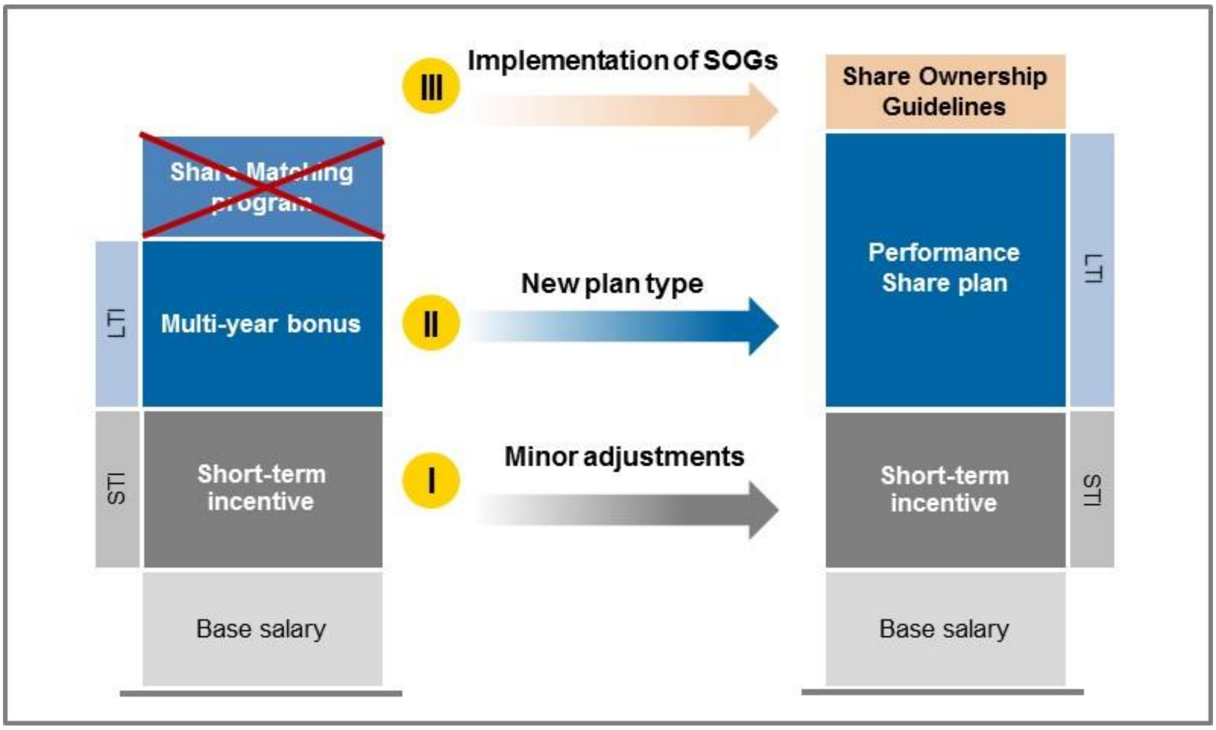
Annex 1 to Convening Notice – AGM 2019 - Information on agenda topic 20

Presentation of a new remuneration scheme for the members of the Management Board of Stabilus S.A.

The Supervisory Board proposes that the Meeting resolves to confirm the new remuneration scheme for the members of the Management Board as set out in the following document. The Supervisory Board of Stabilus S.A. has fundamentally redesigned the remuneration scheme for the Management Board. The revised remuneration scheme has been implemented in Management Board contracts since October 1, 2018. The main objectives of redesigning the Management Board remuneration scheme can be summarized as follows:

- ✓ Reduce complexity and therefore enhance transparency
- ✓ Ambitious incentives for sustainable company performance
- ✓ Assessment of variable compensation exclusively based on forward-looking performance
- ✓ Alignment of interests between shareholders and Management Board
- ✓ Consideration of current corporate strategy and high focus on economic performance

The new remuneration scheme is fully in line with the Luxembourg as well as German regulatory requirements and now also follows best practice among corporations listed in Germany.



Going forward, the variable compensation comprises only two elements, a short-term incentive (STI) in the form of an annual bonus payment and - for members of the Management Board of the company who are eligible to participate - a long-term incentive (LTI) in the form of a forward-looking multi-year variable remuneration based on virtual shares of Stabilus S.A. (Performance Share Plan). Independent of these changes, the fixed base salary remains unchanged.

