

STABILUS

STABILUS S.A.
Société anonyme

Siège social: 2, rue Albert Borschette
L-1246 Luxembourg
R.C.S. Luxembourg: B 151589
Share Capital: EUR 247,000

Notice to all Shareholders

All shareholders of STABILUS S.A. (the “**Company**”) are hereby given notice by the management board of the Company (the “**Management Board**”) that the annual general meeting of shareholders shall be held as follows:

Annual General Meeting 2019 deliberating on ordinary and extraordinary matters (the “MEETING”)

will be held on 13 February 2019, at 10:00 a.m. (Central European Time, “**CET**”) with the agenda below
at
Novotel Luxembourg Kirchberg, 6, rue du Fort Niedergrünewald, L-2226 Luxembourg

AGENDA AND PROPOSED RESOLUTIONS FOR THE MEETING

1. Presentation of the management report regarding the stand alone annual accounts of the Company and the consolidated financial statements for the financial year ended 30 September 2018.
2. Presentation of the report of the supervisory board of the Company regarding the stand alone annual accounts and the consolidated financial statements of the Company for the financial year ended 30 September 2018.
3. Presentation of the reports of the independent auditor (*cabinet de révision agréé*) of the Company regarding the stand alone annual accounts and the consolidated financial statements of the Company for the financial year ended 30 September 2018.
4. Approval of the stand-alone annual accounts of the Company for the financial year ended 30 September 2018.

The Management Board proposes that the MEETING approves the stand-alone annual accounts of the Company for the financial year ended 30 September 2018.

5. Acknowledgement of the profit of the Company made with respect to the financial year ended 30 September 2018 and resolution concerning the allocation of the results of the Company for the financial year ended 30 September 2018.

*The Management Board proposes that the MEETING acknowledges that the Company made a profit with respect to the financial year ended on 30 September 2018 in an aggregate amount of EUR 1,666,663.72 (one million six hundred sixty-six thousand six hundred sixty-three Euros and seventy-two cents) (the **Profit**).*

*The Management Board proposes that the MEETING resolves to allocate 5% of the Profit (i.e. an amount of EUR 83,333.19 (eighty-three thousand three hundred thirty-three Euros and nineteen cents)) to the legal reserve, in accordance with article 461-1 of the Luxembourg act on commercial companies dated 10 August 1915, as amended (the **Companies Act**).*

The Management Board further proposes that the MEETING resolves to approve the distribution of a dividend in an amount of EUR 1 (one Euro) per share resulting in an aggregate dividend distribution in an amount of EUR 24,700,000 (twenty-four million seven hundred thousand Euros) out of (i) the remaining profit which amounts to EUR 1,583,330.53 (one million five hundred eighty-three thousand three hundred thirty Euros and fifty-three cents) and (ii) the profits carried forward in an amount of EUR 23,116,669.47 (twenty-three million one hundred sixteen thousand six hundred sixty-nine Euros and forty-seven cents) and to carry forward the resulting balance of profits in an aggregate amount of EUR 150,661,499.24 (one hundred fifty million six hundred sixty-one thousand four hundred ninety-nine Euros and twenty-four cents), to the next financial year.

The dividend shall be payable within 3 days as of the MEETING.

6. Approval of the consolidated financial statements of the Company for the financial year ended 30 September 2018.

The Management Board proposes that the MEETING approves the consolidated financial statements of the Company for the financial year ended 30 September 2018.

7. Discharge (*quitus*) to Mr Dietmar Siemssen, as member of the Management Board, for the performance of his duties as member of the Management Board for and in connection with the financial year ended 30 September 2018.

The Management Board proposes that the MEETING approves the discharge of Mr Dietmar Siemssen, as member of the Management Board, for the performance of his duties as member of the Management Board for and in connection with the financial year ended 30 September 2018.

8. Discharge (*quitus*) to Mr Mark Wilhelms, as member of the Management Board, for the performance of his duties as member of the Management Board for and in connection with the financial year ended 30 September 2018.

The Management Board proposes that the MEETING approves the discharge of Mr Mark Wilhelms, as member of the Management Board, for the performance of his duties as member of the Management Board for and in connection with the financial year ended 30 September 2018.

9. Discharge (*quitus*) to Mr Andreas Sievers, as member of the Management Board, for the performance of his duties as member of the Management Board for and in connection with the financial year ended 30 September 2018.

