
4. Remuneration report

This remuneration report describes the main features of the remuneration system for the Board of Managing Directors, i.e. the remuneration structure and amount. In addition, the remuneration report provides disclosures about benefits the company has promised to provide to the members of the Board of Managing Directors upon termination of their employment as well as disclosures on the remuneration of the Supervisory Board.

The remuneration report is in accordance with the requirements of the German Commercial Code (HGB) and International Financial Reporting Standards (IFRS) and is part of the group management report. It also reflects the recommendations of the German Corporate Governance Code.

4.1 Main features of the remuneration system for the Board of Managing Directors in effect since the listing

As stipulated in the German Corporate Governance Code (GCGC) and section 87 AktG, the Supervisory Board sets the total remuneration, reviews the remuneration scheme on a regular basis, and reviews the appropriateness of the remuneration of the Board of Managing Directors on a regular basis. To ensure that

the total remuneration is appropriate, the Supervisory Board takes into account customary levels of remuneration both in other companies of comparable size within the same industry and country (horizontal comparison) and the wage and salary structure within the enterprise itself (vertical comparison of remuneration of Board of Managing Directors to the company's workforce).

In preparation for the listing, Schaeffler AG's Supervisory Board approved the enhancement of the remuneration system for the members of the Board of Managing Directors on September 08, 2015. This remuneration system became effective retroactively as at January 01, 2015 on the date of the listing, October 09, 2015, and is effective for all members of the Board of Managing Directors in office in 2016.

The total remuneration of the Board of Managing Directors is performance- and success-based and supports the Schaeffler Group's operational and strategic objectives in a dynamic and international environment. The remuneration of each member of the Board of Managing Directors consists of a fixed amount as well as short- and long-term variable components. The variable component is largely long-term in nature. In addition, the members of the Board of Managing Directors receive the customary fringe benefits, pension commitments, a company car, and insurance benefits.

Remuneration of Board of Managing Directors – system and components

No. 069

Components	Performance metric	Range of remuneration	Conditions for payment	Payment cycle
Non-performance-based components				
Fixed remuneration	Function and responsibility	None	Contractually agreed	Monthly
Fringe benefits	Function and responsibility	None	Contractually agreed	Payment not applicable
Performance-based components				
Short-term bonus	For the CEO and the Chief Officers of the functions (in 2015 also for the divisional CEOs): Free cash flow (FCF Group) and Schaeffler Value Added (SVA Group) of the Schaeffler Group (weighted equally). For the divisional CEOs: Free cash flow (FCF Group) and Schaeffler Value Added (SVA Group) of the Schaeffler Group, Schaeffler Value Added (SVA Division) and working capital (WC Division) of the division (weighted equally) ¹⁾	0 % – 150 % (target bonus = 100 %)	Meeting annual performance targets	Annually
Long-term bonus	Share price trend underlying performance share units (PSUs) granted and meeting targets consisting of:	Maximum is the number of PSUs granted, minimum number is nil		
Performance Share Unit Plan (PSUP)	50 % service condition and 25 % relative Total-Shareholder-Return-(TSR)-based performance target and 25 % cumulative FCF-based performance target	Share price cap: double the share price at grant date	Meeting service condition and/or performance targets	4 years after grant date
Retirement benefits			Retirement or triggering event	Generally monthly

¹⁾ Starting in 2017, cash flow of the division will replace working capital of the division for purposes of measuring the performance of the divisional CEOs.

Non-performance-based components

Fixed remuneration

Each ordinary member of the Board of Managing Directors receives an identical amount of fixed remuneration; the Chief Executive Officer receives twice this amount. Fixed remuneration is paid in twelve equal installments each month.

Fringe benefits

Fringe benefits include the use of a company car, including for private purposes, and customary insurance benefits such as directors' and officers' liability insurance (D&O insurance). This D&O insurance policy includes a deductible provision that is in accordance with section 93 (2) (3) AktG. Tax on the pecuniary advantage related to fringe benefits granted is paid individually by each member of the Board of Managing Directors. No loans were granted to members of the Board of Managing Directors in 2016.

