

**Annual General Meeting of Schaeffler AG on April 24, 2019**

**Explanations of the Shareholders' Rights pursuant to section 121 para. 3 no. 3 German Stock Companies Act ("Aktiengesetz" – AktG) (pursuant to section 122 para. 2, section 126 para. 1, section 127, section 131 para. 1 AktG)**

**1. Motions by shareholders to supplement the agenda pursuant to section 122 para. 2 AktG**

Shareholders, i.e. holders of common voting shares and/or common non-voting shares, whose shares, alone or taken together, represent a one-twentieth part (5%) of the share capital or, alone or taken together, reach the proportionate amount of EUR 500,000.00 may demand items to be included on the agenda and announced. Each new item must be accompanied by a statement of reason or a draft resolution. Motions to supplement the agenda must be received by the company in writing at least 30 days before the annual general meeting – the date of receipt and the date of the annual general meeting will not be counted –, i.e. no later than by the end of

**March 24, 2019**  
(24:00 CET)

Motions to supplement the agenda received later will not be taken into account. The shareholders are asked to direct such motions to supplement the agenda to the following address:

Schaeffler AG  
Board of Managing Directors  
attn.: Legal Department  
Industriestr. 1-3  
91074 Herzogenaurach  
Germany

Persons submitting a motion must prove that they have held the shares for at least 90 days before the date the motion is received by the company and that they hold the shares until the board of managing directors decides on the motion, with section 70 AktG being applicable when calculating the time for which the shares have been held. A shift from a Sunday, Saturday or a public holiday to a preceding or subsequent business day shall not be possible. Sections 187 to 193 BGB shall not be applied accordingly.

Motions to supplement the agenda that are to be announced – if they were not announced with the convocation – will be announced promptly after receipt of the motion in the Federal Gazette and will be

submitted for publication to such media for which it may be expected that they will disseminate the information across the European Union. They will also be announced on the internet at [www.schaeffler.com/agm](http://www.schaeffler.com/agm) and communicated to the shareholders.

The provisions of the German Stock Companies Act (AktG) underlying these shareholders' rights are as follows:

*Section 122 AktG Convening a meeting at the request of a minority (excerpts)*

- (1) A shareholders' meeting shall be called if shareholders whose combined shares amount to at least one-twentieth of the share capital request such meeting in writing, stating the purpose and the reasons of such meeting; such request shall be addressed to the board of managing directors. The articles may provide that the right to request a shareholders' meeting shall require another form and the holding of a lower portion of the share capital. Persons submitting a motion must prove that they have held the shares for at least 90 days before the date the motion is received and that they hold the shares until the board of managing directors decides on the motion. Section 121 para. 7 shall apply mutatis mutandis.
- (2) In the same manner, shareholders whose combined shares amount to at least one-twentieth of the share capital or a proportionate ownership of at least € 500,000 may request that items be placed on the agenda and be published. Each new item must be accompanied by a statement of reason or a draft resolution. The request within the meaning of sentence 1 must be received by the company no later than 24 days, in the case of stock exchange listed companies no later than 30 days prior to the meeting, excluding the day of receipt.

*Section 70 AktG Calculation of the period of shareholding*

If the exercise of rights arising from the share requires that the shareholder has been the holder of such share for a certain period of time, the right to demand transfer of title from a credit institution, a financial services institution or an enterprise operating under Section 53 para. 1 sentence 1 or Section 53b para. 1 sentence 1 or Section 53b para. 7 of the German Banking Act (KWG) shall be deemed equivalent to ownership. The period during which the share has been owned by a predecessor shall be attributed to the shareholder if he / she has acquired the share without consideration, from his / her trustee, as full legal successor, in connection with the winding-up of a co-ownership or as a result of a transfer of assets pursuant to Section 13 of the Insurance Supervision Act or Section 14 of the Building Loan Associations Act.

**2. Countermotions and proposals for election by shareholders pursuant to sections 126, 127 AktG**

In the annual general meeting, the shareholders may also submit countermotions to proposals from the board of managing directors and/or the Supervisory Board for specific items on the agenda to the company and make proposals for the election of the auditor (agenda item 5) or election of a member of the supervisory board (agenda item 6).