The Management Board proposes that the MEETING approves the discharge of Mr Andreas Sievers, as member of the Management Board, for the performance of his duties as member of the Management Board for and in connection with the financial year ended 30 September 2018.

10. Discharge (*quitus*) to Mr Andreas Schröder, as member of the Management Board, for the performance of his duties as member of the Management Board for and in connection with the financial year ended 30 September 2018.

The Management Board proposes that the MEETING approves the discharge of Mr Andreas Schröder, as member of the Management Board, for the performance of his duties as member of the Management Board for and in connection with the financial year ended 30 September 2018.

11. Discharge (*quitus*) to Dr Stephan Kessel, as member of the Management Board, for the performance of his duties as member of the Management Board for and in connection with the financial year ended 30 September 2018.

The Management Board proposes that the MEETING approves the discharge of Dr Stephan Kessel, as member of the Management Board, for the performance of his duties as member of the Management Board for and in connection with the financial year ended 30 September 2018.

12. Discharge (*quitus*) to Mr Markus Schädlich, as member of the Management Board, for the performance of his duties as member of the Management Board for and in connection with the financial year ended 30 September 2018.

The Management Board proposes that the MEETING approves the discharge of Mr Markus Schädlich, as member of the Management Board, for the performance of his duties as member of the Management Board for and in connection with the financial year ended 30 September 2018.

13. Discharge (*quitus*) to Mr Udo Stark, as member of the supervisory board of the Company, for the performance of his duties as member of the supervisory board for and in connection with the financial year ended 30 September 2018.

*The Management Board proposes that the MEETING approves the discharge of Mr Udo Stark, as member of the supervisory board of the Company (the **Supervisory Board**), for the performance of his duties as member of the Supervisory Board for and in connection with the financial year ended 30 September 2018.*

14. Discharge (*quitus*) to Dr Stephan Kessel, as member of the Supervisory Board, for the performance of his duties as member of the Supervisory Board for and in connection with the financial year ended 30 September 2018.

The Management Board proposes that the MEETING approves the discharge of Dr Stephan Kessel, as member of the Supervisory Board, for the performance of his duties as member of the Supervisory Board for and in connection with the financial year ended 30 September 2018.

15. Discharge (*quitus*) to Dr Joachim Rauhut, as member of the Supervisory Board, for the performance of his duties as member of the Supervisory Board for and in connection with the financial year ended 30 September 2018.

The Management Board proposes that the MEETING approves the discharge of Dr Joachim Rauhut, as member of the Supervisory Board, for the performance of his duties as member of the Supervisory Board for and in connection with the financial year ended 30 September 2018.

16. Discharge (*quitus*) to Dr Ralf-Michael Fuchs, as member of the Supervisory Board, for the performance of his duties as member of the Supervisory Board for and in connection with the financial year ended 30 September 2018.

The Management Board proposes that the MEETING approves the discharge of Dr Ralf-Michael Fuchs, as member of the Supervisory Board, for the performance of his duties as member of the Supervisory Board for and in connection with the financial year ended 30 September 2018.

17. Discharge (*quitus*) to Dr Dirk Linzmeier, as member of the Supervisory Board, for the performance of his duties as member of the Supervisory Board for and in connection with the financial year ended 30 September 2018.

The Management Board proposes that the MEETING approves the discharge of Dr Dirk Linzmeier, as member of the Supervisory Board, for the performance of his duties as member of the Supervisory Board for and in connection with the financial year ended 30 September 2018.

18. Confirmation and appointment of Mr Udo Stark as member of the Supervisory Board.

The Management Board proposes that the MEETING (i) confirms the appointment by co-optation of Mr Udo Stark as member of the Supervisory Board with effect as of 1 August 2018, (ii) appoints Mr Udo Stark as member of the Supervisory Board for a term of office ending after the annual general meeting of the shareholders of the Company approving the annual accounts for the financial year ending on 30 September 2023.

Comment: Following the departure of the previous CEO of the Company, Mr Stephan Kessel, then member of the Supervisory Board, was appointed as member of the Management Board and interim CEO by the Supervisory Board, and his mandate as member of the Supervisory Board was consequently suspended. Mr Udo Stark was appointed by way of co-optation as temporary member of the Supervisory Board, and shall continue to occupy this position until a new CEO is found, which is due to occur in the coming months.