Performance-based components

Short-term variable component – short-term bonus

All members of the Board of Managing Directors in office in 2016 receive an annual short-term bonus if the relevant targets are met. The employment contracts of the members of the Board of Managing Directors set out the individual target-based bonus based on achievement of 100 % of the performance targets.

The Supervisory Board determines the performance target tiers on an annual basis. The targets underlying the remuneration reflect the strategic direction of the Schaeffler Group. The amount of the short-term bonus payable to the CEO and the Chief Officers of the functions (in 2015 also to the divisional CEOs) is determined based on the extent to which the performance targets have been met. The performance targets are weighted equally and consist of free cash flow (FCF Group) of the Schaeffler Group and Schaeffler Value Added (SVA Group) of the Schaeffler Group. For the divisional CEOs, the performance targets used to determine the extent to which performance targets have been met consist of free cash flow (FCF Group) of the Schaeffler Group and Schaeffler Value Added (SVA Group) of the Schaeffler Group and of Schaeffler Value Added (SVA Division) of the division and working capital (WC Division) of the division, again weighted equally.⁷

⁷ Starting in 2017, cash flow of the division will replace working capital of the division for purposes of measuring the performance of the divisional CEOs.

FCF Group is generally calculated based on the Schaeffler Group's cash flows from operating activities and from investing activities for the relevant year. SVA Group is generally based on the Schaeffler Group's EBIT less its cost of capital. SVA Division is determined in the same manner based on measures segmented in accordance with IFRS 8. The Working Capital Division performance target is calculated as the ratio of the division's working capital to divisional revenue.

The Supervisory Board can set other strategic targets in addition to the FCF, SVA, and WC performance targets. The short-term bonus may lapse in its entirety if the minimum targets are not met. Furthermore, the Supervisory Board can establish a multiplier ranging from 0.8 to 1.2 to reflect a Managing Director's individual performance. In any event, payment of all short-term bonuses is limited to 150 % of the individual target-based bonus, regardless of whether an additional strategic target is set or a multiplier reflecting a Managing Director's individual performance is applied. The short-term bonus earned during a year is paid in a lump sum once the extent to which targets have been met has been determined.

Long-term variable component – long-term bonus (Performance Share Unit Plan, PSUP)

The Supervisory Board has implemented a share-based remuneration instrument in the form of a PSUP in order to align the interests of the Board of Managing Directors with those of the shareholders and to promote the sustainable development of the Schaeffler Group. Based on relevant agreements, all current Managing Directors are eligible for the PSUP.

One performance share unit (PSU) conveys the right to a cash payment amounting to the average share price of the last 60 trading days of the performance period provided the previously defined performance targets are achieved. The PSUP is granted in annual tranches. Each tranche has a performance period of four years beginning on January 01 of the year it is granted. The target amount per tranche is stipulated in the employment contracts of the members of the Board of Managing Directors and is designed to create a remuneration structure that is largely oriented toward the long term. The target amount of the variable long-term remuneration exceeds the target bonus under the variable short-term remuneration. In addition, the number of PSUs granted to each individual member of the Board of Managing Directors is based on that member's duties and responsibilities. The number of PSUs cannot increase.

Vesting of PSUs is linked to the following three conditions:

- 50 % of PSUs (base number) are granted subject to a service condition. The base number is only paid out if the member of the Board of Managing Directors remains employed as a member of a governing body of Schaeffler AG and is not under notice of termination at the end of the performance period.⁸
- 25 % of the PSUs are granted subject to a long-term FCF-based performance target which involves a comparison of cumulative FCF for the performance period to the target FCF.
- 25 % of the PSUs are granted subject to a relative performance target based on total shareholder return (TSR) (share price performance including dividends). To determine to what extent these PSUs have vested, TSR for Schaeffler AG's common non-voting shares is compared to the TSR of companies in the benchmark group (MDAX) over the vesting period.

The Supervisory Board sets the FCF- and TSR-based target amounts for each tranche when PSUs are granted.

The 2015 and 2016 tranches of PSUs subject to FCF- and TSR-based performance targets vest based on the following target tiers.

