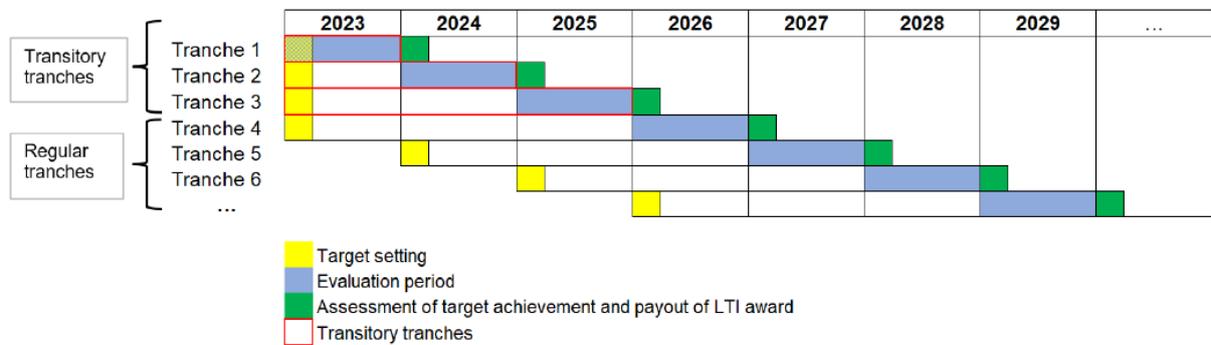
(Values in EUR thousand, unless stated otherwise)	Target bonus	Target achieved 0% - 125%	STI 2025
Andreas Klauser	621	105.49%	655
Felix Strohbichler	525	105.49%	554
Alexander Susanek	470	105.49%	496
Maria Koller	357	105.49%	377

The annual STI target bonus is value adjusted in line with the CPI. The STI amounts will be paid out in 2026.

⁴⁾ **Long-Term Incentive (LTI):**

LTI program starting 2023 — tranche 3 for 2025

As part of the entry into the LTI program starting 2023, the Remuneration Committee provided for a cut-in scheme for the years 2023 to 2026 that has been agreed with the members of the Executive Board, which provides for three cut-in tranches. These first three LTI tranches have terms of one (1st tranche), two (2nd tranche) and three (3rd tranche) years. All other (regular) LTI tranches have a duration of four years.



In 2025, the payout amount had to be determined on the basis of the achievement of the second LTI tranche in the target achievement period 2024.

Financial year 2025 was the target assessment period for tranche 3, which is to be paid out in 2026.

Financial target: The financial target for tranche 3 of the LTI program starting 2023 (target assessment period 2025) has been defined as follows in accordance with medium-term planning 2023-2027:

LTI program starting 2023 — financial target tranche 3	Lower limit	Target	Upper limit
ROCE	8.4 %	11.4%	12.9%
Target achievement level	0%	100%	150%

The weighting of the financial target was set at 80 percent.

The ROCE for fiscal year 2025 is reported at 9.54 percent, which results in a target achievement rate of 38 percent using linear interpolation between target value (100 percent) and lower limit (0 percent).

Non-financial target: For tranche 3, the ESG targets in the LTI will continue to be used. For tranche 3 and the target assessment period 2025, the Remuneration Committee specified an assessment of target achievement based on two sustainability indicators. From the KPIs relevant to company governance, two indicators have been selected according to strategic importance and impact, which cover the areas of environmental and social:

- Total Recordable Injury Rate (TRIR)
- Scope 1 and 2 emissions, in tons of CO2 (t CO2e)

The weighting of the non-financial target was set at 20 percent. Each of the non-financial target indicators is included in the LTI calculation in equal measure and therefore with a weighting of 10% each. The achievement of objectives must be determined for each key figure. The average of the target achievement of both indicators is then used to arrive at the non-financial performance criterion. The target was set for tranches 2 to 5 along the target path defined in 2024.

The specific target for tranche 3 is as follows:

LTI program starting 2023 - non-financial target tranche 3	Lower limit	Target	Upper limit
CO2 per ton (10% weighting)	34,095	30,996	n/a
TRIR (10% weighting)	11.99	10.90	10.36
Target achievement level	0%	100%	150%

For financial year 2025, TRIR is reported at 9.17. This is significantly below the value set as an upper limit, so that a target achievement rate of 150 percent is to be applied.

For the CO2 target, over fulfilment has been ruled out. CO2 emissions of 29,552 t are reported for the financial year. This results in a target achievement level of 100 percent. The average target achievement level calculated from the two non-financial indicators is 125 percent.

Share price-based factor: The share price-based factor for tranche 3 is calculated from the change in the (a) average daily official closing price of PALFINGER shares on the Vienna Stock Exchange in the fiscal year before the start of the tranche (this is the year 2022 for tranche 3) compared to the (b) average daily official closing price of PALFINGER shares on the Vienna Stock Exchange in the fiscal year before the end of tranche (this is 2025 for tranche 3). The value determined in this way is 1.24, meaning that a cap of 1.2 applies.

Overall LTI target achievement level: The overall target achievement for LTI tranche 3 is calculated as follows:

Overall calculation:

$$\underbrace{(38\% \times 0.8)}_{\text{Financial target}} + \underbrace{125\% \times 0.2}_{\text{Non-financial target}} \times \underbrace{1.2}_{\text{Share price-based factor}} = \mathbf{66.48\%} \text{ overall target achievement level LTI tranche 3 (2025)}$$

The LTI amounts for tranche 3 are calculated on the basis of the target value bonus and overall target achievement.

