

# Invitation to the Annual General Meeting of Schaeffler AG

on April 22, 2016

**SCHAEFFLER**

# SCHAEFFLER

## Schaeffler AG Herzogenaurach

ISIN (common shares): DE000SHA0019 (WKN SHA001)

ISIN (common non-voting shares): DE000SHA0159 (WKN SHA015)

We hereby invite our shareholders to attend  
the annual general meeting taking place

**on Friday, April 22, 2016,  
11:00 (CEST)**

at the Frankenhalle of the NürnbergMesse GmbH,  
Exhibition Center, 90471 Nuremberg.

## Agenda

### 1. Presentation of the adopted separate financial statements and the approved consolidated financial statements as at December 31, 2015 and the combined management report for the company and the group, including the report of the Supervisory Board for the business year 2015

The Supervisory Board approved the separate financial statements and the consolidated financial statements prepared by the Board of Managing Directors. The separate financial statements have thus been adopted pursuant to section 172 sentence 1 German Stock Companies Act (“Aktiengesetz” – AktG). The annual general meeting therefore does not need to adopt a resolution on this agenda item 1. The abovementioned documents are available on the company’s website at [www.schaeffler.com/agm](http://www.schaeffler.com/agm). In addition, the documents will be available and explained in detail at the annual general meeting.

### 2. Resolution on the appropriation of the retained earnings available for distribution for the business year 2015

The Board of Managing Directors and the Supervisory Board propose to appropriate the retained earnings available for distribution for the business year 2015 shown in the separate financial statements of Schaeffler AG in the amount of EUR 3,670,775,184.50 as follows:

Distribution of a dividend of EUR 0.35 and a one-time special dividend of EUR 0.15 per common non-voting share entitled to a dividend, at 166,000,000 common non-voting shares this comes to:	EUR 83,000,000.00
Distribution of a dividend of EUR 0.34 and a one-time special dividend of EUR 0.15 per common share entitled to a dividend, at 500,000,000 common shares this comes to:	EUR 245,000,000.00
Transfer to the revenue reserves:	EUR 3,342,775,184.50

### – Convenience Translation –

This is a convenience translation of the German language invitation to the annual general meeting of Schaeffler AG, which is provided to English-speaking readers for informational purposes only. Only the German version of this document is legally binding on Schaeffler AG. No warranty is made as to the accuracy of this translation and Schaeffler AG assumes no liability with respect thereto.

### 3. Resolution on the approval of the acts of the members of the Board of Managing Directors for the business year 2015

The Board of Managing Directors and the Supervisory Board propose to approve the acts of the members of the Board of Managing Directors holding office in the business year 2015 for this period.

### 4. Resolution on the approval of the acts of the members of the Supervisory Board for the business year 2015

The Board of Managing Directors and the Supervisory Board propose to approve the acts of the members of the Supervisory Board holding office in the business year 2015 for this period.

### 5. Resolution on the appointment of the auditor for the audit of the separate financial statements and the consolidated financial statements and for the review of the condensed financial statements and the interim management report as well as for any review of additional interim financial information

The Supervisory Board – based on the recommendation of the audit committee – proposes to appoint KPMG AG Wirtschaftsprüfungsgesellschaft, Munich,

- a) as auditor for the audit of the separate financial statements and the consolidated financial statements for the business year 2016;
- b) as auditor for the review of the condensed financial statements and the interim management report (sections 37w para. 5 and 37y no. 2 Securities Trading Act (“Wertpapierhandelsgesetz” – WpHG) for the first six months of the business year 2016; and
- c) as auditor for any review of additional interim financial information (section 37w para. 7 WpHG) for the first and/or third quarter of the business year 2016 and/or for the first quarter of the business year 2017.

## Further information and notes

### Total number of shares and voting rights

At the time of the convocation of the annual general meeting, the company’s share capital amounts to EUR 666,000,000.00

and is divided into 666,000,000 no-par-value shares, each representing a notional interest in the share capital of EUR 1.00. Of the 666,000,000 no-par-value shares, 500,000,000 shares are common shares with just as many voting rights and 166,000,000 shares are common non-voting shares. The common non-voting shares also have no voting rights in the annual general meeting pursuant to section 140 para. 2 sentence 1 AktG. At the time of the convocation the company holds no treasury shares.

### Conditions for participating in the annual general meeting and exercising voting rights

Holders of common shares are entitled to participate in the annual general meeting and to exercise their voting rights if they register in a timely manner and provide proof of their right to participate.

Holders of common non-voting shares are entitled to participate in the annual general meeting if they register in a timely manner and provide proof of their right to participate.

