

INVITATION

to the 112th Annual General Meeting of
ElringKlinger AG, Dettingen/Erms

ISIN DE 0007856023, WKN 785 602



elringklinger

KEY FIGURES ELRINGKLINGER GROUP

		2016	2015	2014
ORDER SITUATION				
Order intake	€ million	1,639.7	1,615.3	1,418.6
Order backlog	€ million	932.5	796.2	688.2
SALES/EARNINGS				
Sales revenue	€ million	1,557.4	1,507.3	1,325.8
Cost of sales	€ million	1,161.5	1,133.0	967.4
Gross profit margin		25.4%	24.8%	27.0%
EBITDA	€ million	231.2	222.8	233.4
EBIT/Operating result	€ million	135.6	135.2	154.0
EBIT margin		8.7%	9.0%	11.6%
Adjusted EBIT, pre ppa ¹	€ million	140.4	140.4	162.3
Adjusted EBIT margin, pre ppa ¹		9.0%	9.3%	12.2%
Earnings before taxes	€ million	124.1	128.8	153.1
Net income	€ million	82.6	95.8	110.6
Net income attributable to shareholders of ElringKlinger AG	€ million	78.6	91.6	105.7
CASH FLOW				
Net cash from operating activities	€ million	175.7	123.3	149.9
Net cash from investing activities	€ million	-189.7	-212.7	-168.0
Net cash from financing activities	€ million	4.5	65.3	20.1
Operating free cash flow ²	€ million	-3.8	-65.2	-12.4
BALANCE SHEET				
Balance sheet total	€ million	1,878.2	1,765.8	1,558.8
Equity	€ million	886.4	855.7	775.2
Equity ratio		47.2%	48.5%	49.7%
RETURNS				
Return on equity after taxes		9.5%	11.7%	15.0%
Return on total assets after taxes		5.3%	6.5%	8.2%
Return on Capital Employed (ROCE)		8.7%	9.5%	12.4%
HUMAN RESOURCES				
Employees as of Dec. 31		8,591	7,912	7,255
Average number of employees		8,322	7,653	7,081
STOCK				
Earnings per share	in €	1.24	1.45	1.67
Dividends paid	€ million	31.7 ³	34.8	34.8
Dividend per share	in €	0.50 ³	0.55	0.55

¹ EBIT adjusted for one-time effects and amortization resulting from purchase price allocation

² Net cash from operating activities minus net cash from investing activities (excluding acquisitions and investments in financial assets)

³ Proposal to the Annual General Shareholders' Meeting 2017

Dear Shareholder,

You are hereby cordially invited to attend our 112th Annual General Meeting, which is scheduled to take place at 10:00 a.m. (admittance from 9:00 a.m.) on Tuesday, May 16, 2017, in the Hegelsaal of Kultur- und Kongresszentrum Liederhalle Stuttgart, Berliner Platz 1-3, 70174 Stuttgart, Germany.

This English version is only for information purposes.
The German version shall prevail in all cases.

AGENDA

Item 1

Submission of the adopted financial statements, the approved consolidated financial statements, and the combined management report of the ElringKlinger Group and ElringKlinger AG for the financial year 2016, the report of the Supervisory Board, and the explanatory statements of the Management Board in accordance with Sections 289(4) and 315(4) of the German Commercial Code (Handelsgesetzbuch – HGB) as well as the report by the Supervisory Board, the Corporate Governance report, and the compensation report.

The above documents and the proposal by the Management Board for the appropriation of profits can be accessed online at the Company's website under Investor Relations/Annual General Meeting. They will also be made available at the Annual General Meeting.

Item 2

Resolution on the appropriation of distributable profit ("Bilanzgewinn") 2016.

The Management Board and the Supervisory Board propose that the distributable profit of EUR 31,679,995.00 presented in the financial statements be appropriated as follows:

Distribution of a dividend of EUR 0.50 per no-par-value share carrying dividend rights

63,359,990 shares x EUR 0.50 per share = EUR 31,679,995.00

Pursuant to Section 58(4) sentence 2 of the German Stock Corporation Act (Aktiengesetz – AktG) in the version applicable as from January 1, 2017, the entitlement to dividends shall fall due on the third business day subsequent to the resolution adopted by the Annual General Meeting, i.e. on May 19, 2017.

Item 3

Resolution on the approval of the actions of the Management Board members for the financial year 2016.

