



**SHW AG**  
**Aalen**

**– ISIN DE000A1JBPV9 –**  
**– WKN A1JBPV –**

**– ISIN DE 000A2LQ165 –**  
**– WKN A2LQ16 –**

### **Invitation to the ordinary Annual General Meeting**

We hereby invite our shareholders to the ordinary Annual General Meeting of SHW AG, Aalen

**on Tuesday,**  
**8 May 2018 at 10:00 hours.**

at the Congress Centrum Heidenheim, Kleiner Saal, Hugo-Rupf-Platz 1, 89522 Heidenheim, Germany.

### **AGENDA**

- 1. Presentation of the ratified Annual Financial Statements and the approved Consolidated Financial Statements of SHW AG, the combined Management Report and Group Management Report for SHW AG and the SHW Group, including the Management Board's explanatory report on the disclosures in accordance with Sections 289a (1), 315a (1) of the German Commercial Code (HGB) and the Supervisory Board's report, in each case for the fiscal year 2017, and the Management Board's proposal for the appropriation of net earnings for the fiscal year 2017**

The Supervisory Board has approved the Annual Financial Statements and Consolidated Financial Statements prepared by the Management Board; the Annual Financial Statements are thus ratified. It is therefore not necessary for the Annual General Meeting to adopt the Annual Financial Statements or approve the Consolidated Financial Statements. Instead, the aforementioned documents need only be made available to the Annual General Meeting in accordance with the corresponding legal regulation (Section 176 (1) sentence 1 of the German Stock Corporation Act (Aktengesetz – AktG)). As a result, no resolution will be taken by the Annual General Meeting for agenda item 1.

- 2. Resolution regarding the appropriation of net earnings**

The Management Board and Supervisory Board propose the following resolutions:

- To appropriate the net earnings ("profit carried forward") as ratified in the financial statements for fiscal year 2017 of € 12,177,567.36 as follows:

Distribution of a dividend of € 0.50 per no-par value bearer share that is entitled to dividends	€ 3,218,104.50
Transfer to other revenue reserves	€ 8,900,000.00
<u>Carryforward to new account</u>	<u>€ 59,462.86</u>
	€ 12,177,567.36

- The shareholders' rights to dividends fall due for payment on Monday, 14 May 2018 (in accordance with Section 58 (4) sentence 2 AktG).

According to Section 71b German Stock Corporation Act (Aktiengesetz – AktG) treasury shares held directly or indirectly by the company are not entitled to dividends. The resolution proposed above considers the fact that the Company does not hold any treasury shares on the date on which the invitation to the Annual General Meeting was announced and therefore all of the 6,436,209 shares issued by the Company are entitled to dividends as of the date on which the invitation to the Annual General Meeting was announced in the Federal Gazette ("*Bundesanzeiger*"). Should the number of shares entitled to a dividend change prior to the Annual General Meeting, the administration shall present an adjusted proposed resolution to the Annual General Meeting that will leave the amount of the dividend per no-par value share entitled to a dividend as well as the amount to be transferred to other revenue reserves unchanged and adjust the total amount of the distribution and the amount carried forward to new account accordingly.

**3. Resolution to discharge the Management Board members for the fiscal year 2017**

The Management Board and the Supervisory Board propose to discharge the Management Board members in office in the fiscal year 2017 for their actions in the fiscal year 2017.

**4. Resolution to discharge the Supervisory Board members for the fiscal year 2017**

The Management Board and the Supervisory Board propose to discharge the Supervisory Board members in office in the fiscal year 2017 for their actions in the fiscal year 2017.

**5. Resolution on the election of the auditor for the fiscal year 2018 and the auditor for an auditor's review of the Interim Financial Reports in the fiscal year 2018 and fiscal year 2019 until the next Annual General Meeting**

The Supervisory Board proposes – based on the recommendation of its Audit Committee – to appoint Ebner Stolz GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Stuttgart,

- a. as auditor of the Annual Financial Statements and Consolidated Financial Statements of SHW AG for the fiscal year 2018 and as auditor for a possible auditor's review of the Interim Financial Reports of SHW AG for the fiscal year 2018; and
- b. as auditor for a possible auditor's review of the Interim Financial Reports for the fiscal year 2019 until the next Annual General Meeting in 2019.