19. Renewal of the mandate of the independent auditor (*cabinet de révision agréé*) of the Company, KPMG Luxembourg, represented by partner Mr Thomas Feld, in relation to the stand alone annual accounts and the consolidated financial statements for the financial year ending on 30 September 2019.

The Management Board proposes that the MEETING renews the mandate of KPMG Luxembourg, represented by partner Mr Thomas Feld, as independent auditor (cabinet de révision agréé) of the Company in relation to the stand alone annual accounts and the consolidated financial statements, for a term which will expire at the end of the annual general meeting of the shareholders of the Company called to approve the stand alone annual accounts and the consolidated financial statements for the financial year ending on 30 September 2019.

20. Approval of a new remuneration scheme for the members of the Management Board.

The Management Board proposes that the MEETING resolves to confirm the new remuneration scheme for the members of the Management Board as set out in Annex 1 to the convening notice.

Comment: The Supervisory Board has worked out a new remuneration scheme for the members of the Management Board (the **Remuneration Scheme**), the objectives and details of which are described in Annex 1 to the convening notice. The Remuneration Scheme is transparent and foresees ambitious incentives for sustainable performance of the Company. The Supervisory Board and the Management

Board are convinced that the Remuneration Scheme is in the best interest of the Company and its Shareholders and therefore recommend that the MEETING approves the Remuneration Scheme.

21. Amendment of the term of office of the members of the Management Board

*The Management Board proposes to the MEETING to (i) amend the terms of office for members of the Management Board set out in the articles of association of the Company (the **Articles**) as follows: The term of office for the CEO shall be up to 4 years and the term of office of any other member of the Management Board shall be up to 3 years and (ii) consequently amend article 11.2 of the Articles as set out in Annex 2 to the convening notice.*

Comment: Last year, the Management Board already proposed to the annual general meeting of the shareholders (the **AGM 2018**) to amend article 11.2 of the Articles allowing the Supervisory Board to appoint other members of the Management Board (apart from CEO and CFO) for up to three years, instead of one year. For lack of more detailed information in the AGM 2018 documents, which led to apparent misunderstandings, the amendment was not approved. It is, however, in the best interest of the Company to have a board structure and office periods for members of the Management Board which are in line with comparable two-tier governance practices. Therefore, the Management Board is basing its proposal to the MEETING on the following arguments:

In contrast to many companies in the US, UK and Western Europe, the Company does not have a single board with executive and non-executive directors, but a two-tier governance structure (which is more common in Germany, the Netherlands and Finland), consisting of a supervisory board and a management board (please refer to the Articles). The general meeting of the shareholders of the Company elects and appoints the (non-executive) members of the Supervisory Board. The Supervisory Board, on the other hand, elects and appoints the (executive) members of the Management Board and determines their term of office (see article 11.4 of the Articles). The proposed amendment to article 11.2 of the Articles is intended to increase the flexibility of the Supervisory Board by allowing it to appoint an ordinary member of the Management Board for a term of office exceeding one year, i.e. for a term of office of up to three years. This flexibility is essential and will increase the Company's competitiveness on the market for executive talent. The current one-year limitation is a substantial disadvantage compared to competitors and peers.

With regard to the CEO and the CFO of the Company, the proposed amendment aims for term of office which may be shorter than the strict periods which are presently foreseen in the Articles (four and three years, respectively), e.g. because the Management Board member wishes such a shorter period because of personal reasons (e.g. age). According to the proposed amendment, the Supervisory Board can foresee a term of office of up to four years for the CEO and of up to three years for the CFO.

The director accountability is not reduced by the proposed amendment of article 11.2 of the Articles, given that every member of the Management Board may be removed from office at any time by a resolution of the Supervisory Board (see article 11.4 of the Articles). The Management Board therefore believes that the proposed amendment is in the interest of the Company and its Shareholders.

If approved, the amendment of the Articles proposed here above shall be enacted by a Luxembourg notary in the course of the MEETING.

22. Authorisation of a new authorised capital of the Company and subsequent amendment of article 5.5 of the Articles.

*Presentation of the report of the Management Board authorising a limitation of the pre-emptive rights of the shareholders of the Company (the **Board Report**) in accordance with article 420-26(5) of the Companies Act. The Board Report is attached to the convening notice as Annex 3.*

The Management Board proposes that the MEETING, based on the Board Report, resolves to authorise a new authorised capital in an amount of EUR 271,000 (represented by a maximum of 27,100,000 shares in the Company, with a nominal value of EUR 0.01 each) for a duration of 5 years following the date of the present Meeting.