The Management Board and Supervisory Board propose that the actions of the members of the Management Board in the financial year 2016 be approved.

Item 4

Resolution on the approval of the actions of the Supervisory Board members for the financial year 2016.

The Management Board and Supervisory Board propose that the actions of the members of the Supervisory Board in the financial year 2016 be approved.

Item 5

Resolution on the appointment of the auditor for the separate and consolidated financial statements for the financial year 2017.

On the recommendation of its Audit Committee, the Supervisory Board proposes that

Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft,
Stuttgart,

be appointed as the statutory auditor and statutory group auditor for the 2017 financial year and as the auditor responsible for reviewing financial reports prepared over the course of the 2017 financial year and in respect of the first quarter of the 2018 financial year insofar as such reports are to undergo an auditor's review of this kind.

Item 6**Resolution on the appointment of a new member to the Supervisory Board.**

In accordance with Section 96(1) AktG and Section 7(1) sentence 1 no. 1 of the German Co-Determination Act (Mitbestimmungsgesetz – MitbestG), the Supervisory Board of the Company consists of twelve members. Of the twelve members of the Supervisory Board, six are elected by the shareholders and six by the employees of the Company's domestic operating sites and subsidiaries. Mr. Lechler has stepped down from his role as Supervisory Board member, effective from the end of the Annual General Meeting on May 16, 2017. To replace him, a new member of the Supervisory Board will have to be elected by the shareholders as their representative. The Annual General Meeting is not bound by nominations.

The Supervisory Board proposes that the following candidate shall be appointed to the Supervisory Board:

Andreas Wilhelm Kraut, aged 43, Rottenburg a.N.

Chief Executive Officer and Managing Partner of Bizerba SE & Co. KG

The appointment shall remain effective until the end of the Annual General Meeting convened for the purpose of approving the actions of the Supervisory Board for the financial year 2019.

At the date of publication of this invitation in the Federal Gazette no memberships exist in respect of other supervisory boards established in line with statutory provisions or comparable domestic/foreign supervisory bodies of commercial enterprises within the meaning of Section 125(1) sentence 5 AktG.

In the judgment of the Supervisory Board, Mr. Kraut does not maintain personal or business relations with the Company, the bodies of the Company, or a major shareholder of the Company that could be considered to be of material significance to the outcome of the election by the Annual General Meeting.

For further information on Mr. Kraut in the form of a curriculum vitae, please refer to the Company's website Investor Relations/Annual General Meeting.

A recommendation is hereby submitted that, from the circle of Supervisory Board members, Mr. Klaus Eberhardt shall be appointed by the Supervisory Board as Chairman of the Supervisory Board at the Supervisory Board meeting to be held subsequent to the Annual General Meeting.

Item 7

Resolution on the cancellation of existing and the creation of new Authorized Capital, including the authorization to exclude subscription rights and an amendment to the Articles of Association.

The authorization, under Section 4(3) of the Company's Articles of Association, to increase the share capital of the Company by up to EUR 31,679,995.00 (Authorized Capital 2012) is scheduled to expire on May 17, 2017. Therefore, this authorization is to be cancelled and replaced with a new authorization that corresponds to it in scope.

The Management Board and Supervisory Board propose the following resolution:

a) Cancellation of the existing authorization

The authorization granted by the Annual General Meeting of ElringKlinger AG on May 16, 2012, under Section 4(3) of the Articles of Association, shall be cancelled as and when new Authorized Capital comes into effect pursuant to point b) below.

b) New authorization and amendment to Section 4(3) of the Articles of Association

“3. Subject to the approval of the Supervisory Board, the Management Board is authorized to increase share capital in the period up to May 17, 2022, through the issue of new shares for cash/non-cash contributions, in one or more stages, by an aggregate of no more than EUR 31,679,995 (Authorized Capital 2017). Shareholders are generally to be furnished with a subscription right. The shares may also be taken up by one or several banks, with the proviso that said shares shall be offered to shareholders for subsequent subscription. However, the Management Board shall be authorized, with the consent of the Supervisory Board, to exclude the subscription right of shareholders

- in order to eliminate fractional amounts;
- if and when the increase in share capital is executed for a non-cash contribution in particular for the purpose of acquiring companies, parts of companies, or shareholdings in companies or other assets associated with acquisition plans or as part of business combinations and the shares issued with an exclusion of the subscription right represent no more than 10% of the share capital in total, this being the case neither at the date at which this authorization comes into effect nor at the date at which it is exercised;

- if and when the new shares are issued for a cash contribution and the issue price for each new share is not significantly below the market price of the existing exchange-listed shares and the shares issued with an exclusion of the subscription right pursuant to Section 186(3) sentence 4 AktG represent no more than 10% of the share capital in total, this being the case neither at the date at which this authorization comes into effect nor at the date at which it is exercised. Shares that are issued or sold during the validity of this authorization with the exclusion of subscription rights, in direct or analogous application of Section 186(3) sentence 4 AktG, shall be included in the maximum limit of 10% of share capital.