PSUP performance targets for FCF		No. 070
Cumulative free cash flow for the performance period	FCF	Number of PSUs vested in %
Cumulative FCF compared to target FCF > ~ 6.01 %		100 %
2.01 % < cumulative FCF compared to target FCF < ~ 6.00 %		75 %
-2.00 % < cumulative FCF compared to target FCF < ~ 2.00 %		50 %
-6.00 % < cumulative FCF compared to target FCF < ~ -2.01 %		25 %
Cumulative FCF compared to target FCF < ~ -6.01 %		0 %

PSUP performance targets for TSR		No. 071
TSR outperformance over the performance period	TSR	Number of PSUs vested in %
> 25 %		100 %
5 % < TSR outperformance ≤ 25 %		75 %
-5 % < TSR outperformance ≤ 5 %		50 %
-25 % < TSR outperformance ≤ -5 %		25 %
≤ -25 %		0 %

The target amounts for the FCF-based performance target are derived from the Schaeffler Group's medium-term plan. The payment under a PSU is capped at double the underlying share price at the grant date.

⁸ Taking into account the rules applicable to leavers.

The underlying share price of the 2016 tranche is EUR 14.58. The PSUs granted to each individual and the related fair values in 2016 are as follows:

PSUs granted in 2016		No. 072		
	Target amount (in € thousands)	Number of PSUs granted on January 01, 2016 ¹⁾	Grant date fair value per PSU (in € thousands)	Grant date fair value (in € thousands)
Klaus Rosenfeld (CEO)	1,300			
Base number of PSUs		44,581	13.82	616
FCFPSUs		22,291	13.82	308
TSR PSUs		22,291	9.13	204
Prof. Dr. Peter Gutzmer	950			
Base number of PSUs		32,578	13.82	450
FCFPSUs		16,290	13.82	225
TSR PSUs		16,290	9.13	149
Dr. Ulrich Hauck	800			
Base number of PSUs		27,434	13.82	379
FCFPSUs		13,718	13.82	190
TSR PSUs		13,718	9.13	125
Norbert Indlekofer²⁾	950			
Base number of PSUs		32,578	13.82	450
FCFPSUs		16,290	13.82	225
TSR PSUs		16,290	9.13	149
Oliver Jung	950			
Base number of PSUs		32,578	13.82	450
FCFPSUs		16,290	13.82	225
TSR PSUs		16,290	9.13	149
Prof. Dr. Peter Pleus	950			
Base number of PSUs		32,578	13.82	450
FCFPSUs		16,290	13.82	225
TSR PSUs		16,290	9.13	149
Corinna Schittenhelm	650			
Base number of PSUs		22,290	13.82	308
FCFPSUs		11,146	13.82	154
TSR PSUs		11,146	9.13	102
Dr. Stefan Spindler	800			
Base number of PSUs		27,434	13.82	379
FCFPSUs		13,718	13.82	190
TSR PSUs		13,718	9.13	125
Total	7,350	504,117	-	6,376

¹⁾ Equals the number of PSUs outstanding as at December 31, 2016.

²⁾ Norbert Indlekofer left the Board of Managing Directors of Schaeffler AG as at December 31, 2016.

The underlying share price of the 2015 tranche is EUR 13.15. The PSUs granted to each individual and the related fair values in 2015 are as follows:

PSUs granted in 2015 ¹⁾		No. 073		
	Target amount (in € thousands)	Number of PSUs granted on October 09, 2015 ²⁾	Grant date fair value per PSU (in € thousands)	Grant date fair value (in € thousands)
Klaus Rosenfeld (CEO)	1,300			
Base number of PSUs		49,429	11.58	572
FCFPSUs		24,715	11.58	286
TSR PSUs		24,715	6.96	172
Prof. Dr. Peter Gutzmer	950			
Base number of PSUs		36,121	11.58	418
FCFPSUs		18,061	11.58	209
TSR PSUs		18,061	6.96	126
Dr. Ulrich Hauck	600			
Base number of PSUs		22,813	11.58	264
FCFPSUs		11,407	11.58	132
TSR PSUs		11,407	6.96	79
Norbert Indlekofer³⁾	950			
Base number of PSUs		36,121	11.58	418
FCFPSUs		18,061	11.58	209
TSR PSUs		18,061	6.96	126
Oliver Jung	950			
Base number of PSUs		36,121	11.58	418
FCFPSUs		18,061	11.58	209
TSR PSUs		18,061	6.96	126
Prof. Dr. Peter Pleus	950			
Base number of PSUs		36,121	11.58	418
FCFPSUs		18,061	11.58	209
TSR PSUs		18,061	6.96	126
Dr. Stefan Spindler	533			
Base number of PSUs		20,278	11.58	235
FCFPSUs		10,140	11.58	117
TSR PSUs		10,140	6.96	71
Total	6,233	474,016	-	4,940