(Values in EUR thousand, unless stated otherwise)	Target bonus	Target achieved 0% - 125%	LTI program starting 2023 - tranche 3
Andreas Klauser	1,402	66.48%	932
Felix Strohbichler	1,116	66.48%	742
Alexander Susanek	1,054	66.48%	701
Maria Koller	816	66.48%	542

The LTI target value bonus is indexed using the reference indicators. The STI amounts will be paid out in 2026.

Insurance

The Executive Board members have health, accident, and retirement insurance under the Austrian social security system. The social security contributions are divided between the Executive Board members and the company in accordance with the applicable statutory key, and the company pays its statutory contribution to an employee pension fund. Accident insurance has also been taken out for members of the Executive Board.

In addition to the insurance policies reported under remuneration in kind, the members of PALFINGER AG’s Executive Board are also covered by a Group-wide "Directors & Officers" (D&O) insurance policy taken out for a group of executives and managers.

Termination of contract and severance pay

The requirements set out in C Rule 27a of the Austrian Corporate Governance Code (ÖCGK) in the event of a premature termination of the contract have been taken into account.

If an Executive Board member is removed by the Supervisory Board early in accordance with Sec. 75 of the Stock Corporation Act and there is no ground for dismissal under Sec. 27 of the Austrian Salaried Employee Act (AngG), the company can dissolve the employment contract in compliance with a termination notice period. The termination notice period shall be 24 months (unless the employment contract expires sooner). In this case, the member of the Executive Board shall also be entitled to terminate the contract. Notice periods ranging between 6 and 24 months must be observed.

Former members of the Executive Board

Manfred Kreibich (member of the Executive Board from 1988 to 1997) received a company pension of EUR 16 thousand in 2025 (2024: EUR 15 thousand). This is based on a pension commitment from 1997.

III.2. SUPERVISORY BOARD

2024 ¹⁾ (Value in EUR thousand)	Hubert Palfinger	Hannes Palfinger	Gerhard Rauch	Hannes Bogner	Isabel Diaz Rohr	Sita Mazumder
Basic remuneration (incl. committees)	82	49	46	52	31	45
Attendance fee (incl. committees)	24	27	22	24	18	19
Total remuneration	106	76	68	76	49	64
Total	439					

2025 ²⁾ (Value in EUR thousand)	Hubert Palfinger ³⁾	Hannes Palfinger ⁴⁾	Gerhard Rauch ⁵⁾	Hannes Bogner ⁶⁾	Isabel Diaz Rohr ⁷⁾	Sita Mazumder	Marianne Heiß ⁸⁾
Basic remuneration (incl. committees)	104	59	59	74	14	54	41
Attendance fee (incl. committees)	20	20	20	20	4	20	18
Total remuneration	124	79	79	94	18	74	59
Total	527						

¹⁾ Remuneration for financial year 2024 was paid in 2025.

²⁾ Remuneration for financial year 2025 will be paid in 2026.

³⁾ Hubert Palfinger is Chair of the Supervisory Board, Chair of the Remuneration Committee and Chair of the Nomination Committee.

⁴⁾ Hannes Palfinger is 2nd Vice-Chair of the Supervisory Board.

⁵⁾ Gerhard Rauch is 1st Vice-Chair of the Supervisory Board.

⁶⁾ Hannes Bogner is Chair of the Audit Committee.

⁷⁾ Isabel Diaz Rohr's term of office ended on April 3, 2025.

⁸⁾ Marianne Heiß was elected to the Supervisory Board at the Annual General Meeting on April 3, 2025.

Insurance

The members of PALFINGER AG's Supervisory Board are also covered by a Group-wide "Directors & Officers" (D&O) insurance policy taken out for a group of executives and managers.

Former members of the Supervisory Board

Alexander Exner (member of the Supervisory Board from 1996 to 2010) receives a company pension of EUR 74 thousand (2023: EUR 71 thousand) per year. This is based on a pension commitment from 1997.

IV. INFORMATION ON SHARE-BASED REMUNERATION

No share-based remuneration is applied.

V. OTHER INFORMATION AND NOTES

The annual change in total remuneration, the company's economic performance and the average remuneration of the company's other employees are as follows:

Annual change in %	2021 compared to 2020		2022 compared to 2021		2023 compared to 2022		2024 compared to 2023		2025 compared to 2024	
	with LTI	without LTI	with LTI	without LTI	with LTI	without LTI	with LTI	without LTI	with LTI	without LTI
Remuneration of the Executive Board¹⁾										
Andreas Klausner	5.06%	45.70%	20.45%	-2.29%	28.77%	5.59%	-20.89%	4.09%	-5.86%	2.48%
Felix Strohbiehler	-3.63%	24.96%	40.00%	6.46%	31.24%	26.88%	-20.56%	4.93%	-7.33%	0.73%
Alexander Susanek	n/a	n/a	n/a	n/a	n/a	n/a	52.65%	98.33%	-6.06%	2.22%
Maria Koller	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-6.59%	1.98%
Martin Zehnder	-5.82%	25.36%	14.90%	-7.69%	28.46%	-31.28%	n/a	n/a	n/a	n/a
Total	-0.89%	33.32%	24.29%	-1.63%	49.74%	18.83%	-7.76%	21.20%	-6.42%	1.88%
Company success²⁾										
EBT		54.60%		-6.91%		29.69%		-18.11%		-2.54%
EBIT		n/a		n/a		39.76%		-11.69%		-6.09%
ROCE		76.8%		-16.10%		23.03%		-10.66%		-7.44%
Average remuneration Full-time equivalent³⁾										
Employees of the PALFINGER Group worldwide		18.2%		5.78%		8.75%		3.24%		6.18%
Employees of the PALFINGER Group, in Austria (taking into account the short-time work allowance)		29.85% (17.55%)		-0.99% (-)		12.35% (-)		4.06% (-)		7.38% (-)

