

STABILUS

ANNUAL GENERAL MEETING 2018

PROPOSED RESOLUTIONS AND COMMENTS FROM MANAGEMENT BOARD

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 2017.
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 2017.
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 2017.
4. Approval of the stand-alone annual accounts of the Company for the financial year ended 30 September 2017.

The Management Board proposes that the Meeting approves the stand-alone annual accounts of the Company for the financial year ended 30 September 2017.

5. Acknowledgement of the profit of the Company made with respect to the financial year ended 30 September 2017 and resolution concerning the allocation of the results of the Company for the financial year ended 30 September 2017.

The Management Board proposes that the MEETING acknowledges that the Company made a profit with respect to the financial year ended on 30 September 2017 in an aggregate amount of EUR 29,859,755 (twenty nine million eight hundred fifty-nine thousand seven hundred fifty-five Euros) (the Profit).

The Management Board proposes that the MEETING resolves to allocate 5% of the Profit (i.e. an amount of EUR 1,492,988 (one million four hundred ninety-two thousand nine hundred eighty-eight Euros)) to the legal reserve, in accordance with article 461-1 of the Luxembourg act on commercial companies dated 10 August 1915, as amended.

The Management Board further proposes that the MEETING resolves to approve the distribution of a dividend in an amount of EUR 0.80 (eighty Euro cents) per share resulting in an aggregate dividend distribution in an amount of EUR 19,760,000 (nineteen million seven hundred sixty thousand Euros) out of the remaining profit and to carry forward the resulting balance of profits in an aggregate amount of EUR 8,606,767 (eight million six hundred six thousand seven hundred sixty-seven Euros), together with the profit carried forward from the previous financial year in an amount of EUR 173,778,169 (one hundred seventy-three million seven hundred seventy-eight thousand one hundred sixty-nine Euros), to the next financial year.

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

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6. Approval of the consolidated financial statements of the Company for the financial year ended 30 September 2017.

The Management Board proposes that the Meeting approves the consolidated financial statements of the Company for the financial year ended 30 September 2017.

7. Discharge (*quitus*) to each of the members of the Management Board, consisting of Mr Dietmar Siemssen, Mr Mark Wilhelms, Mr Andreas Sievers and Mr Andreas Schröder, for the performance of their duties as members of the Management Board for and in connection with the financial year ended 30 September 2017.

The Management Board proposes that the MEETING approves the discharge of each of the members of the Management Board for the performance of their duties as members of the Management Board for and in connection with the financial year ended 30 September 2017.

8. Discharge (*quitus*) to each of the members of the supervisory board of the Company, consisting of Mr Udo Stark, Dr. Stephan Kessel, Dr. Joachim Rauhut and Dr. Ralf-Michael Fuchs, for the performance of their duties as members of the supervisory board for and in connection with the financial year ended 30 September 2017.

The Management Board proposes that the MEETING approves the discharge of each of the members of the supervisory board of the Company, for the performance of their duties as members of the supervisory board of the Company for and in connection with the financial year ended 30 September 2017.

9. Renewal of the mandate of Dr. Stephan Kessel, Dr. Joachim Rauhut and Dr. Ralf-Michael Fuchs as members of the supervisory board of the Company, each 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 2022.

The Management Board proposes that the MEETING approves the renewal of the mandates of Dr. Stephan Kessel, Dr. Joachim Rauhut and Dr. Ralf-Michael Fuchs as members of the supervisory board of the Company, each 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 2022.

10. Appointment of Dr. Dirk Linzmeier as member of the supervisory board of the Company, 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 2022.

The Management Board proposes that the MEETING appoints Dr. Dirk Linzmeier as member of the supervisory board of the Company, 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 2022.

Comment: Udo Stark's office term as Chairman of the Supervisory Board ends with the MEETING. Given the completion of his 70th birthday in 2017, Udo Stark has decided not to be available for re-election. Assisted through an executive search firm, appropriate candidates for the Supervisory Board have been identified. The results were discussed among the Supervisory Board and the Management Board of the Company, resulting in the proposal to the MEETING to appoint Dr. Dirk Linzmeier as a new Member of the Supervisory Board.