¹⁾ Kurt Mirlach and Robert Schullan left the Board of Managing Directors of Schaeffler AG as at December 31 and April 30, 2015, respectively. They were not granted any PSUs for 2015.

²⁾ Equals the number of PSUs outstanding as at December 31, 2016.

³⁾ Norbert Indlekofer left the Board of Managing Directors of Schaeffler AG as at December 31, 2016.

The PSUs granted are classified and measured as cash-settled share-based compensation. The fair value for PSUs subject to the TSR-based performance target was determined using a binomial model. The fair value of the base number and of the PSUs subject to the FCF-based performance target was determined based on the price of the company's common non-voting shares as at the measurement date. The valuation model takes into account the terms of the contract under which the PSUs were granted (including payment floors and caps, target tiers, expected

dividend payments, as well as the volatility of the company's common non-voting shares and of the benchmark index).

The valuation as at the grant date of the 2016 tranche (prior year: 2015 tranche) reflects the following input parameters:

- risk-free interest rate for the remaining performance period of 0.15 % (prior year: 0.2 %),
- expected dividend yield of Schaeffler AG common non-voting shares over the performance period of 2.15 % (prior year: 2.66 %),
- expected volatility of Schaeffler AG common non-voting shares of 33.02 % (prior year: 33.34 %),
- expected volatility of the benchmark index of 19.56 % (prior year: 18.97 %),
- expected correlation coefficient between the benchmark index and Schaeffler AG common non-voting shares of 0.43 (prior year: 0.34).

Retirement benefits

All current members of the Board of Managing Directors hold retirement benefit commitments. The pension resulting from the various individual retirement benefit commitments is generally calculated as a percentage of pensionable remuneration based on the duration of the individual's service on the Board of Managing Directors. Individual percentages vary between 1.5 % and 3.0 % per year of membership on the Board of Managing Directors. Pension commitments for each member of the Board of Managing Directors are tailored individually. The pension received by a member of the Board of Managing Directors is based on their last pensionable employment income before retirement. Individual maximum pensions range from 40 % to 60 % of pensionable employment income.

Pension payments commence in the form of retirement benefits if employment ends at or after attainment of the age of 65, and in the form of disability benefits if employment ends due to disability. Beneficiaries are entitled to claim a reduced pension early as a retirement benefit beginning at age 60. Upon the death of the member of the Board of Managing Directors, the spouse is entitled to between 50 % and 60 % of the pension as a surviving dependants' pension. Surviving dependent children are entitled to 10 % or 20 % of the pension as a half- or full-orphan's pension, respectively.

The pension increases by 1.0 % each year beginning at retirement. The pension of one member of the Board of Managing Directors is subject to annual increases by the same percentage as the consumer price index in Germany. This also applies to disability, widows', and orphans' pensions.

The following tables summarize the service cost and defined benefit obligation of pension benefits earned up to December 31, 2016, calculated in accordance with IAS 19 and based on the beneficiary's current age and years of service.

Service cost for 2016 and defined benefit obligations as at December 31, 2016 in accordance with IAS 19

No. 074

in € thousands	Year	Service cost	Defined benefit obligation
Klaus Rosenfeld (CEO)	2016	1,158	10,387
Prof. Dr. Peter Gutzmer	2016	287	4,840
Dr. Ulrich Hauck	2016	458	949
Norbert Indlekofer ¹⁾	2016	194	5,049
Oliver Jung	2016	272	2,750
Prof. Dr. Peter Pleus	2016	357	6,092
Corinna Schittenhelm	2016	319	326
Dr. Stefan Spindler	2016	250	517
Total		3,295	30,910

¹⁾ Norbert Indlekofer left the Board of Managing Directors of Schaeffler AG as at December 31, 2016.