¹⁾ LTI 2018-2022: The actual LTI payout amount was determined at the end of the LTI contract period. This presentation of the LTI is based on the assumption of an average target achievement level of 100 percent at the end of the LTI contractual period. Fluctuations in the LTI target achievement level during individual years have been smoothed out in this method of presentation. Alternatively, applying the actual LTI allocation, with annual over-achievements and under-achievements, would have led to the presentation of disproportionate fluctuations, which may not have materialized at the end of the LTI contract

period because of the overall cap of 100 percent. In order to ensure a better comparison and to adjust the presentation for the smoothing effect of the LTI component, the change without inclusion of the LTI is also shown as an alternative.

LTI starting 2023: In accordance with the rolling LTI tranches and the cut-in scheme, an LTI is taken into account here annually, in accordance with the target achievement for the respective tranche.

²⁾ For the purposes of this remuneration report, economic performance is reported on the basis of Group EBT (Earnings Before Tax), Group EBIT (Earnings Before Interest and Tax), and Group ROCE (Return on Capital Employed). These are also the financial indicators that apply in the context of the variable components (i.e. STI and LTI) of Executive Board remuneration (up until 2022: EBT, starting 2023: EBIT).

³⁾ The average remuneration relates to full-time employees in the PALFINGER Group worldwide (2020/2021/2022/2023/2024/2025: approx. 10,800/11,100/11,800/12,300/12,400/12,000 people) and in Austria (2020/2021/2022/2023/2024/2025: approx. 2,000/2,100/2,400/2,600/2,600/2,600 people), each without Executive Board. This is based on an average number of employees over the annual period. Short-time work (especially in Austria) has an affect here, in the form of a subsidy paid to the company to reduce personnel expenses and in turn the average values used as a basis. However, the wages and salaries paid to employees were higher. For comparison purposes, the figure adjusted for short-time work allowance is also presented separately for these years. From 2022, this presentation method is no longer applicable.

Bergheim, March 2, 2026

For the Supervisory Board

[signed]

Hubert Palfinger
Chair of the Supervisory Board

The Executive Board

[signed]

Andreas Klauser
Chairman

[signed]

Maria Koller
Board member

[signed]

Felix Strohbichler
Board member

[signed]

Alexander Susanek
Board member

REMUNERATION POLICY OF PALFINGER AG

PALFINGER AG's remuneration policy formulates the principles utilized in setting the remuneration of the Executive Board and the Supervisory Board of PALFINGER AG.

The remuneration system implements the statutory provisions of the Austrian Stock Corporation Act (Secs. 78 et seq. of the Stock Corporation Act - AktG) and the recommendations of the Austrian Code of Corporate Governance (ÖCGK).

The remuneration policy pursues the overall goal of fostering sustainable, long-term corporate development.

The remuneration policy was established by a resolution of the Supervisory Board and will be applied following its submission to the Annual General Meeting. Under Sec. 78b para. 1 of the Stock Corporation Act (or Sec. 98a in conjunction with Sec. 78b para. 1 of the Stock Corporation Act), the remuneration policy must be submitted to the Annual General Meeting for a vote at least every fourth fiscal year.

I. Remuneration of the Executive Board

I.1. Principles for the remuneration of the members of the Executive Board

The creation, regular review, and implementation of the remuneration policy for the Executive Board is the responsibility of the Remuneration Committee of the Supervisory Board. The Committee can utilize the services of an external remuneration consultant, if necessary. To avoid conflicts of interest, the Remuneration Committee will be mindful that any consultant utilized does not simultaneously advise the Executive Board on remuneration matters.

In setting the remuneration for the Executive Board, the Remuneration Committee takes into account the education, professional experience and areas of responsibility of the individual Executive Board members and the scope and complexity of their activities.

Moreover, in addition to the tasks and performance of the individual Executive Board members, the situation of the company and the prevailing rate for remuneration must also be taken into account.

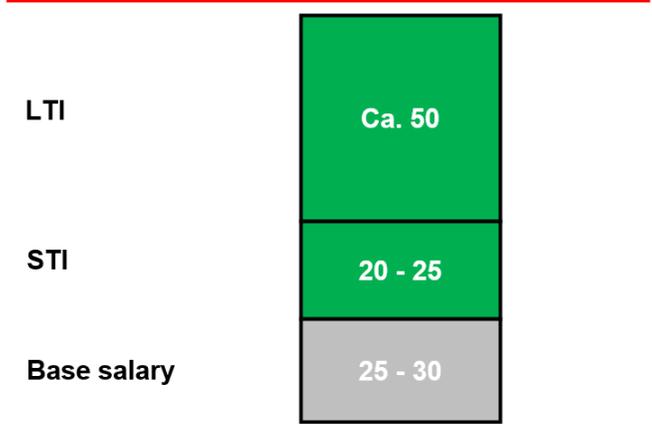
A horizontal remuneration comparison is made with other industrial companies, primarily in the DACH (Germany, Austria, Switzerland) region, with respect to the market conformity and competitiveness of Executive Board remuneration in order to attract the best-suited and most qualified Executive Board members to work for the company.