Registration and proof of right to participate must each be received by the company at

Schaeffler AG  
c/o Deutsche Bank AG  
Securities Production  
General Meetings  
Post Box 20 01 07  
60605 Frankfurt am Main  
Germany  
Fax: +49 (0)69-12012-86045  
Email: wp.hv@db-is.com

at least six days before the annual general meeting, whereby the date of the annual general meeting and the date of receipt are not counted, i.e. by **April 15, 2016 (24:00 CEST)**. For the purpose of proving the right to participate, a proof of shareholding issued by the custodian bank in text form (section 126b German Civil Code “Bürgerliches Gesetzbuch” – BGB) in the German or English language is sufficient. Proof of shareholding must be as of the beginning of **April 1, 2016 (00:00 CEST)** (“record date”).

In relation to the company, only someone who has provided the specific proof of the right to participate in the annual general meeting or to exercise voting rights may participate in the annual general meeting and exercise voting rights as a shareholder.

This means that shareholders who have acquired their shares after the record date have the right to participate and exercise their voting rights (holders of common shares) with regard to these shares only if they have been appointed as a proxy or authorized to exercise these rights. The record date does not prevent a sale of shares. Shareholders who sell all or any of their shares after the record date are therefore – subject to timely registration and submission of proof of shareholding – nevertheless entitled in relation to the company both to participate in the annual general meeting and – if they are holders of common shares – to exercise their voting rights. The record date is not a relevant date for the dividend entitlement of the shares.

#### **Authorization of proxies for exercising voting rights or participation**

The shareholder may also exercise his voting rights (holders of common shares) or other rights to participate (holders of common shares and common non-voting shares) in the annual general meeting via a proxy, e.g. via the custodian bank, an association of shareholders, the proxies designated by the company or another person of his choosing. Shareholders who would like to grant a power of attorney must also register for the annual general meeting as described above in a timely manner and provide proof of their entitlement. Granting of the power of attorney, its revocation and proof of authorization vis-à-vis the company must be in text form; section 135 AktG remains unaffected. Shareholders who wish to grant a power of attorney are kindly requested to use the proxy form for issuance, which the company provides for this purpose. This form is printed on the back of the admission ticket that the shareholder receives upon timely registration and provision of proof.

The appointment of a proxy, its revocation and proof of a power of attorney vis-à-vis the company can also be submitted in text form (section 126b BGB) to the following address before the annual general meeting:

Schaeffler AG  
c/o HCE Haubrok AG  
Landshuter Allee 10  
80637 Munich  
Fax: +49 (0)89-21027-289  
Email: vollmacht@hce.de

If powers of attorney for exercising voting rights are granted to credit institutions, equivalent institutions or enterprises (sections 135 para. 10, 125 para. 5 AktG) as well as to associations of shareholders or persons within the meaning of section 135 para. 8 AktG, the proxy holder must verifiably record the power of attorney. It must also be complete and may only contain declarations related to the exercise of voting rights. We therefore ask shareholders who wish to grant power of attorney to a credit institution, an association of shareholders or another equivalent institution, enterprise or person under section 135 AktG to coordinate the form of the power of attorney with the proxy.

If the shareholder grants power of attorney to more than one person, the company may reject one or more of these persons.

Holders of common shares have the possibility to have their voting rights exercised in accordance with their instructions in the annual general meeting through proxies designated by the company for this purpose. In this case, a holder of common shares must, as described above, also register for the annual general meeting and provide proof of shareholding in a timely manner. If a holder of common shares wishes to grant power of attorney to the proxies designated by the company, he must give them instructions with respect to every item on the agenda that is being voted on as to how the voting right is to be exercised. The proxies designated by the company are obligated to vote in accordance with the instructions issued to them. The proxies designated by the company are not permitted to exercise voting rights at their own discretion.

Please note that the proxies designated by the company do not accept authorizations for the lodging of objections against resolutions by the annual general meeting, for the exercise of the rights to speak or ask questions or submit motions. They are also not available to vote on motions in respect of which proposals have not been published in the present convocation or later.

The form that holders of common shares receive with the admission ticket to the annual general meeting when registering and providing proof in a timely manner can be used for granting power of attorney and instructions to the instruction-bound proxy designated by the company. The same form is also available to holders of common shares on the company's website at [www.schaeffler.com/agm](http://www.schaeffler.com/agm).

The appointment of the proxies designated by the company, its revocation and the issuance of instructions can also be submitted in text form to the following address before the annual general meeting until April 21, 2016 (24:00 CEST):

Schaeffler AG  
c/o HCE Haubrok AG  
Landshuter Allee 10  
80637 Munich  
Fax: +49 (0)89-21027-289  
Email: vollmacht@hce.de

## Rights of shareholders

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

Shareholders 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 22, 2016 (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

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.

### Counter motions and proposals for election by shareholders pursuant to sections 126, 127 AktG

In the annual general meeting, the shareholders may also submit counter motions 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). Counter motions must include a statement of reason; proposals for election do not require a statement of reason.