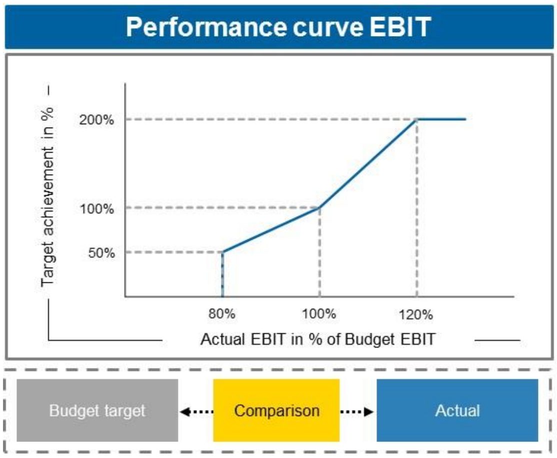
I. New short-term incentive

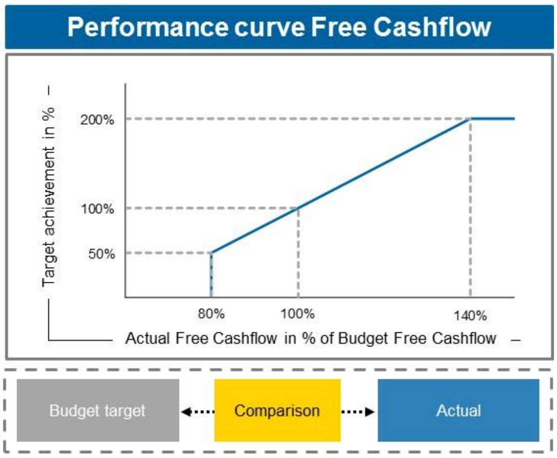
The short-term incentive continues to depend on the economic success in the respective fiscal year. The short-term incentive is calculated on the basis of the degrees of target achievement (0% - 200%) determined for the fiscal year for the financial targets EBIT (earnings before interest and taxes) and Free Cashflow of Stabilus, additionally taking into account a modifier (factor 0.8 to 1.2) to assess the individual and team performance of the Management Board members as well as predefined stakeholder goals. The final payout is limited to a maximum of 200% ("Cap") of the individual target value that has been agreed with each Management Board member in the service agreement.

Financial targets

The Supervisory Board has determined the two financial performance metrics EBIT (weighted with 70%) and Free Cashflow (weighted with 30%) as essential key figures for Stabilus' operational and economic success. EBIT is a commonly-used measure of operational performance in the industry that allows profitable growth and is also considering depreciation and amortization. Free Cashflow is an important indicator for measuring cash returns on investments and is a common calculation basis employed for cash flow-based company valuations. The consideration of the Free Cashflow assures financial liquidity for Stabilus. For shareholders, Free Cashflow is also an important measure of liquid funds generated by operations, after deducting investments, that are available for debt servicing or distribution to shareholders.

The target achievements for EBIT and Free Cashflow are based on a comparison with budget targets. The actual EBIT/Free Cashflow of the respective year is compared to the budgeted EBIT/Free Cashflow of the respective year. The targets for EBIT and Free Cashflow will be set at the beginning of each fiscal year by the Supervisory Board and are derived from the budget planning for Stabilus. If necessary, to determine target achievement, the actual EBIT and Free Cashflow reported by Stabilus will be adjusted for portfolio changes (e.g. larger acquisitions or disposals). This allows the Supervisory Board to correct for effects that could potentially skew the target achievement. Further adjustments are not provided for.





For the fiscal year 2018/2019, the following target corridors apply:

If the actual EBIT of the respective year equals 80% of the budget, the target achievement is 50%. If the actual EBIT of the respective year is less than 80% of the budget, the target achievement is 0%. If the actual EBIT equals 100% of the budget, the target achievement is 100%. In case the actual EBIT of the respective year amounts to 120% of the budget, this leads to a target achievement of 200%. Further increases in EBIT do not lead to a higher target achievement (“Cap”). The target achievements between these points are determined by linear interpolation.

If the actual Free Cashflow of the respective year equals 80 % of the budget, the target achievement is 50%. If the actual Free Cashflow of the respective year is less than 80% of the budget, the target achievement is 0%. If the actual Free Cashflow equals 100% of the budget, the target achievement is 100%. In case the actual Free Cashflow of the respective year amounts to 140% of the budget, this leads to a target achievement of 200%. Further increases in Free Cashflow do not lead to a higher target achievement (“Cap”). The target achievements between these points are determined by linear interpolation.