Countermotions and proposals for election by shareholders that have been received by the company at the address specified below at least 14 days prior to the annual general meeting – the date of receipt and the date of the annual general meeting are not counted –, i.e. no later than by the end of

**April 9, 2019**  
(24:00 CEST)

will promptly be made available, including the name of the shareholder, a possible statement of reason and any comment by the administration, on the internet at [www.schaeffler.com/agm](http://www.schaeffler.com/agm) (sections 126 para. 1 sentence 3, 127 sentence 1 AktG).

The company may refrain from making available a countermotion and its possible statement of reason as well as a proposal for election if circumstances for exclusions under section 126 para. 2 AktG (for countermotions and proposals for election) or under section 127 sentence 3 AktG (for proposals for election) apply.

Countermotions (including a possible statement of reason) and proposals for election by shareholders for the annual general meeting must be directed exclusively to the following address:

Schaeffler AG  
Legal Department  
Industriestr. 1-3  
91074 Herzogenaurach  
Germany  
Fax: +49 (0)9132 82-4963  
E-Mail: OR-HZA-Legal-Team-DE-HZA@schaeffler.com

Countermotions/proposals for election addressed otherwise will not be made available.

The right of each shareholder to submit countermotions to the various items on the agenda or to make proposals for the election of the auditor (agenda item 5) or for the election of a member of the supervisory board (agenda item 6) during the annual general meeting, without prior submission to the company, remains unaffected. Please note that countermotions or proposals for elections submitted in

advance to the company in a timely manner will only be considered at the annual general meeting if they are submitted verbally at the meeting.

The provisions of the German Stock Companies Act (AktG) underlying these shareholders' rights, which also specify under which conditions counterproposals and proposals for the election need not be made available, are as follows:

*Section 126 AktG Motions by shareholders*

- (1) Motions by shareholders including the shareholders' name, supporting information and, if any, management's position shall be made available to the eligible persons referred to in Section 125 para. 1 through 3 under the conditions specified therein, provided that the shareholder transmitted to the company at least 14 days prior to the meeting a counterproposal to a proposal of the board of managing directors and the supervisory board regarding a specific item on the agenda, together with supporting information, to the address designated for this purpose in the shareholders' meeting notice. The day of receipt shall not be counted. In the case of stock exchange listed companies, the required accessibility shall be provided over the website of the company. Section 125 (3) shall apply mutatis mutandis.
- (2) A counterproposal and its supporting information need not be made available if:
  1. the board of managing directors would by reason of such availability become criminally liable;
  2. the counterproposal would result in a resolution of the shareholders' meeting that would be illegal or would violate the articles;
  3. the supporting information contains statements which are manifestly false or misleading in material respects or which are libelous;
  4. a counterproposal of such shareholder based on the same facts has already been made available with respect to a shareholders meeting of the company pursuant to Section 125;
  5. the same counterproposal of such shareholder based on essentially identical supporting information has already been made available pursuant to Section 125 to at least two shareholders' meetings of the company within the past five years and at such shareholders' meetings less than one-twentieth of the share capital represented has voted in favor of such counterproposal;
  6. the shareholder indicates that he / she will neither attend nor be represented at the shareholders' meeting; or

7. within the past two years at two shareholders' meetings the shareholder has failed to make a counterproposal he / she has submitted or failed to cause said counterproposal to be made.

The supporting information need not be made available if it exceeds a total of 5,000 characters.

- (3) If several shareholders make counterproposals for resolution with respect to the same subject matter, the board of managing directors may combine such counterproposals and the respective supporting information.

*Section 127 AktG Election nominations by shareholders (excerpt)*

"Section 126 shall apply mutatis mutandis to a nomination by a shareholder for the election of members of the supervisory board or independent auditors. Such nomination need not be supported by a statement of the reasons therefor. The board of managing directors need not make such nomination available if the nomination fails to contain information pursuant to Section 124 para. 3 sentence 4 and Section 125 para. 1 sentence 5."

*Section 124 para. 3 sentence 4 AktG:*

"The proposal for the election of members of the supervisory board or auditors shall state their names, actual profession and place of residence."

*Section 125 para. 1 sentence 5 AktG:*

"In the case of stock exchange listed companies, any nomination for the election of supervisory board members must be accompanied by details on the membership in other supervisory boards whose establishment is required by law; details on their membership in comparable domestic and foreign controlling bodies of business enterprises should also be provided."

### **3. Right to information pursuant to section 131 AktG**

Every shareholder is entitled to information from the board of managing directors on the company affairs, including the company's legal and business relations with affiliated companies, and on the position of the group and the companies included in the consolidated financial statements, upon request in the annual general meeting to the extent that it is required to make an informed judgment on any given agenda item. Requests for information must be submitted verbally in the annual general meeting during the general debate.