The conditions and details of share issuances from Authorized Capital 2017 shall be determined by the Management Board with the approval of the Supervisory Board.”

Report to the Annual General Meeting

In connection with Item 7, the Management Board gives the following report on the exclusion of subscription rights as regards the utilization of Authorized Capital in accordance with Section 203(2) sentence 2 in conjunction with Section 186 (4) sentence 2 AktG.

The Management Board and Supervisory Board propose to the Annual General Meeting that the Management Board be authorized, with the consent of the Supervisory Board, to increase the Company’s share capital once or in several stages by issuing new shares for cash and/or non-cash contributions by up to EUR 31,679,995. This authorization shall remain valid until May 17, 2022. The Management Board shall be responsible for determining the further details. The rationale behind Authorized Capital is to allow the Company to obtain equity quickly and efficiently on favorable terms when required.

As regards the utilization of Authorized Capital, shareholders are generally to be furnished with a subscription right. However, the Management Board shall be authorized to exclude this subscription right, with the consent of the Supervisory Board, in the following cases:

- **Elimination of fractional amounts**

Exclusion of the subscription right for the purpose of eliminating fractional amounts may be necessary in order to ensure practicable subscription ratios. This facilitates the process of allocating subscription rights and their execution. The thus resulting new shares for which subscription rights have been excluded will be utilized to achieve the best possible benefit for the Company.

- **Capital increase equivalent to no more than 10% of share capital in exchange for non-cash contribution**

The Management Board is authorized, with the consent of the Supervisory Board, to exclude the subscription right if the increase in share capital is executed in exchange for non-cash contributions, particularly for the purpose of acquiring companies, parts of companies, or shareholdings in companies or other assets associated with corporate acquisitions or as part of business combinations. However, the amount by which the Company's capital is increased shall not exceed, at most, 10% of its share capital, this being the case neither at the date at which this authorization comes into effect nor at the date at which it is exercised. This instrument will allow the Company to seize purchase opportunities quickly, efficiently, and without the need for financial liabilities or cash in the interest of the Company's further advancement. This applies in particular to those

cases in which the seller expects to receive shares in the Company as consideration. This authorization allows the Management Board to react swiftly to proposals and offers, without having to wait for a resolution to be passed by the General Meeting of Shareholders; such delays may be to the detriment of opportunities existing within this area. In each specific case, the Management Board will assess with the utmost diligence whether it should avail itself of its authorization to exclude subscription rights. The essential prerequisite is that any exclusion of subscription rights must be in the interest of the Company and shareholders. The issue price for the new shares would be determined by the Management Board, with the consent of the Supervisory Board and with due consideration for the interests of the Company. Finally, the interests of shareholders whose subscription rights have been excluded are accommodated by the fact that the amount by which the Company's capital can be increased is restricted to a figure of no more than 10% of its share capital.

- **Capital increase equivalent to no more than 10% of share capital for cash contribution**

The Management Board shall be authorized, with the consent of the Supervisory Board, to issue new shares for cash contribution with the exclusion of subscription rights in accordance with Section 186(3) sentence 4 AktG. In this context, the amount by which the Company's capital is increased shall not exceed 10% of its existing share capital either at the date at which the authorization comes into effect or at the date at which the authorization is exercised. All shares that – either in direct or analogous application of Section 186(3) sentence 4 AktG – are issued or sold on the

basis of other authorizations, particularly those relating to the use of treasury shares, during the validity of this authorization and up to the date at which this authorization is exercised shall be included in the aforementioned upper limit. Under statutory provisions, the exclusion of subscription rights is only permissible if the issue price of the new shares is not significantly below the market price of the existing exchange-listed shares. The aforementioned conditions ensure a suitable balance between the interests of shareholders as regards the protection against dilution of their investment and the interests of the Company with regard to obtaining equity quickly and efficiently. Shareholders excluded from pre-emptive subscription have the opportunity to purchase the shares via the stock exchange at terms that are largely identical for the purpose of maintaining their investment ratio. The Management Board and Supervisory Board regard the authorization to exclude subscription rights as essential in order to ensure that the Company can seize opportunities arising within the capital market or favorable conditions within the stock market quickly and efficiently, without having to contend with the formal procedures and statutory deadlines associated with an equity offering with subscription rights. The Management Board shall only avail itself of this authorization after a diligent assessment of the situation in each case and with due consideration for the interests of the shareholders and the Company, with the prior consent of the Supervisory Board.