In accordance with Article 16 (2) Clause 3 of Regulation (EU) No 537/2014 of the European Parliament and the Council of 16 April 2014, the Audit Committee has declared that its recommendation is free of any undue influence from third parties and that its choice of a certain auditor was not restricted in any way.

**6. Resolution on extending the Supervisory Board and a corresponding amendment of Article 8 (1) of the Articles of Association (Composition of the Supervisory Board).**

The Management Board and Supervisory Board propose the following resolutions:

The statutory number of members on the Supervisory Board of the Company will be increased from six to nine members. Article 8 (1) of the Articles of Association (Composition of the Supervisory Board) will be reworded as follows:

“The Supervisory Board consists of nine members, all of which are elected by the Annual General Meeting.”

#### **7. Resolution on the election of additional members to the Supervisory Board**

The Supervisory Board currently consists of six members in accordance with Sections 95, 96, (1) and 101 (1) AktG and Article 8 (1) of the Articles of Association, all of which are elected by the Annual General Meeting. Upon the amendment to Article 8 (1) of the Articles of Association proposed under Item 6 of the Agenda taking effect when it is entered in the commercial register, the Supervisory Board will, under the same provisions, then comprise nine members, all of which are elected by the Annual General Meeting. The Annual General Meeting is not bound to the proposal to elect the proposed candidates.

Mr. Christian Brand and Ms. Kirstin Hegner both resigned from their position on the Supervisory Board of the Company effective the end of day, 31 December 2017. By resolution of the Local Court of Ulm, dated 2 January 2018, Mr. Stefan Pierer and Mr. Klaus Rinnerberger were appointed members of the Supervisory Board of SHW AG. Their term of office terminates upon election by the Annual General Meeting of successors to replace the members who prematurely resigned from office. Consequently, elections must be held to replace the two members of the Supervisory Board who prematurely resigned from office, Mr. Christian Brand and Ms. Kirstin Hegner. According to Article 8 (4) of the Articles of Association, elections to replace members of the Supervisory Board who prematurely resign from office are made for the residual term of office of the board member who prematurely resigned, unless the Annual General Meeting sets the term of office otherwise. The two board members, Mr. Christian Brand and Ms. Kirstin Hegner were both elected for a term of office expiring upon conclusion of the Annual General Meeting which discharges them for the fiscal year 2020.

With regard to the proposal to extend the Supervisory Board from the current six members to nine members made under Item 6 of the Agenda, three additional members must be elected to the Supervisory Board. According to Article 8 (2) of the Articles of Association, the term of office of the new members expires upon conclusion of the Annual General Meeting which discharges them for the fourth fiscal year of their term office, unless a shorter term of office is set during the election.

In order to retain the same term of office for all members of the Supervisory Board – as has been current practice to date – all elections should be made for the remaining term of office of the current term and therefore expire upon conclusion of the Annual General Meeting which discharges the respective member of the Supervisory Board for the fiscal year 2020.

The Supervisory Board proposes to appoint the following persons to the Supervisory Board of the Company:

- a. Mr. Stefan Pierer, CEO of Pierer Industrie AG, Wels, Austria, resident in Wels, Austria,  
as successor to Mr. Christian Brand;
- b. Mr. Klaus Rinnerberger, member of the Management Board of Pierer Industrie AG, Wels, Austria, resident in Gießhübl, Austria,  
as successor to Ms. Kirstin Hegner;
- c. Mr. Alfred Hörtenhuber, member of the Management Board of Pierer Industrie AG, Wels, Austria, resident in Wels, Austria,  
as an additional member to be elected to the extended Supervisory Board in future
- d. Mr. Frank-Michael Meißner, foreman in the maintenance department of the Ludwigstal/Tuttlingen branch of Schwäbische Hüttenwerke Automotive GmbH, Aalen, and member of the Work's Council of Schwäbische Hüttenwerke Automotive GmbH, Ludwigstal/Tuttlingen branch, resident in Tuttlingen,  
as an additional member to be elected to the extended Supervisory Board in future, and
- e. Mr. Wolfgang Plasser, member of the Management Board of KTM Industries AG, Wels, Austria, resident in Kaltenleutgeben, Austria,  
as an additional member to be elected to the extended Supervisory Board in future.