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11. Renewal of the mandate of the independent auditor (*cabinet de révision agréé*) of the Company, KPMG Luxembourg, in relation to the stand alone annual accounts and the consolidated financial statements for the financial year ending on 30 September 2018.

The Management Board proposes that the MEETING renews the mandate of KPMG Luxembourg, 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 2018.

12. Amendment of the articles of association of the Company.

The Management Board proposes that the MEETING resolves to amend the articles of association of the Company (the “Articles”) according to the Annex, with regards to the following articles of the present version of the Articles: article 5.2 Share capital increase and share capital reduction, article 5.3 Pre-emptive rights, article 5.5 (b) Terms of the authorization, article 6.1 Form of the shares, article 10.3 (a) Convening Notice, article 10.6 Participation by proxy, article 11.2 Minimum number of members of the Management Board and term of office, article 11.3 Permanent representative, article 15 Prior Consent Matters, article 18.3 Permanent representative, and article 29.1 Principles regarding the dissolution and the liquidation.

Comment: The proposed changes in relation to articles 5.5 (b), 6.1 and 10.3 (a) are mere formal modifications reflecting the fact that the *Mémorial C, Recueil des Sociétés et Associations* no longer exists, so that the reference to *Mémorial C* shall be eliminated and shall be replaced by the correct term, *Recueil Electronique des Sociétés et Associations*. Article 11.2 shall be amended in order to allow the supervisory board of the Company to appoint ordinary members of the Management Board for a period exceeding one year, namely up to three years. The other changes, namely in articles 5.2, 5.3, 10.6, 11.3, 15, 18.3 and 29.1, are only minor corrections of formal nature and amendments reflecting the new article references in the Luxembourg act on commercial companies dated 10 August 1915, as amended.

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

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Annex to Convening Notice (Annual General Meeting 2018)

5.2 Share capital increase and share capital reduction

The share capital of the Company may be increased or reduced by a resolution adopted by the General Meeting in the manner required for amendment of the Articles, as provided for in Article 10.

5.3 Pre-emptive rights

In the case of an issuance of shares in consideration for a payment in cash or an issuance in consideration for a payment in cash of those instruments covered in article 420-27 of the law dated 10 August 1915 on commercial companies, as amended (the **Companies Act**), including, without limitation, convertible bonds that entitle their holders to subscribe for or to be allocated with shares, the shareholders shall have pro rata pre-emptive rights with respect to any such issuance in accordance with the Companies Act.

5.5 Authorisation for the Management Board to increase the share capital

(b) Terms of the authorisation

The Management Board is authorised, during a period starting on the date of the publication in the RESA (*Recueil Electronique des Sociétés et Associations*) of the General Meeting approving the authorisation of the Management Board under this Article 5.5, and expiring on the fifth anniversary of such date (the **Period**), to increase the current share capital up to the amount of the authorised capital, in whole or in part from time to time, (i) by way of issuance of shares in consideration for a payment in cash, (ii) by way of issuance of shares in consideration for a payment in kind and (iii) by way of capitalisation of distributable profits and reserves, including share premium and capital surplus, with or without an issuance of new shares.

The Management Board is authorised to determine the terms and conditions attaching to any subscription and issuance of shares pursuant to the authority granted under this Article 5.5, including by setting the time and place of the issue or the successive issues of shares, the issue price, with or without a share premium, and the terms and conditions of payment for the shares under any documents and agreements including, without limitation, convertible loans, option agreements or stock option plans.

The Management Board is authorised to (i) during the Period, (a) issue convertible bonds, or any other convertible debt instruments, bonds carrying subscription rights or any other instruments entitling their holders to subscribe for or be allocated with shares, such as, without limitation, warrants (the Instruments), and (b) issue shares subject to and effective as of the exercise of the rights attached to the Instruments, until, with respect to both items (a) and (b), the amount of increased share capital that would be reached as a result of the exercise of the rights attached to the Instruments is equal to the authorised share capital, and (ii) issue shares pursuant to the exercise of the rights attached to the Instruments until the amount of increased share capital resulting from such issuance of shares is equal to the authorised share capital, at any time, whether or not during the Period; provided that the Instruments are issued during the Period. The shares to be issued following the exercise of the rights attached to the Instruments may be carried out by a payment in cash, a payment in kind or a capitalisation of distributable profits and reserves, including share premium and capital surplus.

