



**Continental Aktiengesellschaft**

**Hanover**

ISIN: DE 0005439004

WKN: 543 900

We invite our shareholders to the

**Annual Shareholders' Meeting**

**on Friday, April 28, 2017, at 10:00 a.m.,**

in the Kuppelsaal of the Hannover Congress Centrum,  
Theodor-Heuss-Platz 1-3, 30175 Hanover, Germany.

## I. Agenda

**1. Presentation of the adopted annual financial statements of Continental Aktiengesellschaft and the consolidated financial statements approved by the Supervisory Board, each as of December 31, 2016, the management report for Continental Aktiengesellschaft and for the Group for fiscal 2016 as well as the report of the Supervisory Board and the explanatory report of the Executive Board on the information provided pursuant to Section 289 (4) and Section 315 (4) of the German Commercial Code (HGB)**

The Supervisory Board has adopted the annual financial statements and consolidated financial statements prepared by the Executive Board. The annual financial statements are thereby approved. Accordingly, the Annual Shareholders' Meeting is not required to take a resolution on agenda item 1 pursuant to the statutory provisions.

### **2. Resolution on the appropriation of net income**

The Executive Board and the Supervisory Board propose that the net income of the Company for fiscal 2016 in the amount of €1,103,098,059.84 be appropriated as follows:

Distribution of a dividend of	€	4.25
per share entitled to dividends:	€	850,025,427.75
Carried forward to new account:	€	253,072,632.09
Net income:	€	1,103,098,059.84

Pursuant to Section 58 (4) sentence 2 of the German Stock Corporation Act (AktG) the claim to payment of the dividend is due on the third business day following the resolution of the Annual Shareholders' Meeting, i.e. on May 4, 2017.

### **3. Resolution on the ratification of the actions of the Executive Board members for fiscal 2016**

The Executive Board and the Supervisory Board propose that the actions of the members of the Executive Board in office in fiscal 2016 be ratified for this period.

Voting procedures will foresee voting on such proposal with respect to each member of the Executive Board individually.

#### **4. Resolution on the ratification of the actions of the Supervisory Board members for fiscal 2016**

The Executive Board and the Supervisory Board propose that the actions of the members of the Supervisory Board in office in fiscal 2016 be ratified for this period.

Voting procedures will foresee voting on such proposal with respect to each member of the Supervisory Board individually.

A list containing information on the attendance of individual Supervisory Board members at plenary and committee meetings of the Supervisory Board in fiscal 2016 can be viewed on the Internet at <http://www.continental-ir.com> under the links “Corporate Governance” and “Supervisory Board/Committees”.

#### **5. Resolution on the appointment of the auditor and Group auditor and of the auditor for the review of interim financial reports for fiscal 2017**

Based on the recommendation of the Audit Committee, the Supervisory Board proposes that the following resolutions be adopted:

- a) KPMG AG Wirtschaftsprüfungsgesellschaft, Hanover, is appointed auditor and Group auditor for fiscal 2017.
- b) KPMG AG Wirtschaftsprüfungsgesellschaft, Hanover, is appointed auditor for the review (if any) of interim financial reports to be performed in fiscal 2017.

Before submitting its proposals, the Supervisory Board obtained a statement from KPMG AG Wirtschaftsprüfungsgesellschaft regarding its independence, as recommended by the German Corporate Governance Code.

## **6. Resolution on the adoption of the remuneration system for members of the Executive Board**

Section 120 (4) AktG provides for the option of the Annual Shareholders' Meeting to resolve its adoption of the remuneration system for members of the Executive Board. The Annual Shareholders' Meeting of Continental AG on April 25, 2014 adopted the current remuneration system for members of the Executive Board. In 2016 the Supervisory Board commissioned an independent consultant to review this remuneration system again. The review concluded that both the system and the structure of Executive Board remuneration satisfy the legal requirements and comply with the recommendations of the German Corporate Governance Code. However, the expert recommended that individual elements be increased in order to raise the overall direct remuneration to the middle of a remuneration range of comparable companies in each case. After performing its own detailed review and discussions, the Supervisory Board resolved on the adjustments, which took effect on January 1, 2017 and are described in greater detail in the remuneration report, in respect of the fixed amount paid to the Chairman of the Executive Board and – for all members of the Executive Board – the targets for the performance bonus and the long-term incentive plan. The Supervisory Board otherwise left the remuneration system for members of the Executive Board unchanged. This system is to be presented to the Annual Shareholders' Meeting for adoption.