In the case of the persons stipulated in lit. a and lit. b. the election becomes effective upon conclusion of this Annual General Meeting and in the case of the persons stipulated in lit. c to lit. e upon the entry in the commercial register of the amendment to Article 8 (1) of the Articles of Association proposed by Item 6 of the Agenda. Moreover, the election of all of the persons stipulated in lit. a to lit. e is for a term of office that expires upon conclusion of the Annual General Meeting which discharges the respective member of the Supervisory Board for the fiscal year 2020.

It is intended that the elections to the Supervisory Board listed above are performed as individual elections.

Both Mr. Klaus Rinnerberger and Mr. Wolfgang Plasser meet the criteria of being board members having professional expertise in accounting or auditing financial statements in the sense of Section 100 (5) AktG.

\* \* \*

Memberships of the persons proposed for election in other statutory supervisory boards and comparable domestic and foreign supervisory bodies of commercial enterprises:

Stefan Pierer:

– ***Membership of statutory supervisory boards:***

Member of the Supervisory Board of Schwäbische Hüttenwerke Automotive GmbH, Aalen

– ***Membership of comparable supervisory bodies of commercial enterprises:***

Chairman of the Supervisory Board of Pankl Racing Systems AG, Kapfenberg, Austria

Chairman of the Supervisory Board of Wirtschaftspark Wels Errichtungs- und Betriebs-Aktiengesellschaft, Wels, Austria

Member of the Supervisory Board of WP Performance Systems GmbH, Munderfing, Austria

Member of the Board of Directors of swisspartners Group AG, Zürich, Switzerland

Member of the Board of Directors of QINO AG, Hünenberg, Switzerland

Klaus Rinnerberger:

– ***Membership of statutory supervisory boards:***

Member of the Supervisory Board of Schwäbische Hüttenwerke Automotive GmbH, Aalen

– ***Membership of comparable supervisory bodies of commercial enterprises:***

Member of the Supervisory Board of KTM Industries AG, Wels, Austria

Head of the Advisory Board of Schachinger Logistik Holding GmbH, Hörsching, Austria

Alfred Hörtenhuber:

– ***Membership of statutory supervisory boards:***

None

– **Membership of comparable supervisory bodies of commercial enterprises:**

Member of the Supervisory Board of Pankl Racing Systems AG, Kapfenberg, Austria

Frank-Michael Meißner:

– **Membership of statutory supervisory boards:**

Member of the Supervisory Board (employee representative) of Schwäbische Hüttenwerke Automotive GmbH, Aalen

– **Membership of comparable supervisory bodies of commercial enterprises:**

None

Wolfgang Plasser:

– **Membership of statutory supervisory boards:**

None

– **Membership of comparable supervisory bodies of commercial enterprises:**

Chairman of the Supervisory Board of Pankl Systems Austria GmbH, Kapfenberg, Austria

Disclosures on personal or business relationships of the persons proposed for election to the Supervisory Board to other enterprises, their governing bodies and significant affiliated companies that are relevant in the opinion of the Supervisory Board:

Stefan Pierer:

- Mr. Stefan Pierer is currently a court-appointed member of the Supervisory Board of SHW AG. Moreover, he is a member of the Supervisory Board of Schwäbische Hüttenwerke Automotive GmbH, a wholly owned subsidiary of SHW AG.
- Mr. Stefan Pierer is the sole shareholder and managing director of Pierer Konzerngesellschaft mbH, Wels, Austria, which holds an investment in SHW AG indirectly via Pierer Industrie AG, Wels, Austria, and its subsidiary, SHW Beteiligungs GmbH, Wels, Austria, which, to the best of the Company's knowledge, amounts to a little less than 50 per cent of the shares and voting rights on the date on which this invitation to the Annual General Meeting was announced in the Federal Gazette. Moreover, Mr. Stefan Pierer is the CEO of Pierer Industrie AG and Managing Director of SHW Beteiligungs GmbH, Wels, Austria.