The Management Board is authorised to determine the terms and conditions of the Instruments, including the price, the interest rate, the exercise rate, conversion rate or the exchange rate, and the repayment conditions, and to issue such Instruments.

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6.1 Form of the shares

The shares of the Company are dematerialised shares (**Dematerialised Shares**) in accordance with the Luxembourg law on dematerialised shares dated 6 April 2013 (the **Dematerialisation Law**). All future shares to be issued by the Company shall be in dematerialised form and the optional conversion of shares to any other form by the holder of such shares is prohibited.

All dematerialised shares shall be registered via the single settlement organisation (organisme de liquidation) appointed by the Company, as it may be changed from time to time (the Settlement Organisation). The dematerialised shares are only represented, and the ownership of such shares is only established by a record in the name of the shareholder in the securities account. The Settlement Organisation may issue or request the Company to issue certificates relating to dematerialised shares for the purpose of international circulation of securities.

The decision to proceed with the mandatory conversion of all existing shares of the Company, represented at such time by a global bearer share, was taken at the annual general shareholders' meeting of the Company dated 15 February 2017 (the **2017 AGM**).

In accordance with article 9(3) of the Dematerialisation Law, all shares within the centralized management system operated by Clearstream Frankfurt that are already treated as de facto dematerialized financial instruments shall automatically be converted into Dematerialised Shares in accordance with the Dematerialisation Law three months after the publication of the 2017 AGM in the RESA (*Recueil Electronique des Sociétés et Associations*) (such three months period, the **Transitory Period**). The Company may exercise any rights under article 17 of the Dematerialisation Law for the purpose of identifying the holders of Dematerialised Shares.

10.3 Shareholders Rights Law

If and for so long as the shares of the Company are admitted to trading on a regulated market as defined in the markets in financial instruments law dated 31 July 2007, established or operating in a Member State of the European Union, the Company is subject to the provisions of the law on the exercise of certain rights of shareholders at general meetings of listed companies dated 24 May 2011 (the **Shareholders Rights Law**).

The terms of this Article 10.3 shall be applicable if and for so long as the Company is subject to the Shareholders Right Law.

(a) Convening Notice

Convening notices for every General Meeting (the **Convening Notice**) shall be published at least thirty (30) days before the date of the General Meeting in:

- (i) The RESA (*Recueil Electronique des Sociétés et Associations*) and in a Luxembourg newspaper; and
- (ii) in such media which may reasonably be expected to be relied upon for the effective dissemination of information to the public throughout the European Economic Area, and which are accessible rapidly and on a non-discriminatory basis (the **EEA Publication**).

In the event that the Presence Quorum is required to hold a General Meeting, If the Presence Quorum is not met on the date of the first convened General Meeting, another General Meeting may be convened by publishing the Convening Notice in the RESA (*Recueil Electronique des Sociétés et Associations*), a Luxembourg newspaper and the EEA Publication seventeen (17) days prior to the date of the reconvened meeting provided that (i) the first General Meeting was properly convened in accordance with the above provisions; and (ii) no new item has been added to the agenda.

The Convening Notice shall indicate precisely the date and location of the General Meeting and its proposed agenda and contain any other information required under the Shareholders Right Act.

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The Convening Notice must be communicated on the date of publication of the Convening Notice to the registered shareholders, the members of the Management Board, the members of the Supervisory Board, and the independent auditor(s) (*réviseur(s) d'entreprises agréé(s)*) (the **Addressees**). This communication shall be sent by letter to the Addressees, unless the Addressees (or any one of them) have expressly and in writing agreed to receive communication by other means, in which case such Addressee(s) may receive the convening notice by such other means of communication.

Where all the shares are in registered form and represent the entire share capital, the Convening Notice needs to be sent only by registered letters to the Addressees, unless the Addressees (or any one of them) have expressly and in writing agreed to receive communication by other means, in which case such Addressee(s) may receive the Convening Notice by such other means of communication.

10.6 Participation by proxy

A shareholder may act at any General Meeting by appointing another person, who need not be a shareholder, as its proxy in writing, subject to the applicable provisions of the Shareholders Right Law (if applicable). Copies of written proxies that are transmitted by telefax or e-mail may be accepted as evidence of such written proxies at a General Meeting.