The remuneration and working conditions of company employees are also taken into account to relate Executive Board remuneration to the pay structure of the company.

The remuneration of the Executive Board has several different components. In addition to fixed remuneration (base salary), there is a short-term variable performance bonus (Short-Term Incentive; STI) and a long-term variable performance bonus (Long-Term Incentive; LTI).

Assuming a target achievement level of 100%, the relative distribution of remuneration components is weighted as follows:

Shares of the remuneration components in the target total remuneration (in %)



The long-term variable incentive bonus per member of the Board of Management promotes return on capital, encourages sustainable business activities and links it to the long-term share price development of PALFINGER AG. As a result, the goals of the Executive Board members are always aligned with the interests of the shareholders.

Overall, the remuneration policy creates incentives for Executive Board members to actively develop and implement corporate strategy, promote sustainable corporate development, and avoid disproportionate risks. In establishing the specific performance criteria and target values, it should be kept in mind that excessive risk-taking and a too strong focus on short-term profits are to be avoided. At the same time, ambitious targets should be set, which are an incentive for high performance.

In the megatrends of sustainability, digitalization and social change, PALFINGER AG sees substantial challenges for the company and its customers that require proactive and forward-looking action. With its “Reach Higher – 2030+” strategy, PALFINGER AG is pursuing three strategic priorities: “Lifting Customer Value”, “Balanced Profitable Growth” and “Execution Excellence”. In doing so, PALFINGER AG is anticipating upcoming changes and proactively addressing their implications. As a global company with strong regional roots, PALFINGER AG is also convinced that sustainable thinking and action contribute significantly to economic success. “Sustainability as an Opportunity” is firmly anchored in the corporate strategy as a strategic programme within “Lifting Customer Value”. The remuneration model shall support the consistent pursuit and attainment of these strategic goals optimally.

In accordance with C-Rule 27 of the Austrian Code of Corporate Governance (ÖCGK), the remuneration policy provides that the company can demand the return of variable components of remuneration if it turns out that they were paid out on the basis of patently false data (“clawback”).

The focus of the variable components of remuneration is primarily on performance indicators, which relate to the company's business results. In addition, long-term share price developments

are included in order to align the interests of the Executive Board and shareholders and to increase the value of the company in the long term.

The members of the Executive Board are employed under local Austrian terms and conditions. Therefore, the components of remuneration are denominated in euros (gross). The employment contracts of Executive Board members are concluded with PALFINGER AG and are subject to Austrian law.

I.2. Base salary

The base salary is an annual fixed amount, which is paid out in 14 equal installments. The base salary includes payment for all overtime, trips, and travel time.

The base salary also covers the assumption of governing body functions in the Group.

The base salary is a competitive fixed amount, which covers the general assumption of the Executive Board mandate and the related overall responsibility of the individual Executive Board members and provides an incentive for Executive Board members to always act for the benefit of the company and take the interests of shareholders, employees, and the public into account.

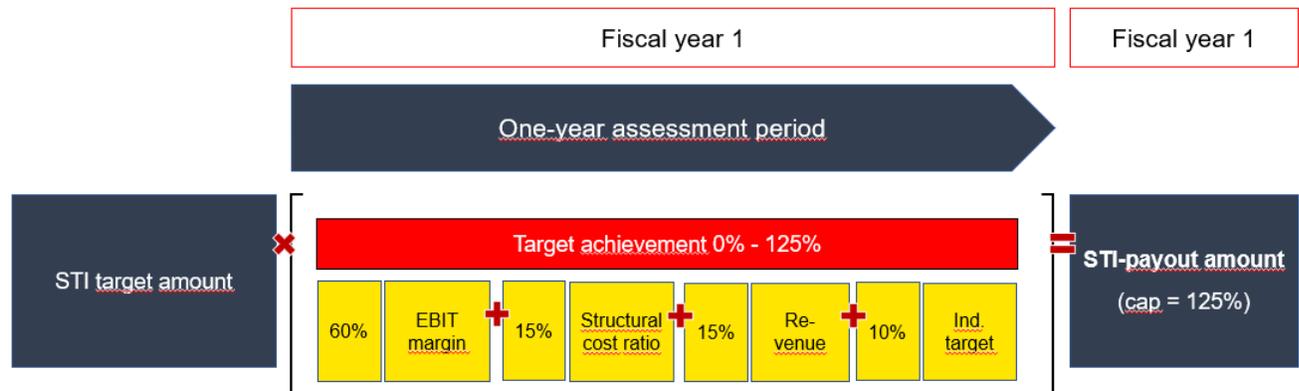
The specific base salary amount is established in the employment contract of each Executive Board member. Salary indexing in accordance with the Consumer Price Index may also be agreed upon.

I.3. Short-Term Incentive; STI

The financial targets in the STI are based on the company's success in the previous fiscal year. Here the performance criteria for evaluating the success of the company are the EBIT margin weighted at 60%, the structural cost ratio weighted at 15%, and revenue weighted at 15%. The financial performance criteria are measured at the PALFINGER Group level in each case.

In addition to the financial performance criteria, an individual target is set for each member of the Executive Board and weighted at 10% in the STI. This target is based on the successful execution of initiatives or projects aimed at implementing the corporate strategy within the Executive Board members' respective portfolios.