Klaus Rinnerberger:

- Mr. Klaus Rinnerberger is currently a court-appointed member of the Supervisory Board of SHW AG. Moreover, he is a member of the Supervisory Board of Schwäbische Hüttenwerke Automotive GmbH, a wholly owned subsidiary of SHW AG.
- Mr. Klaus Rinnerberger is a member of the Management Board of Pierer Industrie AG, Wels, Austria. Via SHW Beteiligungs GmbH, Wels, Austria, this entity indirectly holds, to the best of the Company's knowledge, a little less than 50 per cent of the shares and voting rights in SHW AG on the date on which this invitation to the Annual General Meeting was announced in the Federal Gazette. Furthermore, Mr. Klaus Rinnerberger is a Managing Director of SHW Beteiligungs GmbH, Wels, Austria.

Alfred Hörtenhuber:

- Mr. Alfred Hörtenhuber is a member of the Management Board of Pierer Industrie AG, Wels, Austria. Via SHW Beteiligungs GmbH, Wels, Austria, this entity indirectly holds, to the best of the Company's knowledge, a little less than 50 per cent of the shares and voting rights in SHW AG on the date on which this invitation to the Annual General Meeting was announced in the Federal Gazette.

Frank-Michael Meißner:

- Mr. Frank-Michael Meißner is an employee and employee representative of Schwäbische Hüttenwerke Automotive GmbH and a member of the works council of Schwäbische Hüttenwerke Automotive GmbH, Ludwigstal/Tuttlingen branch; Schwäbische Hüttenwerke Automotive GmbH is a wholly owned subsidiary of SHW AG.
- Moreover, Mr. Frank-Michael Meißner, as an employee representative, is a member of the Supervisory Board of Schwäbische Hüttenwerke Automotive GmbH, a wholly owned subsidiary of SHW AG.

Wolfgang Plasser:

- Mr. Wolfgang Plasser is a member of the Management Board of KTM Industries AG, Wels, Austria, which is a subsidiary of Pierer Konzerngesellschaft mbH, Wels, Austria, that in turn holds an investment in SHW AG indirectly via Pierer Industrie AG, Wels, Austria, and its subsidiary, SHW Beteiligungs GmbH, Wels, Austria, which, to the best of the Company's knowledge, holds a little less than 50 per cent of the shares and voting rights on the date on which this invitation to the Annual General Meeting was announced in the Federal Gazette.

The curricula vitae of the respective candidates proposed for election to the Supervisory Board and their primary activities aside from their appointment to the Supervisory Board of SHW AG have been published on the website of the Company at <https://en.shw.de/investor-relations/annualgeneralmeetings/annual-general-meeting-2018>.

## Agenda documents

Once the Annual General Meeting has been convened, the following documents will be made available on the Company's website at <https://en.shw.de/investor-relations/annualgeneralmeetings/annual-general-meeting-2018>.

- The invitation to the Annual General Meeting;
- The ratified Annual Financial Statements and the approved Consolidated Financial Statements of SHW AG, the combined Management Report and Group Management Report for SHW AG, including the Management Board's explanatory report on the disclosures in accordance with Sections 289a (1), 315a (1) HGB and the Supervisory Board's report, in each case for the fiscal year 2017;
- The Management Board's proposal for the appropriation of earnings (as part of the invitation to the Annual General Meeting).
- The curricula vitae and other information relating to the candidates for appointment to the Supervisory Board under Item 7 of the Agenda.

The aforementioned documents will also be available at the Annual General Meeting itself. Shareholders will also be able to inspect them at the Company's offices during normal business hours once the Annual General Meeting has been called.