The remuneration system is described in detail in the remuneration report; it is published in the 2016 annual report (on page 23 et seq.) as part of the corporate governance report. The 2016 annual report is also among the documents that can be viewed on the internet at <http://www.continental-ir.com> under the link "Annual Shareholders' Meeting" as well as at the head office of Continental Aktiengesellschaft at Vahrenwalder Strasse 9, 30165 Hanover, Germany. The 2016 annual report will be available and the remuneration system explained in greater detail during the Annual Shareholders' Meeting.

The Executive Board and the Supervisory Board propose that the remuneration system for members of the Executive Board be adopted.

## **II. Further information on convocation**

### **1. Availability of documents**

The documents mentioned under agenda items 1 and 6 and the proposal on the appropriation of net income under agenda item 2 are available for shareholder inspection at the Company's head office at Vahrenwalder Strasse 9, 30165 Hanover, Germany from the date of the notice of convocation of the Annual Shareholders' Meeting and can be viewed online shortly after the date of this notice, together with additional information provided pursuant to

Section 124 a AktG, at <http://www.continental-ir.com> under the link “Annual Shareholders’ Meeting”. Copies of the documents will be sent upon request to shareholders promptly and free of charge.

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

At the time of this notice of convocation of the Annual Shareholders’ Meeting, the total number of shares and the number of voting rights issued by the Company each amount to 200,005,983. At the time of this notice of convocation of the Annual Shareholders’ Meeting the Company holds no treasury shares.

## **3. Requirements for participating in the Annual Shareholders’ Meeting and for exercising voting rights, effective date of proof and its significance**

The only persons entitled to participate in the Annual Shareholders’ Meeting and to exercise voting rights are those who hold one or more shares in the Company at the beginning of the 21st day before the Annual Shareholders’ Meeting, i.e. on April 7, 2017, at 00:00 a.m. (“effective date of proof”), who have registered for the Annual Shareholders’ Meeting in time and who have submitted proof of their right to participate in the Annual Shareholders’ Meeting and to exercise voting rights. Therefore, shareholders who do not acquire their shares on or before the effective date of proof may not participate in the Annual Shareholders’ Meeting. Shareholders who hold shares on the effective date of proof and sell their shares after the effective date of proof but before the Annual Shareholders’ Meeting are, in relation to the Company, nevertheless entitled to participate in the Annual Shareholders’ Meeting and to exercise their right to vote, provided that they have registered and submitted the proof of share ownership in time. A special proof of share ownership issued by the custodian institution in written form (“Textform”, Section 126 b of the German Civil Code (BGB)) is sufficient proof of entitlement. If the shares are not kept in a securities account at a financial institution as at the effective date of proof, proof of ownership can be issued by the Company, by a public notary, a securities depot, or a financial institution within the European Union. Proof of share ownership must refer to the effective date of proof in each case. The proof of ownership must be in German or English.

The effective date of proof has no effect on the ability to dispose of the shares and has no significance for the entitlement to dividends.

The registration and proof of ownership must be received by the Company at the venue and the address indicated below by no later than the end of April 21, 2017:

Continental Aktiengesellschaft  
c/o Computershare Operations Center  
80249 Munich  
Germany

Fax: +49 (0) 89 30903-74675  
E-mail: [anmeldestelle@computershare.de](mailto:anmeldestelle@computershare.de)

Once registration and proof of share ownership has been received by the Company, the shareholder will be sent an admission ticket for the Annual Shareholders' Meeting. We kindly ask shareholders to register and order admission tickets from their custodian institution well in advance to facilitate timely receipt of the admission tickets.

#### **4. Absentee voting procedure**

Shareholders who do not wish to participate personally in the Annual Shareholders' Meeting may also vote prior to the Annual Shareholders' Meeting in writing or through electronic communication ("absentee voting"). In this case as well, timely registration and submission of proof of share ownership pursuant to the provisions explained in II. 3 are required.

Votes submitted through absentee voting may be sent, at the option of the shareholder, to the Company by mail, fax, or e-mail. For this, the shareholders may use the form that will be sent to them together with the admission ticket after proper registration. Absentee votes must be received at the address stated in II. 5 c) below by no later than the end of April 26, 2017.