How the STI works



Übersicht Leistungskriterien STI

Performance criterion	Financial performance criteria			Individual Target
Weighting	EBIT margin 60%	Structural cost ratio 15%	Revenue 15%	10%

At the start of the fiscal year, the Remuneration Committee of the Supervisory Board sets a target value, a lower limit, and an upper limit for the financial performance criteria for the current fiscal year as the assessment period, which applies uniformly to all Executive Board members.

The target values for the financial performance criteria are calculated in accordance with the values of the annual budget approved by the company's Supervisory Board for the fiscal year for which the target value is set. The upper and lower limits for achieving the performance criteria are calculated as follows, depending on the target value:

Financial performance criterion	Upper limit	Lower limit
EBIT margin	Target +1 percentage point	Target -2 percentage points
Structural cost ratio	Target -2 percentage points	Target +3 percentage points
Revenue	Target +10%	Target -15%

The actual target achievement level is determined based on the audited IFRS consolidated financial statements (EBIT margin and revenue) and internal controlling (structural cost ratio) at PALFINGER AG following the end of the respective fiscal year.

Target achievement level STI

Performance	Target achievement level
Exceeds the target up to the upper limit	125%
Reaches the target value	100%
Fails to reach the lower limit	0%

In addition, at the start of the financial year, the Supervisory Board's Remuneration Committee sets an individual target for each member of the Executive Board. To this end, a specific initiative or project is selected within each Executive Board portfolio that is significant for the implementation of the corporate strategy and for which implementation or substantial progress is planned during the course of the financial year.

If the individual target or the lower limits of the financial performance criteria are not reached, the target achievement level is 0%. The STI can therefore be completely omitted. If the individual target or the financial target value is reached, a target achievement level of 100% is applied. If the upper limit of the financial targets is reached or exceeded or the individual target is overfulfilled, the degree of target achievement is up to 125%. The STI is therefore limited to

125% of the target incentive value (cap). In the range between lower limit and target value and between target value and upper limit the degrees of target achievement of the financial performance criteria are distributed in a straight line (linear interpolation). The remuneration committee determines the extent to which the individual target has been met on the basis of the specific success of the initiative or project.

The payout amount of the STI in a fiscal year is determined on the basis of the achievement of the defined performance criteria. Following approval of the consolidated financial statements applying to the fiscal year, target achievement is determined for each performance criterion. This is done by comparing the values actually achieved with the defined target values. The levels of target achievement determined in this way are multiplied by the respective weighting of the performance criterion in order to determine the overall target achievement. The overall target achievement is multiplied by the STI target amount to determine the payout amount, taking into account the cap of 125%.

The utilization of different financial target amounts as well as setting individual targets in line with an Executive Board member's portfolio enables a comprehensive and balanced assessment of the performance of Executive Board members. The choice of performance criteria (EBIT margin, structural cost ratio, and revenue) means that the STI focuses on profitability, efficiency, and growth. Individual objectives take account of the implementation of the corporate strategy.

Under special circumstances (in particular in a phase of corporate restructuring), the Remuneration Committee of the Supervisory Board may set alternative performance criteria (adjusted for special effects), such as an adjusted EBIT margin, at the beginning of the current fiscal year. In critical corporate phases, this should enable management to focus on the respective key target value(s).

The STI target amount is established individually for each Executive Board member in the employment contract. Salary indexing in accordance with the Consumer Price Index may also be agreed upon.

The payout amount of the STI is determined after approval of the audited IFRS consolidated financial statements and no later than April 30 of the year following the end of the assessment period, and then paid out.

1.4. Long-Term Incentive; LTI

The LTI is a performance-based remuneration over a period of several years, which is aimed at providing a long-term incentive. The members of the Executive Board participate in the LTI for the duration of their appointment.

How the LTI works

The LTI is committed annually in tranches with a duration of four years each (rolling system) and paid out in cash according to target achievement after the end of the assessment period. Each LTI tranche has an assessment period of one year. The assessment period is the last year of every LTI tranche. At the beginning of each tranche, objectives are set to be achieved in the assessment period of the respective tranche. The target assessment for the assessment period of the respective tranche is carried out after approval of the audited IFRS consolidated financial statements relevant for the assessment period. The overall assessment for the tranche is carried out on the basis of the target achievement in the assessment period and the change in the share price, including dividends.