If requested, the aforementioned documents will also be sent to shareholders of the Company at no cost. Requests should only be sent to:

SHW AG  
– Investor Relations –  
Wilhelmstrasse 67  
D-73433 Aalen  
Fax: +49 (0) 7361 / 502-674

### **Total number of shares and voting rights**

On the date on which the invitation of the Annual General Meeting was announced in the Federal Gazette, the Company's share capital comes to € 6,436,209.00 and is divided into 6,436,209 no-par value bearer shares. Each no-par value share confers one voting right at the Annual General Meeting. The total number of voting rights in the Company thus corresponds to the Company's total number of no-par value shares and is 6,436,209 in both cases on the date on which the invitation of the Annual General Meeting was announced in the Federal Gazette.

On the date on which the invitation of the Annual General Meeting was announced in the Federal Gazette, the Company does not hold any treasury shares.

### **Requirements for attending the Annual General Meeting and exercising a voting right**

Only shareholders who have registered on time before the Annual General Meeting and have provided evidence of their entitlement to attend the Annual General Meeting and exercise their voting right are entitled to attend the Annual General Meeting and exercise their voting right.

Registration must be in writing in German or English. Entitlement to attend the Annual General Meeting and exercise a voting right must be demonstrated by means of special documentary evidence of the shareholding from the custodian institution. The evidence must be presented in German or English and pertain to the start of the 21st day prior to the Annual General Meeting (record date), i.e. 17 April 2018, 24:00 hours.

The Company must receive the registration and evidence by 1 May 2018 at 24:00 hours at the latest at the following address:

SHW AG  
c/o Landesbank Baden-Württemberg  
4035/H Hauptversammlungen  
Am Hauptbahnhof 2  
D-70173 Stuttgart

Fax: +49 (0) 711 / 127-79264  
Email: hv-anmeldung@lbbw.de

Once the aforementioned attendance requirements have been fulfilled, admission tickets for the Annual General Meeting will be sent to shareholders entitled to attend via their custodian institution. Voting cards will be handed out to the shareholders entitled to attend or to their representatives on the day of the Annual General Meeting at the venue. The admission tickets are not required in order to attend the Annual General Meeting or exercise a voting right and are merely for organisational assistance.

### **Significance of record date**

In relationship with the Company, only those who have provided evidence of their shareholding as outlined in the previous Section are regarded as shareholders entitled to attend the Annual General Meeting and exercise a voting right. Entitlement to attend the Annual General Meeting and the extent of a voting right are thus based exclusively on the shareholding on the record date mentioned above. The record date and registration for the Annual General Meeting do not involve any restrictions on the sale of shares. Shareholders can thus freely dispose of their shares both on and after the record date. Such disposal does not affect entitlement to attend the Annual General Meeting and the extent of a voting right. The same applies to the purchase or further purchase of shares that occurs on or after the record date. Persons who only purchase shares in the Company on or after the record date are thus not entitled to either attend or vote at the Annual General Meeting based on these shares. The record date has no bearing on the entitlement to receive dividends.

### ***Instruction for bearers of shares who accept the voluntary purchase offer of SHW Beteiligungs GmbH, Wels, Austria:***

*Upon public announcement dated 19 February 2018 pursuant to Section 10 German Securities Acquisition and Takeover Act (Wertpapiererwerbs- und Übernahmegesetz – WpÜG), SHW Beteiligungs GmbH, Wels, Austria, announced its decision to make a voluntary public purchase offer to the shareholders of SHW AG (the “purchase offer”). According to the law, the deadline for accepting the purchase offer begins upon the publication of the associated offer document (“Angebotsunterlage” Sections 14 (3), Section 16 (1) WpÜG). Shareholders may only accept the offer thereafter. On the date on which this invitation to the Annual General Meeting was published in the Federal Gazette, the offer document had not yet been published.*

*Bearers of shares in SHW AG for which the purchase offer will be accepted and therefore reclassified to the special securities identification number intended for this purpose (prospectively: ISIN DE 000A2LQ165 / WKN A2LQ16), are equally entitled to attend the Annual General Meeting and to exercise the attached voting rights as bearers of shares in SHW AG for which the purchase offer has not been or will not be accepted (ISIN DE000A1JBPV9 / WKN A1JBPV).*

*Any acceptance of the purchase offer therefore does not have any effect on the right to participate in the Annual General Meeting. This also applies when acceptance of the purchase offer is declared prior to the record date or prior to the date of the Annual General Meeting.*

*Moreover, the shares of SHW AG for which the purchase offer has been accepted and have therefore been reclassified to the special securities identification number intended for this purpose are equally entitled to dividends as the shares of SHW AG for which the purchase offer was not or has not yet been accepted.*

### **Procedure for voting through a proxy**

Shareholders entitled to attend can also exercise their voting right at the Annual General Meeting through a proxy, including a bank, a shareholders' association or voting representatives appointed by the Company. In this case, the attendance requirements outlined above must also be fulfilled for the share portfolio in question.