Service cost for 2015 and defined benefit obligations as at December 31, 2015 in accordance with IAS 19

No. 075

in € thousands	Year	Service cost	Defined benefit obligation
Klaus Rosenfeld (CEO)	2015	1,240	7,875
Prof. Dr. Peter Gutzmer	2015	273	4,178
Dr. Ulrich Hauck	2015	337	345
Norbert Indlekofer ¹⁾	2015	205	5,300
Oliver Jung	2015	288	2,166
Prof. Dr. Peter Pleus	2015	380	5,282
Dr. Stefan Spindler	2015	164	168
Members who left the Board of Managing Directors in 2015 (remuneration under remuneration system in effect prior to listing)			
Kurt Mirlach ²⁾	2015	266	4,391
Robert Schullan ³⁾	2015	130	3,824
Total		3,283	33,529

¹⁾ Norbert Indlekofer left the Board of Managing Directors of Schaeffler AG as at December 31, 2016.

²⁾ Kurt Mirlach left the Board of Managing Directors of Schaeffler AG as at December 31, 2015.

³⁾ Robert Schullan left the Board of Managing Directors of Schaeffler AG as at April 30, 2015. His employment contract continued until December 31, 2015.

Change in remuneration system

When the new remuneration system for the Board of Managing Directors went into effect in 2015, any members of the Board of Managing Directors already in office in 2015 and whose term in office extended beyond December 31, 2015 were granted a one-time sign-on bonus to offset the shortfall in liquidity caused by the change. The sign-on bonuses were paid in equal installments in October 2015 and October 2016.

In addition, the company has committed to pay two Managing Directors EUR 300 thousand each for 2017 and EUR 300 thousand and EUR 225 thousand, respectively, for 2018, and has also committed to pay EUR 300 thousand to one of these Managing Directors for 2019; these payments will be offset against the long-term bonuses granted in 2017, 2018, and 2019.

Moreover, in 2015, certain members of the Board of Managing Directors received additional payments in connection with the change in the remuneration system and adjustment of their fixed remuneration. These payments, EUR 525 thousand in total, were offset in full against amounts payable by the company in 2016.

Benefits granted in connection with the termination of membership on the Board of Managing Directors

Payments made to a member of the Board of Managing Directors upon early termination of their employment agreement without due cause are limited to two years' remuneration (severance cap) and must not represent compensation for more than the remaining term of the employment agreement. The severance cap is generally calculated based on the total remuneration for the last full financial year and also on the expected total remuneration for the current year where applicable.

Members of the Board of Managing Directors whose employment has terminated are generally subject to a noncompetition clause for a period of two years following termination of their employment agreement. In return, they are entitled to compensation in the amount of 50 % of the average contractual remuneration granted to the member of the Board of Managing Directors for the last twelve months before the end of their employment. Such contractual remuneration includes both performance-based and non-performance-based remuneration components. Income from other employment is deducted from the compensation payment in accordance with section 74c HGB.

The employment agreements of Corinna Schittenhelm, who was appointed to the Board of Managing Directors in 2016, and Dr. Ulrich Hauck and Dr. Stefan Spindler, who were appointed to the Board of Managing Directors in 2015, include post-contract non-competition clauses calling for corresponding compensation.

Robert Schullan left Schaeffler AG's Board of Managing Directors early at his own request effective April 30, 2015. He was entitled to receive non-performance-based remuneration including all fringe benefits until December 31, 2015, a total of EUR 301 thousand.

External activities of members of the Board of Managing Directors

The members of the Board of Managing Directors have agreed to work exclusively for the company. External activities, whether paid or unpaid, require prior approval by the executive committee of the Supervisory Board. This ensures that neither the time commitment involved nor the related remuneration conflict with the individual's responsibilities toward Schaeffler AG. External activities representing a position on legally required supervisory boards or similar supervisory bodies of commercial enterprises are listed in section 5 "Governing bodies of the company".