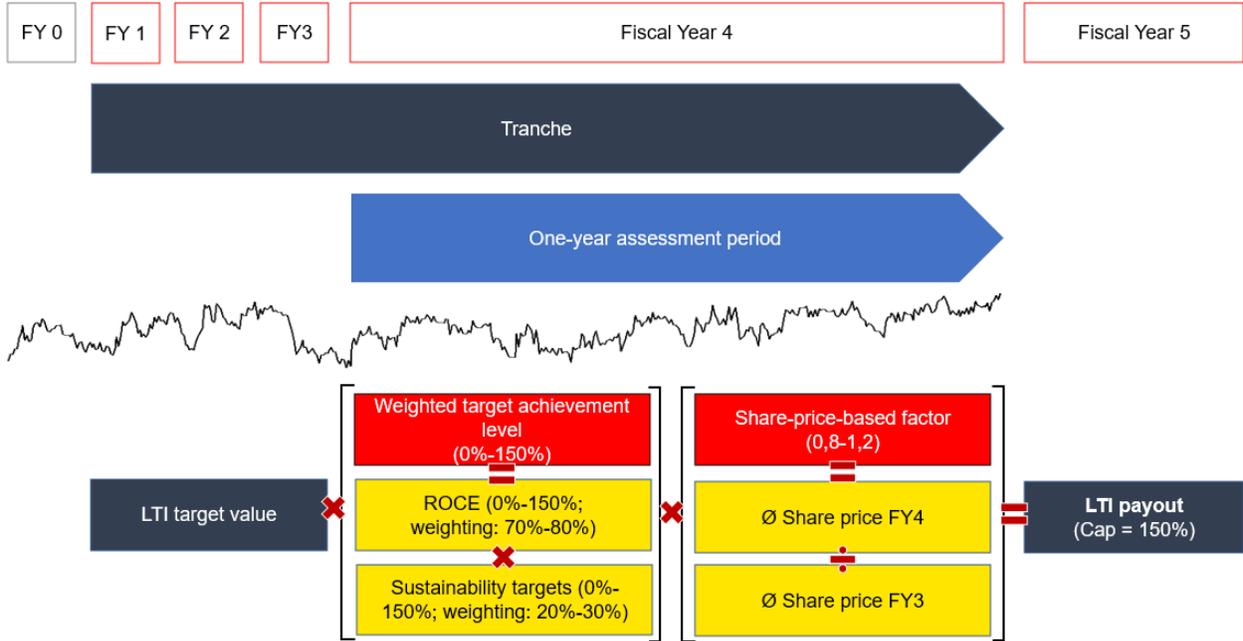
In the event of changes to the LTI program, The Remuneration Committee may vary the number and duration of tranches to smooth out and avoid transition effects. For example, the Remuneration Committee may provide for further shorter-term tranches at the start of the LTI program. If the number and/or duration of tranches is varied, care shall be taken to ensure that increases or reductions in the aggregate LTI target amount are avoided as far as possible. The Remuneration Committee determines which tranche of the LTI program a new Executive Board member will join.

The LTI is based on a financial performance criterion and a non-financial performance criterion. The financial performance criterion is the Group ROCE weighted at 80% and the non-financial performance criterion is a sustainability target weighted at 20%. The Remuneration Committee may set a different weighting of the performance criteria for individual tranches, although the weighting of the financial performance criterion shall not be less than 70% and the weighting of the non-financial performance criterion shall not exceed 30%. The Group ROCE is calculated in and in accordance with the audited IFRS consolidated financial statements of PALFINGER AG.

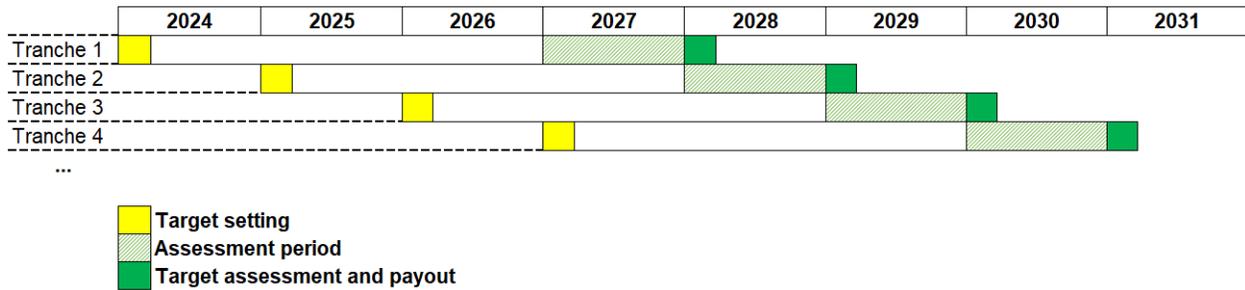
Overview of performance criteria for the LTI

	Financial	Non-financial
Performance criterion	ROCE	Sustainability target
Weighting	70%-80%	20%-30%

In addition, a share-price-based factor of between 0.8 and 1.2 is applied, by which the degree of target achievement is multiplied.



LTI rolling system with a one-year assessment period



Setting LTI targets

At the beginning of each fiscal year, the Remuneration Committee of the Supervisory Board determines the sustainability criteria, which are valid for the assessment period of the LTI tranche which commences in that fiscal year, such as reducing CO2 emissions or accidents at work. In doing so, the Remuneration Committee will consider the consistency of the individual sustainability goals in relation to each other and the objective measurability of target achievement on the basis of non-financial reporting. The specific selection and application of the sustainability criteria is reported in the remuneration report for the fiscal year in which the LTI tranche is granted, unless this would be detrimental to the competitive position of PALFINGER AG.

The ROCE target value for every tranche is the value planned for the assessment period of the tranche in medium-term planning. The upper and lower limits for achieving the performance criteria are calculated as follows, depending on the target value:

Performance criterion	Upper limit	Lower limit
ROCE	Target +1.5 percentage points	Target -3 percentage points
Sustainability goal	Target 5% overachieved	Target 10% underachieved

If indicators are used in the sustainability target whose value is as low as possible in the optimum (e.g. CO2 emissions or occupational accidents), overachievement up to the upper limit is to be measured as a percentage of the shortfall to the defined target value, while underachievement up to the lower limit is to be measured as a percentage of the excess over the defined target value. The target achievement level is determined based on the audited IFRS consolidated financial statements (ROCE) and internal controlling (sustainability target) as well as the non-financial reporting of PALFINGER AG following the end of the respective fiscal year.