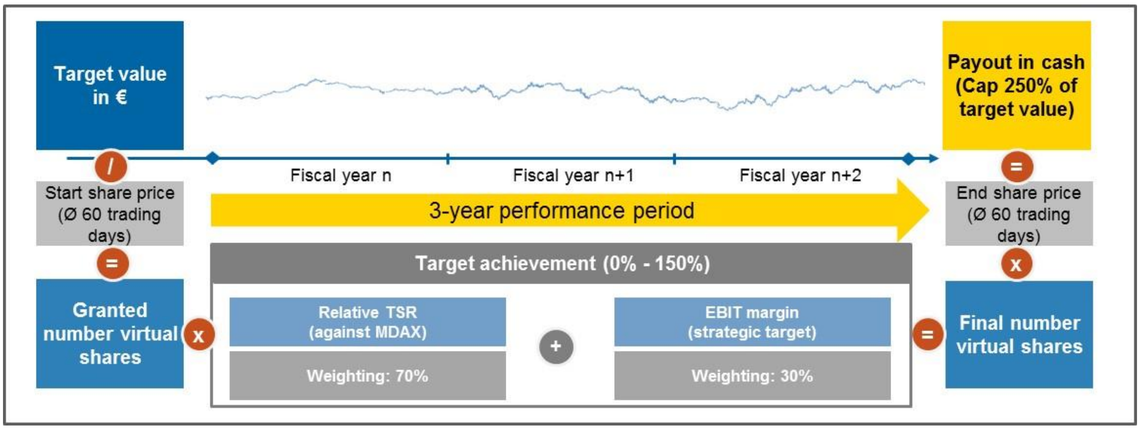
Modifier

To determine the Management Board members’ individual as well as team performance and to consider stakeholder goals, the Supervisory Board assesses the individual performance of each Management Board member based on predefined criteria. The specific criteria are agreed between the Supervisory Board and the Management Board at the beginning of each fiscal year. Relevant criteria could include customer satisfaction, corporate social responsibility, successful M&A and strategic projects. The resulting modifier for adjusting the short-term incentive can take a value between 0.8 and 1.2. The modifier is set to 1.0 by default and is used mainly in case of extraordinary developments or if financial performance does not reflect true management performance.

II. New long-term incentive

The new long-term incentive is structured as a multi-year variable compensation based on virtual shares of Stabilus. Tranches are granted annually, each with a forward-looking three-year performance period. Therefore, payout occurs in cash following the end of each performance period.

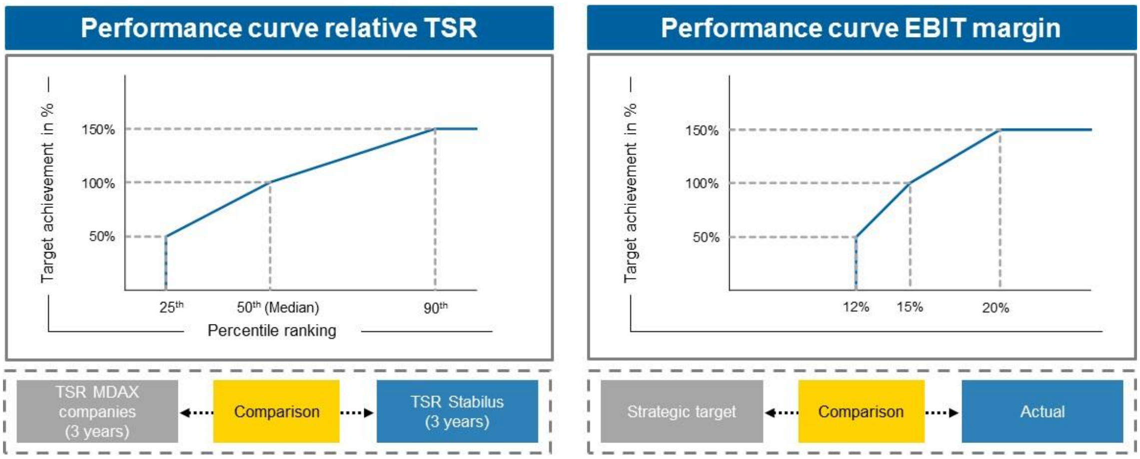
The new long-term incentive combines internal and external performance and depends to a high degree on the share price development of Stabilus. The final number of virtual shares depends on the target achievements of the performance measures relative Total Shareholder Return (TSR) and EBIT margin, while absolute share price development defines the value of the virtual shares.



