

Report of the Supervisory Board

Dear Shareholders,

Since its establishment on May 5, 2014, the Supervisory Board of Stabilus S.A. performed its tasks and monitored the management activities of the Board of Management in accordance with legal requirements and the articles of association of Stabilus S.A. The Board of Management and the Supervisory Board remained in close and regular contact. The Supervisory Board regularly advised the Board of Management in regards to strategic and operational decisions as well as governance topics and decided on requests for approval presented by the Board of Management.

Stabilus S.A. is the legal successor of Servus Holdco S.à r.l. which changed its company name and its legal form on May 5, 2014. On the same date, the Supervisory Board has been established and the present members of the Supervisory Board have been appointed. Subsequently, the Supervisory Board approved appointment of the present members of the Board of Management and resolved to set up an Audit Committee and a Remuneration Committee.

On May 23, 2014, Stabilus S.A. realized its public offering and admission of trading of its shares at the Frankfurt Stock Exchange which had been discussed with and approved by the Supervisory Board.

Cooperation with the Board of Management

The Board of Management reported regularly, promptly and extensively in verbal and written form to the Supervisory Board regarding the position and performance of the company and the Stabilus Group. Furthermore, the Board of Management informed the Supervisory Board on a regular basis concerning the future business policy, including the strategic and organizational direction. Between the Supervisory Board meetings, the CEO and the CFO kept the Chairman of the Supervisory Board informed about new developments.

In each of the Supervisory Board meetings, of which there were 5 in total since the establishment of the Supervisory Board, the Board of Management reported the commercial position of the company and key financial data. Major investments of the group companies, in particular investments for machines and other equipment, were presented to the Supervisory Board and the Board of Management applied for respective approvals if required. The investment decisions particularly focused on further improvements of the German production facility's competitive position and business expansion in Asia.

The Board of Management reported about quality management and other operational topics related to Stabilus products as well as other topics of particular interest. In addition, the Board of Management conferred with the Supervisory

Board in regards to the Group's financial situation, the optimization of its financial structure and the reduction of the company's interest charges.

The Supervisory Board and the Audit Committee regularly examined the risk position of the Stabilus Group and the further development of the systems and procedures for controlling and reducing risks. The Audit Committee reviewed the Group's compliance organization and initiated further improvement.

The Supervisory Board and the Board of Management assessed in particular the effects of eventual down-turn scenarios in the various markets of the company and adequate measures which then might be required.

Drawing up of the Consolidated Financial Statements

The Supervisory Board examined the consolidated financial statements and the consolidated management report for the financial year ending on September 30, 2014. Representatives of the auditor KPMG Luxembourg S.à r.l. attended the meetings of the Audit Committee and the Supervisory Board on December 1, 2014 at which the consolidated financial statements were examined. The representatives of the auditor reported extensively on their findings, provided a written presentation and were available to give additional explanations and opinions.

The Supervisory Board did not raise any objections to the consolidated financial statements drawn up by the Board of Management for the financial year ending on September 30, 2014 and to the auditors' presentation. According to the proposal of the Audit Committee, the Supervisory Board agreed to the proposal of the Board of Management to approve the consolidated financial statements. The auditor issued an unqualified audit opinion on December 1, 2014.

On behalf of the Supervisory Board, I want to thank the Board of Management for the open and cooperative exchanges and collaboration during the year, the Stabilus employees for their excellent contributions to the company's success as well as our shareholders for the trust they place in Stabilus.

Luxembourg, December 1, 2014

On behalf of the Supervisory Board of Stabilus S.A.



Udo Stark
Chairman of the Supervisory Board

Report of the Supervisory Board

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The Supervisory Board and the Board of Management assessed in particular the effects of eventual down-turn scenarios in the various markets of the company and adequate measures which then might be required.

Drawing up of the Financial Statements

The Supervisory Board examined the annual accounts and the management report for the financial year ending on September 30, 2014. Representatives of the auditor KPMG Luxembourg S.à r.l. attended the meetings of the Audit Committee and the Supervisory Board at which the annual accounts were examined. The representatives of the auditor reported on their findings and were available to give additional explanations and opinions.

The Supervisory Board did not raise any objections to the annual accounts drawn up by the Board of Management for the financial year ending on September 30, 2014 and to the auditors' presentation. According to the proposal of the Audit Committee, the Supervisory Board agreed to the proposal of the Board of Management to approve the annual accounts. The auditor issued an unqualified audit opinion on December 23, 2014.

On behalf of the Supervisory Board, I want to thank the Board of Management for the open and cooperative exchanges and collaboration during the year, the Stabilus employees for their excellent contributions to the company's success as well as our shareholders for the trust they place in Stabilus.

Luxembourg, December 23, 2014

On behalf of the Supervisory Board of Stabilus S.A.

A handwritten signature in black ink, appearing to read 'Udo Stark', written in a cursive style.

Udo Stark
Chairman of the Supervisory Board