LTI target achievement levels for the assessment period

Performance	Target achievement level
Overachievement of the target value up to the upper limit	150%
Reaches the target value	100%
Fails to reach the lower limit	0%

If the lower limit is not reached, the target achievement level is 0%. If the target value is reached, a target achievement level of 100% is applied. If the upper limit is reached or exceeded, the degree of target achievement is 150%. In the range between lower limit and target value and between target value and upper limit, the degrees of target achievement are distributed in a straight line (linear interpolation).

The share-price-based factor is determined by calculating the change of the average daily official closing price of the share on the Vienna Stock Exchange for the assessment period (target price) compared to the average daily official closing price of the share on the Vienna Stock Exchange in the fiscal year before the start of the respective tranche (base price) in percent. A share price increase of 15.5% therefore results in a share-price-based factor of 1.155. A decline in share price of 15.5% results in a share-price-based factor of 0.845. The share-price-based factor is limited to a maximum value of 1.2 and a minimum value of 0.8. If the share-price-based factor calculated in this way falls below 0.8 or exceeds 1.2, this excess is not taken into account. Any share split or share consolidation is also not taken into account when calculating the share-price-based factor.

The payout of an LTI tranche is calculated by multiplying the annual LTI target value set in the contract of each Executive Board member by the weighted target achievement level and the share-price-based factor between 0.8 and 1.2. The payout is limited to 150% of the agreed LTI target value (cap). There is no overall lower limit.

The top management of PALFINGER AG may be granted an LTI program that is based on the same or equivalent KPIs.

The setting of LTI targets includes the analysts' expectations and the performance of comparable companies, in addition to internal corporate considerations. The aim is to set ambitious targets, relative to the competition, which promote the long-term competitiveness of PALFINGER AG.

The application of uniform criteria ensures homogeneous incentivization of Executive Board members, which also facilitates the integration of newly appointed Executive Board members and contributes to the sustainable success of the company.

The use of the ROCE for the long-term variable performance bonus takes the sustainable development of profitability into account. The use of the ROCE places the focus on efficient long-term capital investment. In this way, remuneration is strongly aligned with the interests of the shareholders. By applying a sustainability goal in the long-term variable performance bonus, the social responsibility of the company is taken into account.

The inclusion of the share-price-based factor in the LTI further strengthens the alignment of Executive Board remuneration with shareholder interests. By taking the average share price for an entire fiscal year as a basis, the effect of exogenous factors such as interest rate developments, developments in energy or commodity prices, and bull and bear phases in the capital market is smoothed out over the assessment period.

The LTI tranche model serves the long-term, strategic development of the company. The use of a rolling system smooths out the effects of cyclical fluctuations in earnings on the LTI. At the same time, the continuous succession of assessment periods avoids any incentive to optimize certain years with regard to the performance indicator. The ability to exceed the target value in certain tranches enables the Executive Board to make up for poor annual results, which further strengthens the incentivization.

The LTI payout amount is determined after approval of the audited IFRS consolidated financial statements and no later than April 30 of the fiscal year following the end of the relevant LTI assessment period, and then paid out.

The LTI target amount is set individually for each Executive Board member in the employment contract. Salary indexing is in accordance with the Consumer Price Index. The LTI target amount is to be allocated to the first year of a tranche as part of the total annual remuneration.

I.5. Special bonuses

The Remuneration Committee reserves the right to grant special bonuses for extraordinary performance beyond the aforementioned variable performance bonuses, as long as this extraordinary performance has created a future benefit for the company. These special bonuses enable the company to compensate Executive Board members for special performance and performance above and beyond contractual obligations and are intended to incentivize Executive Board members to perform in a manner to ensure sustainable, long-term development of the company.

In addition, it is permissible to agree to sign-on bonuses or retention bonuses with Executive Board members. This may be necessary to attract especially qualified Executive Board members to the company or to retain Executive Board members in the interest of the company if there are special circumstances.

I.6. Contributions to the retirement fund

PALFINGER AG may agree to pay contributions to an external retirement fund for Executive Board members. The amount of such payments is established in the employment contract on a case-by-case basis. In general, there are no provisions for early retirement programs.

I.7. Insurance and other non-cash remuneration or benefits

The company may purchase the necessary insurance for Executive Board members, such as Directors and Officers (D&O) insurance, accident insurance, legal expense insurance, or international travel health insurance.

The Executive Board members have health, accident, and retirement insurance under the Austrian social security system. The social security contributions are divided between the Executive Board members and the company in accordance with the applicable statutory formula, and the company pays its statutory contribution to an employee pension fund.

In the event of the death of an Executive Board member, the company may grant the widow, the children, or other heirs of the deceased continuation of pay for a certain period of time or death benefits.

The company may provide Executive Board members with a company car. In addition, Executive Board members may be reimbursed for reasonable business expenses and travel costs related to their activities as Executive Board members.

The company may grant Executive Board members an annual vacation of up to 30 business days.

I.8. Deviation from the remuneration policy in exceptional circumstances

Under exceptional circumstances, the Remuneration Committee of the Supervisory Board may temporarily deviate from this remuneration policy in accordance with Sec. 78a para. 8 of the Stock Corporation Act to ensure the long-term development of the company or safeguard its profitability.

If a Supervisory Board member temporarily assumes an Executive Board mandate, the variable components of remuneration may be modified to provide incentives, taking into account the circumstances, for the interim Executive Board member appointed by the Supervisory Board to assume and exercise the mandate.

Moreover, under exceptional circumstances which are particularly challenging from a macroeconomic perspective or specifically with regard to the company, temporary deviations of the short- and long-term performance bonuses may be established.