Appropriateness of the remuneration of the Board of Managing Directors

In accordance with section 87 AktG, the Supervisory Board of Schaeffler AG ensures that the remuneration of individual members of the Board of Managing Directors bears a reasonable relationship to the duties and performance of such member as well as the condition of the company. The Supervisory Board obtained the assistance of an independent remuneration expert for purposes of reviewing whether the remuneration of the Board of Managing Directors is appropriate.

4.2 Main features of the remuneration system for and amounts of remuneration of the Board of Managing Directors in effect prior to the listing

The remuneration system in effect prior to the listing remained applicable to the two members of the Board of Managing Directors who left the company, Kurt Mirlach (left effective December 31, 2015) and Robert Schullan (left effective April 30, 2015), without change in 2015 and consisted of fixed and variable remuneration components. The total remuneration of each member of the Board of Managing Directors was capped ("hard cap"). The fixed component of remuneration was based on the duties and responsibilities of each member of the Board of Managing Directors. In addition to the fixed component, each member of the Board of Managing Directors also received a performance-based bonus, which was calculated based on the following factors:

- operating earnings compared to minimum return on revenue,
- actual working capital compared to budgeted working capital, and
- individual performance factor.

In addition, the members of the Board of Managing Directors received fringe benefits which included the use of a company car for private purposes, insurance benefits, D&O insurance, and pension benefits.

The previous remuneration system was based on individual contractual arrangements entered into prior to the company's listing on the capital markets. On the date of the listing, the new remuneration system meeting the requirements for remuneration systems of listed companies became effective retroactively as at January 01, 2015.

4.3 Amounts of remuneration of the Board of Managing Directors

The fixed and variable components of remuneration are disclosed below. The following tables show the remuneration granted for and paid in 2016 and in 2015.

Remuneration for 2016

	Klaus Rosenfeld				Prof. Dr. Peter Gutzmer				Dr. Ulrich Hauck			
	Chief Executive Officer				Deputy Chief Executive Officer and Chief Technology Officer				Chief Financial Officer			
	since October 24, 2014				since October 24, 2014				since April 01, 2015			
in € thousand	2015	2016	2016 (floor)	2016 (ceiling)	2015	2016	2016 (floor)	2016 (ceiling)	2015	2016	2016 (floor)	2016 (ceiling)
Fixed remuneration	1,200	1,200	1,200	1,200	600	600	600	600	450	600	600	600
Sign-on bonus	1,200	-	-	-	600	-	-	-	600	-	-	-
Fringe benefits	27	27	27	27	28	28	28	28	20	28	28	28
Total	2,427	1,227	1,227	1,227	1,228	628	628	628	1,070	628	628	628
One-year variable remuneration	1,200	1,200	0	1,800	900	900	0	1,350	563	750	0	1,125
Multi-year variable remuneration												
• Long-term bonus: PSUP (4 years) – 2015 tranche	1,031	-	-	-	753	-	-	-	476	-	-	-
• Long-term bonus: PSUP (4 years) – 2016 tranche	-	1,128	0	2,600	-	824	0	1,900	-	694	0	1,600
Total	4,658	3,555	1,227	5,627	2,881	2,352	628	3,878	2,109	2,072	628	3,353
Pension cost	1,240	1,158	1,158	1,158	273	287	287	287	337	458	458	458
Total remuneration	5,898	4,713	2,385	6,785	3,154	2,639	915	4,165	2,446	2,530	1,086	3,811

Payments for 2016

	Klaus Rosenfeld		Prof. Dr. Peter Gutzmer		Dr. Ulrich Hauck	
	Chief Executive Officer		Deputy Chief Executive Officer and Chief Technology Officer		Chief Financial Officer	
	since October 24, 2014		since October 24, 2014		since April 01, 2015	
in € thousand	2016	2015	2016	2015	2016	2015
Fixed remuneration	1,200	1,200	600	600	600	450
Sign-on bonus	600	600	300	300	300	300
Fringe benefits	27	27	28	28	28	20
Total	1,827	1,827	928	928	928	770
One-year variable remuneration	1,199	953	899	715	749	447
Multi-year variable remuneration						
• Long-term bonus: PSUP (4 years) – 2015 tranche	0	0	0	0	0	0
• Long-term bonus: PSUP (4 years) – 2016 tranche	0	0	0	0	0	0
Total	3,026	2,780	1,827	1,643	1,677	1,217
Pension cost	1,158	1,240	287	273	458	337
Total remuneration	4,184	4,020	2,114	1,916	2,135	1,554