An absentee vote may also be cast by using the online service available on the Company's website. Properly registered shareholders will receive the access data for this online service with the admission ticket. Shareholders using this online service must cast their votes by no later than the end of the general debate on the day of the Annual Shareholders' Meeting.

Absentee voting does not preclude personal participation in the Annual Shareholders' Meeting. Personal participation in the Annual Shareholders' Meeting by a shareholder or a third-party proxy holder is considered a revocation of previously cast absentee votes and precludes an additional voting using the online service.

Shareholders will receive additional information on the procedure of absentee voting together with receipt of the admission ticket to the Annual Shareholders' Meeting. Details can also be viewed on the Internet at <http://www.continental-ir.com> under the link "Annual Shareholders' Meeting".

## 5. Proxy voting procedure

Shareholders who do not wish to participate personally in the Annual Shareholders' Meeting may also exercise their voting rights by proxy, e.g. through a financial institution, a shareholder association, or the proxies appointed by the Company. In this case as well, timely registration and submission of proof of share ownership pursuant to the provisions explained in II. 3 are required.

a) When neither a financial institution nor a shareholder association or other equivalent person or institution pursuant to Section 135 (8) and (10) AktG is authorized, the proxy must be issued in written form ("Textform", Section 126 b BGB) to the Company or directly to the proxy holder. For this, the shareholders are kindly requested to use the authorization form that all properly registered shareholders receive with the admission ticket. In order to submit the proof of authorization by mail, fax, or e-mail, shareholders are requested to use the address stated in II. 5 c) below. The same applies to issuing proxy via a declaration to the Company; a separate proof of authorization is not needed in this case. Regardless thereof, proof of authorization may also be submitted by the proxy holder by producing the proxy at the check-in desk for the Annual Shareholders' Meeting.

b) When proxy is granted to financial institutions, shareholder associations, or other equivalent persons and institutions pursuant to Section 135 (8) and (10) AktG, as well as when evidence of such a proxy is given or the proxy is revoked, the statutory provisions apply, particularly Section 135 AktG. The shareholders are therefore requested to coordinate in advance with the financial institution, shareholder association, or equivalent person pursuant to Section 135 AktG regarding the form(s) which may be required for authorizing any of them.

c) We offer our shareholders the option of granting proxy, prior to the Annual Shareholders' Meeting, to proxy holders appointed by the Company who are bound to follow the shareholders' instructions. The proxies for the proxy holders appointed by the Company must be in written form ("Textform", Section 126 b BGB) and must contain instructions for exercising each voting right. A proxy is not effective without such instructions. The proxy holders appointed by the Company are obligated to vote as instructed; they are not permitted to exercise voting rights at their own discretion.

Shareholders who wish to make use of this option are requested to use the authorization and instruction form included with the admission ticket and to send it to the following address by mail, fax, or e-mail:

Continental Aktiengesellschaft  
c/o Computershare Operations Center  
80249 Munich

Germany

Fax: +49 (0) 89 30903-74675

E-mail: Continental-HV2017@computershare.de

The forms must be received at the aforementioned address by no later than the end of April 26, 2017.

The shareholders also have the option of using the online service on the Company's website for authorizing the proxy holders appointed by the Company and for issuing instructions. Properly registered shareholders will receive the access data for this online service together with the admission ticket.

Authorization and instruction of the proxy holders appointed by the Company via the online service must be submitted by no later than the end of the general debate on the day of the Annual Shareholders' Meeting.

Authorization of the proxy holders appointed by the Company does not preclude personal participation in the Annual Shareholders' Meeting. Personal participation in the Annual Shareholders' Meeting by a shareholder or a third-party proxy holder is considered a revocation of previous authorization of the proxy holders and precludes their further authorization using the online service.

More details about participating in the Annual Shareholders' Meeting and issuing proxies and instructions will be sent to the shareholders together with the admission ticket to the Annual Shareholders' Meeting. Details can also be viewed on the Internet at <http://www.continental-ir.com> under the link "Annual Shareholders' Meeting".