The Management Board shall report on the utilization of Authorized Capital at the next Annual General Meeting convening subsequent to a capital increase.

Conditions of attendance

In accordance with Section 17 of the Articles of Association of ElringKlinger AG, those shareholders who are listed as shareholders in the Company's share register on the day of the Annual General Meeting, i.e., on May 16, 2017, and who have registered with the Company in such a way that their notification is received, by the end of **May 9, 2017**, by

Hauptversammlung ElringKlinger AG
c/o Computershare Operations Center,
80249 München, Fax: +49 89 30903-74675,
E-mail: anmeldestelle@computershare.de

shall be entitled to attend the Annual General Meeting. Registrations must be made in writing (so-called "text form").

Non-modification period

Shares will not be suspended or blocked as a result of shareholders submitting a registration to attend the Annual General Meeting. Therefore, the shares will also be at their shareholders' disposal subsequent to registration. The number of shares held by each shareholder as entered in the share register on the day of the Annual General Meeting is decisive for attending and casting votes. The aforementioned number of shares shall correspond to the number of shares as at the registration deadline of 24:00 hrs (midnight) on May 9, 2017, as modifications to the share register cannot be made for procedural reasons from the end of the registration deadline up to the end of the Annual General Meeting (non-modification period). Therefore, the technical record date is the end of May 9, 2017. All purchasers of the Company's shares who are not yet listed in the share register are therefore requested to submit change-of-registration applications as soon as possible.

Total number of shares and voting rights

On the date on which the Annual General Meeting is called, the share capital of the Company amounts to EUR 63,359,990. Out of a total of 63,359,990 no-par-value shares issued, on the date on which the Annual General Meeting is called all are furnished with an entitlement to attend and vote at the Annual General Meeting.

Shareholder rights under Sections 122(2), 126(1), 127, 131(1) AktG

- **Additions to the agenda pursuant to Section 122(2) AktG**
Additions to the agenda may be requested by shareholders whose aggregate interests are equivalent to one-twentieth of the share capital or the proportional amount of EUR 500,000. Such a request must be made in writing and be received by the Company, at the latest, thirty days prior to the Annual General Meeting, i. e., on April 15, 2017. An explanation or a resolution proposal must be included with each request.
- **Alternative proposals for the appointment of the auditor and/or the member of the Supervisory Board in accordance with Section 127 AktG and countermotions pursuant to Section 126(1) AktG**
Shareholders of the Company are entitled to submit alternative proposals in respect of the appointment of the auditor and/or the member of the Supervisory Board as well as countermotions relating to specific resolution proposals on the agenda. Countermotions shall be presented together with an explanation. The election proposals and/or countermotions must be received by the Company at least 14 days prior to the Annual General Meeting, i.e., on May 1, 2017, so that they can be made readily accessible by the Company.

The requests for additions to the agenda shall be submitted to the Company – motions and election proposals can be submitted to the Company – at the following address: ElringKlinger AG, Hauptversammlung, Max-Eyth-Straße 2, 72581 Dettingen/Erms, Germany, Fax +49 7123 724-858279. Such motions shall, if the statutory conditions are met, be published in accordance with the statutory provisions and may be accessed from the Company's website (Investor Relations/Annual General Meeting). Any responses from the management of the Company shall also be published on the aforementioned page of the website.

- **Shareholders' right to information under Section 131(1) AktG**

At the Annual General Meeting any shareholder or shareholder representative is entitled, pursuant to Section 131(1) AktG, to request information from the Management Board about issues relating to the Company, the legal and commercial relationships between the Company and affiliated entities and the position of the Group and the entities included in the consolidated financial statements, insofar as such information is required for the appropriate assessment of an item on the agenda.