Counter motions and proposals for election by shareholders that have been received by the company at the address specified below at least 14 days before 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 7, 2016 (24:00 CEST) will promptly be made available, including the name of the shareholder, the 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 counter motion and its statement of reason as well as a proposal for election if circumstances for exclusions under section 126 para. 2 AktG (for counter motions and proposals for election) or under section 127 sentence 3 AktG (for proposals for election) apply. The circumstances for exclusions are presented on the company's website at [www.schaeffler.com/agm](http://www.schaeffler.com/agm).

Counter motions (including a 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

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

The right of each shareholder to submit counter motions to the various items on the agenda or to make proposals for the election of the auditor (agenda item 5) during the annual general meeting, without prior submission to the company, remains unaffected. Please note that counter motions 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.

#### **Right to information pursuant to section 131 para. 1 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.

In accordance with section 18.2 of the company's articles of association, the chairman of the meeting can limit the shareholders' right to pose questions and speak as appropriate. The Board of Managing Directors is also authorized to refuse information in specific cases as provided by section 131 para. 3 AktG. The circumstances under which the Board of Managing Directors is entitled to refuse to provide information are presented on the company's website at [www.schaeffler.com/agm](http://www.schaeffler.com/agm).

#### **Information pursuant to section 124a AktG on the company's website**

The content of the convocation of the annual general meeting, the documents to be made available (in particular the documents to be submitted under agenda item 1), motions and proposals for election from shareholders that are to be made available as well as further information relating to the annual general meeting (including the rights of shareholders) are available on the company's website at [www.schaeffler.com/agm](http://www.schaeffler.com/agm). The documents to be made available will also be available during the annual general meeting on April 22, 2016.

The convocation of the annual general meeting is published in the Federal Gazette dated March 15, 2016 and was submitted for publication to such media for which it may be expected that they will disseminate the information across the European Union.

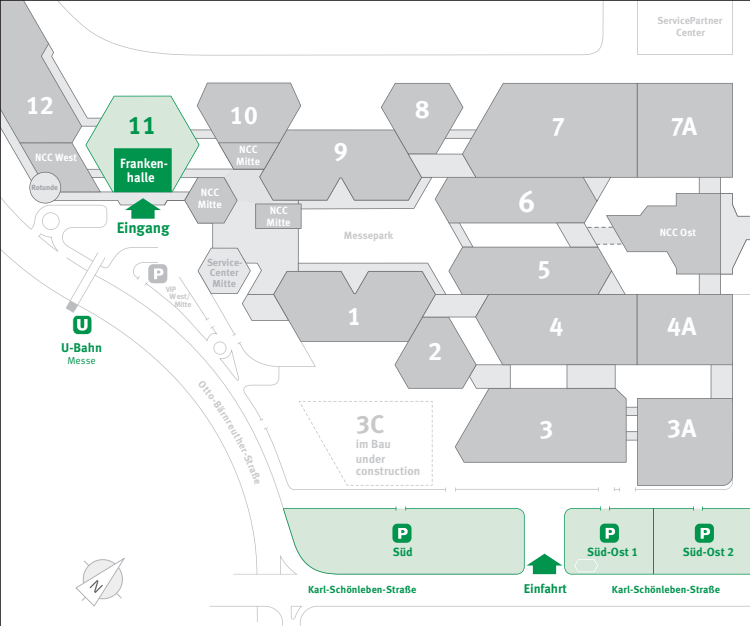
#### **Transmission on the Internet**

The shareholders of Schaeffler AG and the interested public may follow the opening of the annual general meeting by the

chairman of the meeting and the speeches of the chairman of the Supervisory Board and the Chief Executive Officer on April 22, 2016 starting 11:00 (CEST) on the internet ([www.schaeffler.com/agm](http://www.schaeffler.com/agm)). After the annual general meeting the opening by the chairman of the meeting and the speech of the Chief Executive Officer will be available as a recording on the internet at the stated address. The shareholders may not participate in the annual general meeting pursuant to section 118 para. 1 sentence 2 AktG without being present at its location and without a proxy or exercise all or any of their rights by means of electronic communication; in particular the transmission does not enable participation in the annual general meeting within the meaning of section 118 para. 1 sentence 2 AktG.

Herzogenaurach, March 2016

The Board of Managing Directors



## Frankenhalle

NürnbergMesse GmbH  
Messezentrum  
90471 Nuremberg

### By Rail:

The “Frankenhalle” can be reached by the U1 or U11 underground train line (“Messe” station).

### By Car:

Address for navigation system: “Karl-Schoenleben-Strasse” or “exhibition centre” as special destination.

Sufficient parking space is available.

We wish you a good journey.

### Schaeffler AG

Industriestr. 1 – 3  
91074 Herzogenaurach