## **6. Motions or nominations by shareholders pursuant to Sections 126 and 127 AktG**

Shareholders are entitled to submit countermotions to a proposal by the Executive Board and/or Supervisory Board regarding a specific agenda item (Section 126 AktG) and nominations for the election of Supervisory Board members or auditors (Section 127 AktG). Countermotions (Section 126 AktG) and nominations (Section 127 AktG) that are to be made available on the Company's website must be sent to the following address only:

Continental Aktiengesellschaft  
Abteilung Hauptversammlung  
Vahrenwalder Strasse 9  
30165 Hanover  
Germany



Fax: +49 (0) 511 938-1596  
E-mail: hv@conti.de

Countermotions or nominations by shareholders that are to be made available will be published online immediately upon receipt at <http://www.continental-ir.com> under the link “Annual Shareholders’ Meeting”, provided that we receive them at the above address by no later than the end of April 13, 2017. Motions sent to other addresses will not be considered. We will publish any management responses at the same Internet address.

The Company may refuse to make a countermotion or nomination and its supporting statements available if one of the exceptions enumerated under Section 126 (2) AktG applies, for instance if the countermotion would lead to a resolution of the Annual Shareholders’ Meeting that violates the law or the Articles of Association. Supporting statements to a countermotion do not need to be made available if the statements contain more than 5,000 characters in total.

Additionally, a nomination under Section 127 AktG does not need to be made available if the nomination does not include the name, occupation held, and place of domicile of the candidate proposed to be elected as auditor or Supervisory Board member and if the nomination for the election of Supervisory Board members does not also contain information about the nominee’s membership of other statutorily mandated supervisory boards.

## **7. Minority’s right to add items to the agenda pursuant to Section 122 (2) AktG**

Shareholders whose shares together constitute a twentieth part of the Company’s share capital (equivalent to approximately €25,600,765.82 or – rounded up to the next highest whole number of shares – 10,000,300 shares) or a partial amount of €500,000.00 (which – rounded up to the next highest whole number of shares – is equivalent to 195,313 shares), may demand, by the same means as provided in Section 122 (1) AktG, that items be added to the agenda and published. A supporting statement or a proposed resolution must accompany each new item. The request to add an item to the agenda must be in writing (Section 126 BGB) and must be directed to the Executive Board of the Company. It must be received by the Company by no later than the end of March 28, 2017. Shareholders are requested to send their demand to the following postal address, or, if they make their request by using the qualified electronic form (Section 126 a BGB), to the following e-mail address:

Executive Board of Continental Aktiengesellschaft  
Vahrenwalder Strasse 9  
30165 Hanover  
Germany

E-mail: hv@conti.de

Pursuant to Section 122 (1) sentence 3 the applicants must prove that they have been shareholders for at least 90 days before the date on which the request is received and that they continue to hold these shares until the Executive Board has made a decision on the request.

#### **8. Right of shareholders to receive information pursuant to Section 131 (1) AktG**

Pursuant to Section 131 (1) AktG, each shareholder is entitled upon request made to the Executive Board during the Annual Shareholders' Meeting to receive information about the Company and its affairs if such information is necessary for a proper appraisal about an item on the agenda. The Executive Board's duty to provide such information extends to the legal and commercial relationships of the Company to an affiliated company, as well as the position of the Group and the companies included in the consolidated financial statements.

The Executive Board may refuse to provide the information for reasons set forth in Section 131 (3) AktG, for instance if, under reasonable business judgment, providing the information could invoke a disadvantage to the Company or an affiliated company which is not insignificant or the information is continuously available on the Company's website for at least seven days before the Annual Shareholders' Meeting begins as well as throughout the Annual Shareholders' Meeting.

#### **9. Transmission of the Annual Shareholders' Meeting on the Internet**

By order of the meeting chair and on the basis of Section 19 (2) of the Company's Articles of Association, the entire Annual Shareholders' Meeting on April 28, 2017 will be transmitted live on the Internet for all shareholders and interested members of the public and will be available at <http://www.continental-ir.com> under the link "Annual Shareholders' Meeting". The live transmission of the Annual Shareholders' Meeting does not enable participation in the Annual Shareholders' Meeting within the meaning of Section 118 (1) sentence 2 AktG.

## **10. Publications on the website**

The information and documents to be made available on the website of the Company pursuant to Section 124 a AktG, including this notice of convocation of the Annual Shareholders' Meeting, shareholder motions and additional information on the rights of shareholders under Section 122 (2), Section 126 (1), Section 127 and Section 131 (1) AktG, can be found online at <http://www.continental-ir.com> under the link "Annual Shareholders' Meeting".

Hanover, March 2017

Continental Aktiengesellschaft  
The Executive Board