

Press Release

IHO Holding Supplements Proposal to Holders of Common Non-voting Shares

HERZOGENAURACH, 2018-03-26.

- **Roadshow in London, New York and Frankfurt successfully completed**
- **Lock-up to be extended to 2 years**
- **Preferred dividend per common non-voting share to be increased from EUR 0.01 to EUR 0.05 as of 2019 financial year**

On April 20, 2018, following the Annual General Meeting 2018 of Schaeffler AG, a special meeting of the holders of common non-voting shares of Schaeffler AG will be held for the first time. The Board of Managing Directors and the Supervisory Board of Schaeffler AG have proposed to the Annual General Meeting and the special meeting of the holders of common non-voting shares to resolve upon the conversion of 166 million common voting shares (app. 25% of the entire share capital of the company) into common non-voting shares. Following the completion of this conversion, the share capital of Schaeffler AG will be divided into 332 million common non-voting shares and 334 million common voting shares.

In this context, IHO Verwaltungs GmbH, as the holder of the common voting shares proposed for conversion, has undertaken to extend the lock-up for the new common non-voting shares by an additional year beyond the previously envisaged period and not to dispose of the new common non-voting shares until April 30, 2020. IHO had already undertaken to assume the costs associated with the preparation and consummation of the conversion.

IHO Verwaltungs GmbH now has further declared vis-à-vis Schaeffler AG that it will propose to the Annual General Meeting 2019 to increase the preferred dividend per common non-voting share of currently EUR 0.01 by EUR 0.04 to EUR 0.05 per common non-voting share, for the first time for the fiscal year in which the conversion of 166,000,000 common voting shares into common non-voting shares has been validly entered into the company's commercial register, in any event, however, no earlier than for the 2019 fiscal year. Should the conversion of the common voting shares into common non-voting shares become effective in 2018, IHO Verwaltungs GmbH will contribute the preferred dividend of EUR 0.01 attributable to each of the new common non-voting shares for the 2018 financial year into the company or waive this preferred dividend.

Georg F. W. Schaeffler, Chairman of the Supervisory Board of Schaeffler AG and shareholder of IHO Holding, said after the completion of the roadshow in London, New York and Frankfurt: "Schaeffler has been a successful family business for many decades. In addition to the indispensable will to succeed, our strong value base includes a pronounced long-term approach. IHO Holding will therefore continue to be a stable majority shareholder after the conversion. For the further development of the company, maintaining a dialogue with the capital markets is important to my mother and me. This is what we document with the adaption of the proposal for the planned conversion."

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