No. 076

Norbert Indlekofer				Oliver Jung				Prof. Dr. Peter Pleus				Corinna Schittenhelm				Dr. Stefan Spindler			
CEO Automotive				Chief Operating Officer				CEO Automotive				Chief Human Resources Officer				CEO Industrial			
from October 24, 2014 to December 31, 2016				since October 24, 2014				since October 24, 2014				since January 01, 2016				since May 01, 2015			
2015	2016	2016 (floor)	2016 (ceiling)	2015	2016	2016 (floor)	2016 (ceiling)	2015	2016	2016 (floor)	2016 (ceiling)	2015	2016	2016 (floor)	2016 (ceiling)	2015	2016	2016 (floor)	2016 (ceiling)
600	600	600	600	600	600	600	600	600	600	600	600	-	600	600	600	400	600	600	600
600	-	-	-	600	-	-	-	600	-	-	-	-	-	-	-	600	-	-	-
27	25	25	25	28	28	28	28	41	41	41	41	-	23	23	23	13	23	23	23
1,227	625	625	625	1,228	628	628	628	1,241	641	641	641	-	623	623	623	1,013	623	623	623
900	900	0	1,350	900	900	0	1,350	900	900	0	1,350	-	600	0	900	500	750	0	1,125
753	-	-	-	753	-	-	-	753	-	-	-	-	-	-	-	423	-	-	-
-	824	0	1,900	-	824	0	1,900	-	824	0	1,900	-	564	0	1,300	-	694	0	1,600
2,880	2,349	625	3,875	2,881	2,352	628	3,878	2,894	2,365	641	3,891	-	1,787	623	2,823	1,936	2,067	623	3,348
205	194	194	194	288	272	272	272	380	357	357	357	-	319	319	319	164	250	250	250
3,085	2,543	819	4,069	3,169	2,624	900	4,150	3,274	2,722	998	4,248	-	2,106	942	3,142	2,100	2,317	873	3,598

No. 077

Norbert Indlekofer		Oliver Jung		Prof. Dr. Peter Pleus		Corinna Schittenhelm		Dr. Stefan Spindler	
CEO Automotive		Chief Operating Officer		CEO Automotive		Chief Human Resources Officer		CEO Industrial	
from October 24, 2014 to December 31, 2016		since October 24, 2014		since October 24, 2014		since January 01, 2016		since May 01, 2015	
2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
600	600	600	600	600	600	600	-	600	400
300	300	300	300	300	300	300	-	300	300
25	27	28	28	41	41	23	-	23	13
925	927	928	928	941	941	623	-	923	713
862	715	899	715	862	715	599	-	522	397
0	0	0	0	0	0	0	-	0	0
0	0	0	0	0	0	0	-	0	0
1,787	1,642	1,827	1,643	1,803	1,656	1,222	-	1,445	1,110
194	205	272	288	357	380	319	-	250	164
1,981	1,847	2,099	1,931	2,160	2,036	1,541	-	1,695	1,274

**Remuneration for 2016 –
Managing Directors who left the company in 2015**

No. 078

	Kurt Mirlach				Robert Schullan			
	Chief Human Resources Officer				CEO Industrial			
	from October 24, 2014 to December 31, 2015				from October 24, 2014 to April 30, 2015			
in € thousands	2015	2016	2016 (floor)	2016 (ceiling)	2015	2016	2016 (floor)	2016 (ceiling)
Fixed remuneration	450	-	-	-	142	-	-	-
Sign-On Bonus	-	-	-	-	-	-	-	-
Fringe benefits	22	-	-	-	9	-	-	-
Total	472	-	-	-	151	-	-	-
One-year variable remuneration	960	-	-	-	572	-	-	-
Multi-year variable remuneration								
• Long-term bonus: PSUP (4 years) – 2015 tranche	-	-	-	-	-	-	-	-
• Long-term bonus: PSUP (4 years) – 2016 tranche	-	-	-	-	-	-	-	-
Total	1,432	-	-	-	723	-	-	-
Pension cost	266	-	-	-	130	-	-	-
Total remuneration	1,698	-	-	-	853	-	-	-