In order to determine the target number of virtual shares granted, the annual target value granted to a member of the Management Board is divided by the Start Share Price, whereas Start Share Price refers to the arithmetic mean of the company's share closing price during the last 60 trading days prior to the respective performance period start date. The final number of virtual shares is determined by multiplying the overall target achievement with the target number of virtual shares granted. The final number of virtual shares is capped at 150% of the target number of virtual shares granted. The payout of the respective tranche of the Performance Share Plan is determined by multiplying the final number of virtual shares with the relevant End Share Price adding any dividends paid during the performance period. The End Share Price refers to the arithmetic mean of the company's share closing price during the last 60 trading days prior to the respective performance period end date. The payout is capped at 250% of the annual target value.

Performance targets

The Supervisory Board has determined the performance metrics relative TSR (weighted with 70%) and EBIT margin (weighted with 30%) as essential key figures for Stabilus' long-term success. The relative TSR incorporates the share price development in comparison to a predefined peer group, while EBIT margin assures financial stability and operational excellence in the long-term.



The target achievement for relative TSR is based on a comparison with the constituents of the MDAX index. The Supervisory Board of Stabilus sees the MDAX as appropriate peer group, as Stabilus is listed in Germany and the MDAX reflects Stabilus' ambitious growth plans. In order to determine the relative TSR, firstly, the absolute TSR values of Stabilus as well as each index constituent of the MDAX over the respective performance period are calculated. The absolute TSR value of each company equals the theoretical growth in value of a share holding over the performance period, assuming that (gross) dividends are directly re-invested. The initial value is calculated by using the arithmetic mean of the last 60 trading days prior to the begin of the performance period. The final value is determined analogously as the arithmetic mean of the last 60 trading days prior to the end of the performance period. The growth in value is calculated through a comparison of the initial and the final value. Secondly, the calculated absolute TSR values of Stabilus and each index constituent are sorted by size and receive a rank (i.e., the highest absolute TSR at rank 1, the second highest absolute TSR at rank 2etc.). Each rank receives a percentile rank as well. If the company's percentile rank is at the 25^{th} percentile, the target achievement is 50%. If the company's percentile rank is below the 25^{th} percentile, the target achievement is 0%. If the company's percentile rank equals the 50^{th} percentile, the target achievement is 100%. In case the company's TSR is at least at the 90^{th} percentile, this leads to a target achievement of 150%. Higher percentile ranks do not lead to a higher target achievement (Cap). Target achievements between these points are determined by linear interpolation.

The target achievement for EBIT margin is based on a comparison with a strategic target. To determine the percentage of target achievement, the actual EBIT margin at the end of the respective performance period is compared with the strategic EBIT margin defined for the respective performance period. The performance curve is set at reasonable discretion of the Supervisory Board at the beginning of each performance period within the first three months.

For the performance period 2018 – 2020, the performance curve is as follows: if the actual EBIT margin at the end of the performance period equals 12%, the target achievement is 50%. If the actual EBIT margin at the end of the performance period is less than 12%, the target achievement is 0%. If the actual EBIT margin at the end of the performance period equals 15%, the target achievement is 100%. In case the actual EBIT margin at the end of the performance period amounts to 20% or more, this leads to a target achievement of 150%. Further increases of the EBIT margin do not lead to a higher target achievement ("Cap"). Target achievements between these points are determined by linear interpolation.

Malus clause

The payout of the Performance Share Plan can be adjusted downwards by a malus factor. Such an adjustment will be made in case of:

a) Substantial violations of the company's applicable compliance rules,

b) Serious breaches of the company's code of conduct,

c) E.g., lack of compliance with fundamental provisions of the company's internal code of conduct, gross negligent and immoral behavior or significant breaches of due diligence

The size of the adjustment ranges up to full forfeiture of the payout and is at the reasonable discretion of the company's Supervisory Board.

III. Implementation of Share Ownership Guidelines

To further strengthen the equity culture and align the interests of the Management Board with those of the shareholders, obligations of the Management Board members to purchase and hold shares of Stabilus will be introduced. The Management Board members will be obliged to buy or hold shares amounting to one-time gross base salary (100% of Share Ownership target) during their appointment. The required number of shares should be acquired within four years. Shares already held by a Management Board member also count towards meeting the Share Ownership target. A Management Board member is free to buy shares at any time – under consideration of the Market abuse regulation (MAR) – on its own discretion.

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The Supervisory Board of Stabilus S.A. is convinced that the new remuneration scheme is transparent, clearly designed, takes appropriately account of Stabilus' economic performance and is highly aligned with shareholder interests. The variable compensation depends on performance targets that are essential for the company's long-term success and are part of the Corporate Strategy to drive profitable and cash-generating growth. Going forward, variable compensation will be even more strongly linked to the capital market performance of Stabilus.

We therefore ask you to approve the new remuneration scheme for the Management Board.

Stabilus S.A.