If neither a bank, nor a shareholders' association nor another person or association of persons equivalent to bank pursuant to Section 135 (8) or (10) AktG, is authorized, the authorisation must be granted and revoked in written form, and evidence of the authorisation submitted to the Company in written form.



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IS AUTHORITATIVE

When authorising a bank, a shareholders' association or another person or association of persons equivalent to bank pursuant to Section 135 (8) or (10) AktG, the specific legal requirements of Section 135 AktG are applicable, including the requirement that the authorisation be verifiably recorded. Exemptions from the general requirement for the written form may therefore apply here. However, the proxies in question may sometimes specify their own requirements regarding the form used; specific details should be obtained from the respective proxy if applicable.

Authorisation can be granted to a proxy both before and during the Annual General Meeting. Printed authorisation forms that may be used to authorise proxies before/outside the Annual General Meeting will be sent to shareholders entitled to attend together with their admission tickets to the Annual General Meeting. Printed authorisation forms that may be used to authorise proxies at the Annual General Meeting itself will be available to shareholders entitled to attend or their representatives on the day of the Annual General Meeting at the entrance to the Annual General Meeting. Shareholders entitled to attend will still be entitled to attend the Annual General Meeting in person after they have authorised a proxy.

Authorisation can be granted and revoked both by declaration to the Company and by declaration to the proxy. When granting and revoking the authorisation by declaration to the Company and submitting evidence of an authorisation granted to/revoked from the proxy, the following address may be used, also, in particular for electronic transmission by email:

SHW AG  
– Investor Relations –  
Wilhelmstrasse 67  
D-73433 Aalen  
Fax: +49 (0) 7361 / 502-674  
Email: ir@shw.de

Evidence that authorisation has been granted can also be submitted by instructing the proxy to present the authorisation on the day of the Annual General Meeting at the entrance. If the authorisation is granted by declaration to the Company, there is no need for a separate form of evidence.

In addition, the Company offers a special service to its shareholders enabling them to authorise voting representatives appointed by the Company to exercise their voting right at the Annual General Meeting as per their instructions. Binding instructions on how to exercise the voting right must be issued in the authorisation to the voting representatives appointed by the Company; they are obligated to vote according to the instructions issued to them. Both the authorisation and the relevant instructions must be issued in written form; the same applies when revoking the authorisation and the instructions issued in it or when making any changes to them. Representation by voting representatives appointed by the Company is confined to exercising the voting right when voting on the administration's draft resolutions for the individual agenda items; the voting representatives appointed by the Company will not take instructions on exercising the voting right for other resolutions or exercising other shareholder rights at the Annual General Meeting. The form printed on the admission ticket for granting authorisation and issuing instructions to voting representatives appointed by the Company may be used for authorisation. The Company must receive authorisations and instructions to voting representatives appointed by the Company by Friday, 4 May 2018 at the latest at the above address for submitting authorisations and evidence of authorisations. In addition, authorisation can still be granted to the voting representatives appointed by the Company at the Annual General Meeting itself until voting commences. Shareholders entitled to attend or their representatives can obtain a corresponding form on the day of the Annual General Meeting at the entrance to the Annual General Meeting.

The right of shareholders to attend the Annual General Meeting in person or via an authorised third party and exercise their voting right is not affected if they grant authorisation and issue instructions to the voting representatives appointed by the Company. If the shareholder or a third party authorised by

him/her attends the Annual General Meeting in person, an order granted previously to the voting representatives appointed by the Company, including the associated instructions, will automatically become void without a separate revocation. In this case, the voting representatives appointed by the Company will not act on the basis of an authorisation previously granted to them.