The Management Board proposes that the MEETING consequently resolves to amend article 5.5 of the Articles in order to reflect the renewal of the authorised capital as set out in Annex 4 to the convening notice.

Comment: The current share capital of the Company amounts to EUR 247,000, represented by 24,700,000 shares (with nominal value of EUR 0.01 each). The authorised capital amounts to EUR 315,000 (represented by a maximum of 31,500,000 shares) and an amount of EUR 68,000 (represented by a maximum of 6,800,000 shares) currently remains unissued. The authorisation for the unissued amount expires on 16 May 2019. The purpose of resolution 22 in the present agenda is to replace the present authorisation for a capital increase by a new authorisation for a period of 5 years from the date of the present MEETING, with however a reduced authorisation amount of EUR 24,000 (represented by a maximum of 2,400,000 shares with a nominal value of EUR 0.01 each), representing approx. 9.7% of the current share capital. The new authorised capital then amounts to EUR 247,000 + EUR 24,000 = EUR 271,000 (represented by a maximum of 27,100,000 shares).

If approved, the amendment of the Articles proposed here above shall be enacted by a Luxembourg notary in the course of the MEETING.

23. Restatement of the articles of association of the Company.

The Management Board proposes that the MEETING resolves to amend and restate the Articles in their entirety, as set out in Annex 5 to the convening notice, for the purpose of (i) reflecting the new article references in the Companies Act and making minor formal clean-up changes and (ii) updating the French translation of such Articles and adjusting certain inconsistencies between the English version and the French translation.

If approved, the amendment and restatement of the Articles proposed here above shall be enacted, together with the amendments resulting from resolution(s) 21 and 22 above, to the extent such resolutions have been approved, by a Luxembourg notary in the course of the Meeting. If and as far as resolutions 21 and/or 22 are not approved, the respective changes of the Articles as proposed in resolutions 21 and 22 will not be enacted according to this resolution 23.

All matters of the above agenda are ordinary matters, except for agenda items 21 to 23, which are extraordinary matters. In that regard, we refer to the quorum and voting requirements described in the following paragraph.

Quorum and majority requirements

The amendment of the Articles (agenda items 21 to 23) requires a quorum of presence or representation of at least one half of the share capital and the consent of two thirds of the votes present or represented. Apart from this, there is no quorum of presence requirement for the MEETING. No vote being necessary on agenda items 1 to 3, the agenda items 4 through 20 are adopted by a simple majority of the voting rights duly present or represented.

Share capital and voting rights

At the date of convening of the MEETING, the Company's subscribed share capital equals EUR 247,000 and it is divided into 24,700,000 shares having a par value of EUR 0.01 each, all of which are fully paid up.

Available information and documentation

The following information is available on the Company's website under www.ir.stabilus.com/agm starting on the day of publication of this convening notice and at the Company's registered office in Luxembourg:

- a) full text of any document to be made available by the Company at the MEETING including draft resolutions in relation to above agenda points to be adopted at the MEETING (i.e. *inter alia* the annual report containing the 2018 annual accounts, the management report and the supervisory board report and the auditor reports on the stand alone and consolidated accounts);
- b) this convening notice including Annex 1, Annex 2, Annex 3 Annex 4 and Annex 5;
- c) the total number of shares and attached voting rights issued by the Company as of the date of publication of this convening notice;
- d) the proxy form as further mentioned below; and
- e) the correspondence voting form as further mentioned below.

Attendance and registration procedures

Shareholders shall, on or before the Record Date, as defined below, indicate to the Company their intention to participate at the MEETING. Shareholders are obliged to obtain an attestation from their depository bank ("**Attestation**") which is safe-keeping their shares in the Company stating the number of shares held by the shareholder 14 calendar days before the date of the MEETING ("**Record Date**"), i.e. on 30th January 2019 at 00:00 (CET). The Attestation must be dispatched by fax and the original by regular mail to:

STABILUS S.A.

c/o Link Market Services GmbH
Landshuter Allee 10
80637 Munich
Germany
Fax: +49 (0) 89 210 27 – 289

The attestation must be made in text form in German or English.

Please send the Attestation to the Company (by fax) until 6th February 2019 at 11:59 p.m. (CET). Upon receipt of the Attestation within the given deadline, the Company will presume that such shareholder will attend and vote at the Meeting by issuing the admission ticket.