In such cases, the Remuneration Committee shall adopt a resolution determining whether the prerequisites for deviating from the remuneration policy exist. If the Remuneration Committee finds these prerequisites to be met, it may give contractual assurances to Executive Board members, which deviate from the remuneration policy to the appropriate extent.

I.9. Duration of Executive Board mandates

The term of Executive Board mandates is generally limited to five years. In exceptional cases, a shorter duration will be agreed upon. Reappointments are permitted. To maintain continuity in the composition of the Executive Board, the Supervisory Board will ensure that the contracts of Executive Board members will not expire on the same day.

I.10. Ending an Executive Board mandate

The employment contracts of Executive Board members are concluded for a limited term. If an Executive Board member is removed by the Supervisory Board prematurely pursuant to Sec. 75 of the Stock Corporation Act and there are no grounds for dismissal pursuant to Sec. 27 of the Austrian Salaried Employee Act (AngG), the company may terminate the employment contract in compliance with a notice period. The notice period shall be 24 months (unless the employment contract expires earlier). In this case, the member of the Executive Board shall also be entitled to terminate the contract. Notice periods ranging between 6 and 24 months must be observed.

In the case of removal of an Executive Board member, the company is entitled to terminate the employment contract immediately if there are grounds for which the Executive Board member is responsible, and which entitle the company to dismiss such Executive Board member by analogous application of Sec. 27 of the Austrian Salaried Employee Act.

If an Executive Board member is incapacitated for work due to illness or accident, the company may continue to pay the full remuneration due to the Executive Board member for a maximum of six months and 49% of the remuneration for a maximum of a further three months.

If the Executive Board member resigns without good cause, the employment contract terminates as well.

If there is a change of control whereby the shareholding structure of PALFINGER AG is altered to such an extent that the Palfinger Family and the Palfinger private foundation jointly own, directly or indirectly, less than 50% of the shares of PALFINGER AG, the Executive Board

member may resign from their position. In this case, the Executive Board member's severance pay may not exceed their total remuneration for two years and may not cover any more than the remaining term of the employment contract.

II. Remuneration of the Supervisory Board

II.1. Principles for the remuneration of the members of the Supervisory Board

The full Supervisory Board is responsible for the creation and regular review of the remuneration policy for the Supervisory Board. However, the final remuneration of the Supervisory Board is set by the Annual General Meeting (Sec. 98 of the Stock Corporation Act).

The Supervisory Board's remuneration consists of a base remuneration for Supervisory Board activities and an additional remuneration for Committee membership and an attendance fee for participation in Supervisory Board and Committee meetings.

Due to their more extensive range of duties and greater responsibility, the Chair of the Supervisory Board, the Vice-Chair of the Supervisory Board, the Committee Chairs, certain Committee members, and the financial expert may be granted a higher base remuneration than regular Supervisory Board members. In addition, Supervisory Board members have a right to reimbursement of their travel expenses and cash expenses.

In addition, indexing of the base remuneration and the attendance fee based on the Consumer Price Index may be agreed upon.

If Supervisory Board members perform a special function for the company, the Annual General Meeting may adopt a resolution approving a special remuneration for this.

The Supervisory Board's remuneration should promote the sustainable, long-term development of the company as well as implementation of the corporate strategy. At the same time, it should reflect the responsibility and range of duties and activities of the individual Supervisory Board member and the economic situation of the company.

The company refrains from providing variable bonuses or share-based remuneration to ensure independent supervision of the Executive Board by the Supervisory Board and to avoid congruence with the interests and incentivization of the Executive Board to a large extent.

A horizontal remuneration comparison is made with other industrial companies, primarily in the DACH (Germany, Austria, Switzerland) region, with respect to the market conformity and competitiveness of Supervisory Board remuneration. In light of the international activities of PALFINGER AG, this is necessary to be able to attract qualified foreign candidates with the remuneration system.

The company may purchase Directors and Officers (D&O) insurance for Supervisory Board members.

The Supervisory Board remuneration established by the Annual General Meeting will be billed by the Supervisory Board Members following the last Supervisory Board meeting of the fiscal year and shall be paid out within 10 days after the invoice has been submitted to the CFO.

If a Supervisory Board member's mandate begins or ends during a fiscal year, the remuneration shall be paid on a pro rata basis.

II.2. Deviation from the remuneration policy in exceptional circumstances

Under exceptional circumstances, the company may temporarily adjust the amount of the base remuneration and the attendance fee to reflect the situation of the company if this is necessary for the long-term development of the company or to safeguard profitability.

II.3. Term and termination of Supervisory Board mandates

The Annual General Meeting elects Supervisory Board members for terms of five years. Election for a shorter term is possible in exceptional cases. Reappointments are permitted. To ensure the continuity of the Supervisory Board, it should be kept in mind that most of the mandates should not expire on the same day.

The Annual General Meeting may revoke the appointments of Supervisory Board members before the expiry of their terms of appointment by adopting a resolution by a three-fourths majority. In this case, the Supervisory Board's remuneration is to be prorated for the relevant fiscal year.

Any Supervisory Board member may resign from their position by giving four weeks' written notice to the Chairman of the Supervisory Board with no need to state the reasons for this.

III. Description of the main changes to the remuneration policy 2024

This remuneration policy replaces the remuneration policy adopted at the 2024 Annual General Meeting.

This remuneration policy provides in the STI for the setting of individual targets for members of the Executive Board, in addition to financial performance criteria, with particular emphasis on tangible achievements in the implementation of the strategy within their respective areas of responsibility.