Exercise of voting rights and proxy voting

Shareholders who are listed in the share register also have the option of voting through a proxy, a bank, or a shareholders' association. Timely notice of an intention to attend must be served either by the shareholder or by the proxy within the period and to the address stipulated above. We request that our shareholders in such a case send the relevant forms together with their voting instructions to the proxies of their choice so that the proxy may register in a timely manner by

May 9, 2017, with Hauptversammlung ElringKlinger AG, c/o Computershare Operations Center, 80249 München, Fax +49 89 30903-74675, e-mail anmeldestelle@computershare.de.

If a bank is listed in the share register as a trustee, it can exercise the voting rights in respect of shares that it does not own only if it is authorized to do so by the shareholder.

We offer our shareholders the possibility of being represented by official Company proxies at the Annual General Meeting. When exercising the shareholders' voting rights, the Company proxies shall only act in accordance with the instructions issued to them. The forms of proxy and related instructions must be communicated in writing (so-called "text form") to the address stipulated by the Company by **May 9, 2017**.

Information disclosed on the Company's website

Additionally, the full version of the agenda with the proposals of the Management Board and the Supervisory Board with regard to resolutions as well as the reports of the Management Board and the above-mentioned conditions of attendance, in addition to an address for inquiries and motions by shareholders, can be accessed online at the Company's website (Investor Relations/Annual General Meeting) together with further information about the Annual General Meeting. It can also be requested free of charge from the Company (ElringKlinger AG, Hauptversammlung, Max-Eyth-Straße 2, 72581 Dettingen/Erms, Germany).

The details relating to registration are to be found in the documents sent to the shareholders with the invitation to the Annual General Meeting.

The Agenda for the Annual General Meeting on May 16, 2017, and the documents relating to registration or the appointment of a proxy shall be sent by the Company to those shareholders entered in the share register of the Company.

Please feel free to ask for a copy of the annual report for the financial year 2016 by contacting ElringKlinger AG, Hauptversammlung, Max-Eyth-Straße 2, 72581 Dettingen/Erms, Germany (Fax +49 7123 724-858279 or e-mail hauptversammlung@elringklinger.com). Please state your full address.

Internet broadcast

The speech of the CEO will be streamed live via our website on the day of the Annual General Meeting from approx. 10:15 a.m. and will also be made accessible online on conclusion of the Annual General Meeting.

Dettingen/Erms, March 2017

ElringKlinger AG

The Management Board



Dr. Stefan Wolf



Theo Becker



Thomas Jessulat

TRAVEL BY PUBLIC TRANSPORT:

Combined admission ticket and local transport ticket: VVS-KombiTicket. Our shareholders are entitled to free public transport for this event.

Any shareholder (or the person authorized to represent him/her) who has registered on time will receive a ticket issued by Verkehrs- und Tarifverbund Stuttgart (VVS) in combination with the AGM admission ticket. In this case, the AGM admission ticket entitles you to travel to Kultur- und Kongresszentrum Liederhalle in Stuttgart on May 16, 2017, and back again by 5 a.m. on the following day using any mode of VVS transport (2nd class) within the entire VVS network. There shall be no entitlement to a reimbursement of the fare should you choose not to use the free public transport ticket.

From Stuttgart main railway station (Hauptbahnhof):

U9 (subway/metro/tube) traveling to Vogelsang and U14 (subway/metro/tube) traveling to Heslach. Stop at: Berliner Platz (Liederhalle). Alternatively, you can choose to walk to Kultur- und Kongresszentrum Liederhalle (approx. 10 minutes on foot).

From Stuttgart airport (Flughafen):

S-Bahn (local railway network) S2 Schorndorf or S3 Backnang traveling in the direction of Stuttgart main railway station (Hauptbahnhof). Travel time: 25 minutes (trains depart every 15 minutes). Stop at: Stadtmitte (Rotebühlplatz). Exit building at Büchsenstraße/Haus der Wirtschaft, then walk straight ahead – the Kultur- und Kongresszentrum Liederhalle is only approx. 5 minutes away on foot.

TRAVEL BY CAR:

Coming from the direction of Munich/Salzburg:

A 8 – motorway/highway exit “S-Degerloch” in the direction of the city center “S-Zentrum” (B 27). When you reach the underpass (“Schlossplatz”), please choose the left lane in the direction of “S-West.”