If and for so long as the Shareholders Rights Act is applicable, the proxies must be notified in writing to the Company in the form provided by the Company or any other form deemed acceptable by the Company, so that they are received at least six days before the General Meeting, duly completed and signed, along with or, as the case may be, followed by the evidence of shareholder status at the Record Date.

11.2 Minimum number of members of the Management Board and term of office

The Management Board must be composed of at least two members.

The members of the Management Board shall be elected for a term of (i) four years for the member of the Management Board designated by the Supervisory Board as Chief Executive Officer, (ii) three years for the member of the Management Board designated by the Supervisory Board as Chief Financial Officer and (iii) up to three years for any other member of the Management Board. The members of the Management Board shall be eligible for re-appointment.

11.3 Permanent representative

Where a legal person is appointed as a member of the Management Board (the **Management Board Legal Entity**), the Management Board Legal Entity must designate a natural person as permanent representative (*représentant permanent*) who will represent the Management Board Legal Entity as a member of the Management Board in accordance with articles 442-4 of the Companies Act.

15. PRIOR CONSENT MATTERS

The Management Board must require the consent of the Supervisory Board for the following transactions and measures. Such consent will generally have to be obtained by the Management Board from the Supervisory Board in writing prior to the execution of the respective transaction or measure. However, in exceptional cases where the Management Board is required to act immediately in order to prevent a significant harm to the Company, the Management Board may execute such transactions and measures without the prior written consent of the Supervisory Board but must obtain the written consent of the Supervisory Board as soon as possible after the execution of such transaction or measure. The Supervisory Board may also release the Management Board in advance from obtaining its prior written consent for certain individual or general business transactions or

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measures.

The Management Board shall procure that, with respect to the Company's Subsidiaries, the consent of the Supervisory Board is required and obtained via the Management Board and the management of its respective subsidiary for all transactions and measures listed in this Article 15.

The transactions and measures subject to the prior consent of the Supervisory Board are the following:

- (b) the acquisition and disposal of participations in other companies or any consolidation or amalgamation with any other company as well as the acquisition and disposal of businesses or enterprises or parts thereof which has or is expected to have a significant effect on the business of the Group;
- (c) the entry into any joint venture, partnership, consortium or other similar arrangement which has or is expected to have a significant effect on the business of the Group;
- (d) the entry into, surrender or material variation of any unusual or onerous contract which has or is expected to have a significant effect on the business of the Group;
- (e) the giving of any guarantee or indemnity which has or is expected to have a significant effect on the business of the Group;
- (f) the entry or amendment of any credit agreement or other financing transaction which has or is expected to have a significant effect on the business of the Group;
- (g) dealing in a way (including the acquisition or disposal, whether outright or by way of licence or otherwise howsoever) with intellectual property other than in the ordinary course of business which has or is expected to have a significant effect on the business of the Group; and
- (h) real estate transactions which have an significant impact on the Group.

For the purpose of this Article 15,

Group means the Company and its Subsidiaries; and

Subsidiary shall have the meaning set out in article 1711-1 of the Companies Act, as applied in conjunction with article 1711-2 of the Companies Act.

Notwithstanding the above, the Supervisory Board may include in internal regulations of the Supervisory Board a list of transactions and measures of the Management Board (and the Companies' Subsidiaries as set out in paragraph 2 above) that require the prior consent of the Supervisory Board, and the Management Board shall be informed accordingly of those restrictions. The restrictions set out in these internal regulations shall not be binding towards third parties.

18.3 Permanent representative

Where a legal person is appointed as a member of the Supervisory Board (the **Supervisory Board Legal Entity**), the Supervisory Board Legal Entity must designate a natural person as permanent representative (*représentant permanent*) who will represent the Supervisory Board Legal Entity as a member of the Management Board in accordance with article 442-14 and 441-3 of the Companies Act.

29.1 Principles regarding the dissolution and the liquidation

The Company may be dissolved, at any time, by a resolution of the General Meeting adopted in the manner required for amendment of these Articles, as set out in Article 10. In the event of a dissolution of the Company, the liquidation shall be carried out by one or more liquidators (who may be physical persons or legal entities) appointed by the General Meeting deciding such liquidation. Such General Meeting shall also determine the powers and the remuneration of the liquidator(s).