Proxy voting representatives

Shareholders not being able to attend the MEETING in person may appoint a proxyholder to attend the MEETING on their behalf. The attendance and registrations procedure is exactly the same as for shareholders participating personally as mentioned above.

The proxyholder will have to identify himself by presenting a valid identification card and by submitting the admission ticket of the shareholder.

In order to simplify the execution of their voting rights, the Company provides the option of appointing a proxy voting representative named by the Company and bound by the instructions of the shareholder prior to the MEETING.

Proxy forms are available under the following contact details:

STABILUS S.A.

c/o Link Market Services GmbH
Landshuter Allee 10
80637 Munich
Germany
Fax: +49 (0) 89 210 27 – 289
E-Mail: agm@linkmarketservices.de
Website: www.ir.stabilus.com/agm

In such proxy form shareholders are kindly invited to fill in the required details, to date, sign and return the proxy form (including the Attestation) by e-mail or fax and the original by mail to:

STABILUS S.A.

c/o Link Market Services GmbH
Landshuter Allee 10
80637 Munich
Germany
Fax: +49 (0) 89 210 27 – 289
E-Mail: agm@linkmarketservices.de

The duly filled in and signed proxy form (by fax or e-mail) must be received by the Company at the latest on 6th February 2019 at 11:59 p.m. (CET). Exercise of voting rights of shares in connection with duly filled in and signed proxy forms received after such date will not be possible at the MEETING.

Shareholders who will receive their admission tickets by mail will receive a form for proxy voting. Forms for proxy voting can also be downloaded on the Company's website at www.ir.stabilus.com/agm. In addition, forms will be sent upon written request to the Company at the following address:

STABILUS S.A.

c/o Link Market Services GmbH
Landshuter Allee 10
80637 Munich
Germany
Fax: +49 (0) 89 210 27 – 289

Vote by correspondence

Shareholders who wish to vote by correspondence must request a form for voting by correspondence from the Company at the following address after following the registration process as mentioned above:

STABILUS S.A.

c/o Link Market Services GmbH
Landshuter Allee 10
80637 Munich
Germany
Fax: +49 (0) 89 210 27 – 289

or, alternatively, download the form from the Company's website at www.ir.stabilus.com/agm, and send the duly completed and signed form to the above mentioned address so that it shall be received by the Company at the latest on 6th February 2019 at 11:59 p.m. (CET). Exercise of voting rights of shares in connection with duly filled in and signed proxy forms received after such date will not be possible at the MEETING.

Additional important information for shareholders

Shareholders are hereby informed that exercise of voting rights is exclusively reserved to such persons that were shareholders on the Record Date (or their duly appointed proxyholders). Transfer of shares after the Record Date is possible subject to usual transfer limitations, as applicable. However, any transferee having become owner of the shares after the Record Date has no right to vote at the MEETING.

One or more shareholder(s) representing at least 5% of the Company`s share capital may request the addition of items to the agenda of the MEETING or table draft resolutions for items included or to be included on the agenda of the MEETING by sending such requests at the latest on 22nd of January 2019 at 11:59 p.m. (CET) to the following e-mail address, fax number or mail address:

STABILUS S.A.

c/o Link Market Services GmbH
Landshuter Allee 10
80637 Munich
Germany
Fax: +49 (0) 89 210 27 – 289
E-Mail: agm@linkmarketservices.de

Such request will only be accepted by the Company provided it includes (i) the wording of the agenda point, (ii) the wording of a proposed resolution pertaining to such agenda point or a justification, and (iii) an e-mail address and a postal address to which the Company may correspond and confirm receipt of the request.

This convening notice was dispatched by regular mail or, if agreed with the respective addressee, by email to (i) the members of the Management Board of the Company, (ii) the members of the Supervisory Board and (iii) the auditor of the Company.

Subject to compliance with the threshold notification obligations provided for by the Luxembourg law of 11 January 2008 on transparency requirements for issuers of securities, there is no limit to the maximum number of votes that may be exercised by the same person, whether in its own name or by proxy.

The results of the vote will be published on the Company`s website within 15 days following the MEETING. For further information you may contact the service provider, Link Market Services GmbH, by dialling +49 (0)89 210 27-222 (Mon. - Fri. 9 a.m. to 5 p.m. (CET)).

Please take note of the Annexes to this convening notice.

Luxembourg, in January 2019

STABILUS S.A.

The Management Board