

March 15, 2011

Ronald M. DeFeo
Chairman and Chief Executive Officer
Terex Corporation
200 Nyala Farm Road
Westport, CT 06880 USA

Re: Terex Corporation and Public Executions in Iran

Dear Mr. DeFeo:

On behalf of United Against Nuclear Iran (UANI), I am writing to alert you to the potential use of Terex Corporation's ("Terex") cranes by the government of Iran to stage public executions by hanging. (See: Matthias Kuentzel, "[Who is Who in German Trade with Iran?](#)", February 4, 2010) As part of its newly launched "Cranes Campaign," UANI is urging all crane manufacturers, including Terex, to end their business operations in Iran until the current regime in Tehran ends this grisly practice and stops threatening the world through its pursuit of an illegal nuclear weapons program.

Sadly, this issue has taken on greater salience in the last several months. Iran has set a blistering pace of executions in the first months of 2011, with the International Campaign for Human Rights in Iran proclaiming that the regime is on an "execution binge." According to Freedom House, Iran has executed at least 132 people since the New Year, setting the regime on pace to far exceed the 179 reportedly executed in 2010. The disturbing reality is that the Iranian regime's preferred method of execution is hanging from a construction crane, gruesomely leaving the bodies on public display.

UANI is calling upon all crane suppliers, including Terex, to end their business dealings in Iran. Responsible corporations, notably other construction companies like Caterpillar and Komatsu, have already pulled out of Iran. These companies made this decision in light of Iran's continued pursuit of an illicit nuclear weapons program and its continued sponsorship of terrorist groups throughout the region like Hezbollah and Hamas. Iran is also engaged in a brutal campaign of oppression against the democratic aspirations of its own people, as evidenced so profoundly by the use of cranes to stage public executions.

Even putting aside the clear misuse of these cranes for public executions, the possibility of Terex's name being even remotely associated with the thugocratic regime in Tehran should be reason enough to end Terex's business in Iran.

More broadly, UANI sharply disagrees with Terex's assertion in its July 2009 correspondence to the U.S. Security and Exchange Commission's Office of Global Security Risk that the close to \$12 million per year in recent sales of Terex equipment in Iran through foreign subsidiaries are not "material to a reasonable investor." (See: [SEC Correspondence](#), July 17, 2009) The actions of Ahmadinejad's dictatorship are so far outside the scope of acceptable behavior that all responsible companies and investors alike would not support business activities that perpetuate the regime's authority or its illicit pursuit of nuclear weapons. SEC Chairman Mary Schapiro herself has stated that illicit business with Iran "can create material contingent liabilities that need to be disclosed by public companies." (See: AFP, "[US watchdog moves to smother Iran trade](#)," July 20, 2010)

Of additional concern to UANI is that a number of Iranian oil and gas companies, including RAMPCO and the National Iranian Gas Company, list the application of cranes from Terex-Demag (a German Terex subsidiary) on their respective websites. (See, respectively, the company websites at: RAMPCO website, "[Equipment](#)"; and NIGC Website, "[Commercial Management](#)"). Other Terex subsidiaries, including U.K.-based Powerscreen, continue to offer products to Iran. Finally, the Inner Mongolia North Hauler Joint Stock Company ("North Hauler"), of which Terex owns a 25.15% share, also reports sales to customers in Iran. (See: [North Hauler Website](#)). While Terex may not directly control the actions of North Hauler, Terex is still profiting from North Hauler's business operations in Iran, and thus helping to prop up the oppressive Iranian government.

As noted above, UANI strongly disagrees with the assertion by Terex that the limited amount of sales of Terex equipment in Iran is not material to a reasonable investor. Indeed, one such investor, the U.S. government, now considers it directly material. Under the provisions of the *Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010* (CISADA), signed into law on July 1, 2010, companies must now certify to the U.S. government that they do not engage in business in sectors covered under the provisions of the law if they wish to contract with the federal government. Since Terex products are clearly used to help Iran develop its petroleum and natural gas resources, Terex should no longer be eligible to participate in federal contract bids. As you know, Terex is a major contractor with the U.S. Department of Defense, benefiting from close to \$300 million in defense-related contracts over the past ten years.

It is time for Terex to end its business in Iran. This would be more than a symbolic action. A number of U.S. officials, including U.S. Secretary of State Hillary Clinton, have increasingly noted that sanctions against Iran are working to slow the development of their nuclear program. Companies can play a powerful role in the sanctions effort.

By joining other responsible corporations and ending its business in Iran, Terex can help put pressure on the Iranian regime and persuade them to change course and abandon policies running directly counter to American values and long-term security interests. More importantly, by ending its business in Iran, Terex avoids any possibility of having its brand name associated with Iran's grisly practice of public executions by hanging.

Please let us hear from you by March 25, 2011 as to whether or not Terex will take action to end its business in Iran.

Thank you for your immediate consideration of this matter.

Very truly yours,

A handwritten signature in blue ink, appearing to read 'M. Wallace', is positioned above the printed name.

Ambassador Mark D. Wallace

cc: The Honorable Joseph I. Lieberman
Chairman, United States Senate Committee on Homeland Security &
Governmental Affairs

The Honorable Susan M. Collins
Ranking Member, United States Senate Committee on Homeland Security &
Governmental Affairs

The Honorable John Kerry
Chairman, United States Senate Committee on Foreign Relations

The Honorable Richard Lugar
Ranking Member, United States Senate Committee on Foreign Relations

The Honorable Peter T. King
Chairman, United States House Committee on Homeland Security

The Honorable Bennie Thompson
Ranking Member, United States House Committee on Homeland Security

The Honorable Ileana Ros-Lehtinen
Chairman, United States House Committee on Foreign Affairs

The Honorable Howard Berman
Ranking Member, United States House Committee on Foreign Affairs

The Honorable Robert M. Gates
Secretary of Defense, United States Department of Defense

The Honorable Mary L. Schapiro
Chairwoman, United States Securities Exchange Commission

The Honorable Martha N. Johnson
Administrator, General Services Administration

Adam J. Szubin
Director, Office of Foreign Assets Control, U.S. Department of the Treasury

Stacey Babson-Smith
Vice President, Chief Ethics and Compliance Officer, Terex Corporation

Kevin Bradley
President, Terex Cranes

Eric Cohen
Senior Vice President, General Counsel and Secretary, Terex Corporation

Tom Gelston
Vice President, Investor Relations, Terex Corporation

Phillip C. Widman
Senior Vice President and Chief Financial Officer, Terex Corporation

David Kramer
Executive Director, Freedom House

David Keyes
Executive Director, Advancing Human Rights

Hadi Ghaemi
Executive Director, International Campaign for Human Rights in Iran

Renee Redman
Executive Director, Iran Human Rights Documentation Center