The board of managing directors is authorized to refuse information in

specific cases as provided by section 131 para. 3 AktG.

The underlying regulations to these shareholders' rights of the AktG, which also state under which circumstance the board of managing directors are allowed to refuse answering questions, are as follows:

*Section 131 AktG Right to obtain information*

- (1) Upon request, the board of managing directors must provide each shareholder with information at the shareholders' meeting regarding the company's affairs insofar as such information is necessary for the proper assessment of an item of the agenda. This obligation to provide information applies equally to the company's legal and business relations with an affiliated company. If a company makes use of the simplified procedure pursuant to section 266 para. 1 sentence 3, section 276 or section 288 of the German Commercial Code (HGB), each shareholder may request that the annual financial statements be presented to him / her at the shareholders' meeting on such annual financial statements in the form that would have been used if said simplifications were not applied. The duty of the board of managing directors of a parent company (section 290 para. 1 and 2 HGB) to provide information at the shareholders' meeting, to which the consolidated financial statements and the consolidated management report are presented, also includes the situation of the group and the companies included in the consolidated financial statements.
- (2) The information provided shall comply with the principles of conscientious and accurate accounting. The articles or the bylaws pursuant to section 129 may authorize the chairman of the meeting to reasonably limit a shareholder's time to speak and ask questions and may provide relevant details in this connection.
- (3) The board of managing directors may refuse to provide information,
  1. to the extent that providing such information is, according to sound business judgment, likely to cause material damage to the company or an affiliated company;
  2. to the extent that such information relates to tax valuations or the amount of certain taxes;
  3. with regard to the difference between the value at which items are shown in the annual balance sheet and the higher market value of such items, unless the shareholders' meeting is to approve the annual financial statements;
  4. with regard to the methods of classification and valuation, if disclosure of such methods in the notes suffices to provide

a clear view of the actual condition of the company's assets, financial position and profitability within the meaning of section 264 para. 2 HGB; the foregoing shall not apply if the shareholders' meeting is to approve the annual financial statements;

5. if provision thereof would render the board of managing directors criminally liable;
6. insofar as, in the case of a credit institution or financial services institution, information need not be given on methods of accounting and valuation applied and setoffs made in the annual financial statements, management report thereof, consolidated financial statements or management report thereof;
7. if the information is continuously available on the company's website seven or more days prior to the shareholders' meeting as well as during the meeting.

The provision of information may not be denied for other reasons.

- (4) If information has been provided outside a shareholders' meeting to a shareholder by reason of his status as a shareholder, such information shall upon request be provided to any other shareholder at the shareholders' meeting, even if such information is not necessary to permit a proper evaluation of an item on the agenda. The board of managing directors may not refuse to provide such information on the grounds of the aforementioned numbers 1 through 4. Sentences 1 and 2 shall not apply if a subsidiary (section 290 para. 1 and 2 of the German Commercial Code (HGB)), a joint venture (section 310 para. 1 of the German Commercial Code (HGB)) or an associated company (section 311 para. 1 of the German Commercial Code (HGB)) provides information to a parent company (section 290 para. 1 and 2 of the German Commercial Code (HGB)) for the purpose of inclusion of the company in the consolidated financial statements of the parent company and such information is needed for such purposes.
- (5) A shareholder who has been denied information may request that his question and the reason for which the information was denied be recorded in the minutes of the meeting.

Pursuant to section 18 para. 2 of the articles of association of Schaeffler AG the chairman of the meeting can limit the shareholders' right to pose questions and speak as appropriate; in particular, he is authorized to determine the time frame for the meeting, discussions on individual items of the agenda or for individual questions or comments.

The underlying regulations of the articles of association of the company are as follows:

*Section 18 para. 2 of the articles of association of Schaeffler AG:*

18.2. The chair of the meeting will chair the meeting. He will determine in which order the items on the agenda will be discussed and the type and order of voting. The chair of the meeting may also decide in which order presentations are made and is authorized to limit the shareholders' right, to ask questions and make comments to an appropriate amount of time. In particular, he/she is authorized to set an appropriate time frame at the beginning or during the general meeting for the entire course of the general meeting, for individual items on the agenda or for individual questions or comments.

Herzogenaurach, March 2019

Schaeffler AG  
– The Board of Managing Directors –

***Disclaimer***

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