Further information about voting representation will be sent to the shareholders together with their admission ticket to the Annual General Meeting after the requirements for attendance outlined above have been fulfilled.

**Shareholders' right to submit supplements to the agenda in accordance with Section 122 (2) AktG**

Shareholders whose combined interests account for more than 5 per cent of the share capital (this corresponds to an amount of € 321,811.00 or 321,811 no-par value shares) or a proportionate amount of the share capital of € 500,000.00 may demand that items are put on the agenda and published. A reason or a draft resolution must be submitted with each new item for the agenda. Such demands must be submitted in writing or in electronic form as defined by Section 126a BGB (i.e. with a qualifying electronic signature) to the Management Board of SHW AG and must be received by the Company no later than Saturday, 7 April 2018, 24:00 hours. Such demands should be submitted to the following address:

SHW AG  
– Management Board –  
Wilhelmstrasse 67  
D-73433 Aalen

Demands for supplementary items to be added to the agenda will only be considered if applicants can prove that they have been the bearer of the shares for at least 90 days prior to the day on which the demand was received and that they will hold the shares until the Management Board reaches a decision regarding the demand. Section 70 AktG must also be taken into consideration when calculating the shareholding period.

Amendments to the agenda that require publication will be publicised immediately after the request is received in the same way as the invitation to the Annual General Meeting was publicised, unless already publicised together with the invitation.

**Counter motions and election proposals by shareholders in accordance with Sections 126 (1), 127 AktG**

Each shareholder has the right to submit counter motions at the Annual General Meeting to proposals by the Management Board and/or Supervisory Board for specific agenda items as well as to submit proposals for the election of Supervisory Board members or auditors stipulated on the agenda.

Counter motions, including the reason for them, and election proposals should be submitted to the following address:

SHW AG  
– Investor Relations –  
Wilhelmstrasse 67  
D-73433 Aalen  
Fax: +49 (0) 7361 / 502-674

Counter motions, including the reason for them, and election proposals that the Company receives at the above address no later than 23 April 2018, 24:00 hours, will be made available immediately on the Company's website at <https://en.shw.de/investor-relations/annualgeneralmeetings/annual-general->

[meeting-2018](#) including the shareholder's name, the reason and any statements by the administration. Countermotions and election proposals sent to a different address as well as countermotions that do not include a reason will not be considered; election proposals do not need to include a reason. Furthermore, if the criteria of Sections 126 and 127 AktG are met, the Company can opt not to make some or all of the countermotions, the reasons for them and the election proposals available or to combine them.

Even if countermotions and election proposals have been submitted to the Company in advance, they will only be dealt with at the Annual General Meeting if they are submitted again there verbally. The right of shareholders to submit countermotions or election proposals during the Annual General Meeting without submitting them in advance to the Company is not affected.

#### **Shareholders' right to information in accordance with Section 131 (1) AktG**

All shareholders are entitled to request information at the Annual General Meeting from the Management Board about matters relating to the Company insofar as the information is needed to properly assess an item of the agenda. The obligation to provide information also applies to the Company's legal and business relationships with associated companies as well as the Group's situation and that of the companies included in the Consolidated Financial Statements.

If certain criteria are met, as detailed in Section 131 (3) AktG, the Management Board may refuse to provide the information. Furthermore, the chair of the meeting is authorised under Section 131 (2) AktG in conjunction with Section 18 (3) of the Company's Articles of Association to limit the shareholders' Q&A time appropriately.

#### **More detailed explanations regarding shareholders' rights and information in accordance with Section 124a AktG**

More detailed explanations on shareholders' rights in accordance with Section 122 (2), Section 126 (1), Section 127 and Section 131 (1) AktG as well as information in accordance with Section 124a AktG about the Company's ordinary Annual General Meeting this year is available on the Company's website at <https://en.shw.de/investor-relations/annualgeneralmeetings/annual-general-meeting-2018>.

Aalen, March 2018

**SHW AG**  
**The Management Board**