Coming from the direction of Basel/Karlsruhe/Zurich/Konstanz:

A 8 – motorway/highway interchange “Stuttgart” in the direction of “S-Zentrum” – exit “S-Vaihingen” in the direction of “S-Zentrum” (B 14). Approx. 700 m behind Heslacher Tunnel, please choose the right lane, then at Österreichischer Platz turn left into Paulinenstraße (B 27 a), right into Rotebühlstraße, and at Rotebühlplatz left into Fritz-Elsas-Straße.

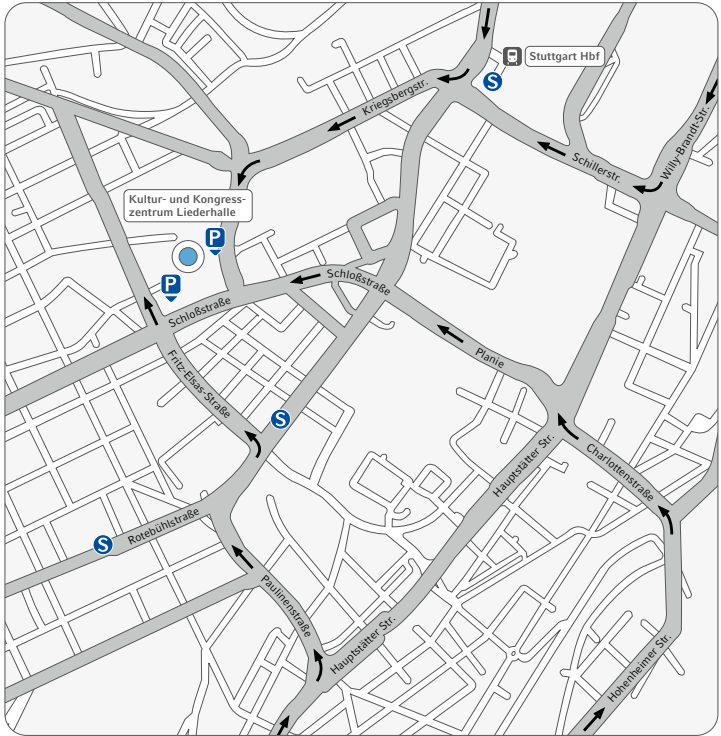
Coming from the direction of Hamburg/Frankfurt/Nuremberg/Würzburg/Heilbronn:

A 81 – motorway/highway exit “S-Zuffenhausen” – “S-Zentrum” (B 10 / B 27). At the main railway station (Hauptbahnhof) turn right into Kriegsbergstraße and at Hegelplatz turn left into Holzgartenstraße.

HOW TO FIND US

S-Zuffenhausen A81

S-Bad Cannstatt



S-Vaihingen A8

S-Degerloch A8

P Parking in the underground car park **“Liederhalle/ Bosch-Areal”** (Breitscheidstraße) and in the underground car park **“Kultur- und Kongresszentrum Liederhalle”** (Holzgartenstraße) is free of charge for shareholders. You can exchange your car park entry ticket for a free exit ticket at our information desk.

REQUEST FOR PRINTED ANNUAL REPORT

Please send me your printed Annual Report 2016
(kindly complete in block letters)

NAME:

ADDRESS:

The Annual Report 2016 and Financial Statements of ElringKlinger AG can be
downloaded in PDF format on www.elringklinger.com (Investor Relations/Publications).

Please affix
a stamp

To
ElringKlinger AG
Hauptversammlung
Max-Eyth-Straße 2
D-72581 Dettingen/Erms

By fax: +49 7123 724-858279
By e-mail: hauptversammlung@elringklinger.com

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FINANCIAL CALENDAR 2017

**09
MAY**

Interim Report
on the 1st Quarter of
2017

**16
MAY**

**112th Annual General
Shareholders' Meeting,**
Stuttgart, Cultural and
Congress Center Lieder-
halle, 10:00 a.m. CEST

**08
AUGUST**

Interim Report
on the 2nd Quarter and
1st Half of 2017

**07
NOVEMBER**

Interim Report
on the 3rd Quarter and
First Nine Months of 2017

**16
MAY 2018**

**113th Annual General
Shareholders' Meeting,**
Stuttgart, Cultural and
Congress Center Lieder-
halle, 10:00 a.m. CEST

Changes to the above dates cannot
be ruled out.
We therefore recommend visiting
our website to check specific finan-
cial dates at [www.elringklinger.de/
en/investor-relations/financial-
calendar](http://www.elringklinger.de/en/investor-relations/financial-calendar).