**Payments for 2016 –
Managing Directors who left the company in 2015**

No. 079

	Kurt Mirlach		Robert Schullan	
	Chief Human Resources Officer		CEO Industrial	
	from October 24, 2014 to December 31, 2015		from October 24, 2014 to April 30, 2015	
in € thousands	2016	2015	2016	2015
Fixed remuneration	-	450	-	142
Sign-On Bonus	-	-	-	-
Fringe benefits	-	22	-	9
Total	-	472	-	151
One-year variable remuneration	-	1,003	-	579
Multi-year variable remuneration				
• Long-term bonus: PSUP (4 years) – 2015 tranche	-	-	-	-
• Long-term bonus: PSUP (4 years) – 2016 tranche	-	-	-	-
Total	-	1,475	-	730
Pension cost	-	266	-	130
Total remuneration	-	1,741	-	860

The total remuneration for 2016 and 2015 is broken down by individual and by its various components in accordance with section 285 (9a) HGB and section 314 (1) (6a) HGB below.

Total remuneration (HGB) for 2016 by individual No. 080

in € thousands	Remuneration components			Total remuneration
	fixed	variable, short-term	variable, long-term ¹⁾	
Klaus Rosenfeld (CEO)	1,227	1,199	1,128	3,554
Prof. Dr. Peter Gutzmer	628	899	824	2,351
Dr. Ulrich Hauck	628	749	694	2,071
Norbert Indlekofer ²⁾	625	862	824	2,311
Oliver Jung	628	899	824	2,351
Prof. Dr. Peter Pleus	641	862	824	2,327
Corinna Schittenhelm	623	599	564	1,786
Dr. Stefan Spindler	623	522	694	1,839
Total	5,623	6,591	6,376	18,590

¹⁾ Share-based payment in the form of the PSUP.

²⁾ Norbert Indlekofer left the Board of Managing Directors of Schaeffler AG as at December 31, 2016.

Total remuneration (HGB) for 2015 by individual No. 081

in € thousands	Remuneration components			Total remuneration
	fixed	variable, short-term	variable, long-term ¹⁾	
Klaus Rosenfeld (CEO)	2,427	953	1,031	4,411
Prof. Dr. Peter Gutzmer	1,228	715	753	2,696
Dr. Ulrich Hauck	1,070	447	476	1,993
Norbert Indlekofer ²⁾	1,227	715	753	2,695
Oliver Jung	1,228	715	753	2,696
Prof. Dr. Peter Pleus	1,241	715	753	2,709
Dr. Stefan Spindler	1,013	397	423	1,833
Managing Directors who left the company in 2015 (Remuneration under remuneration in effect prior to listing)				
Kurt Mirlach (until December 31, 2015)	472	1,003	0	1,475
Robert Schullan (until April 30, 2015)	151	579	0	730
Total	10,057	6,239	4,942	21,238

¹⁾ Share-based payment in the form of the PSUP.

²⁾ Norbert Indlekofer left the Board of Managing Directors of Schaeffler AG as at December 31, 2016.

The total expenses resulting from the PSUP for 2016 are broken down by individual in accordance with section 314 (1) (6a) (8) HGB in connection with IFRS 2.51a below.

PSUP expenses in 2016	No. 082
in € thousands	Expenses (IFRS)
Klaus Rosenfeld (CEO)	402
Prof. Dr. Peter Gutzmer	293
Dr. Ulrich Hauck	213
Norbert Indlekofer ¹⁾	948
Oliver Jung	293
Prof. Dr. Peter Pleus	184
Corinna Schittenhelm	88
Dr. Stefan Spindler	201
Total	2,622

¹⁾ Norbert Indlekofer left the Board of Managing Directors of Schaeffler AG as at December 31, 2016.

The total expenses resulting from the PSUP for 2015 are broken down by individual in accordance with section 314 (1) (6a) (8) HGB in connection with IFRS 2.51a below.

PSUP expenses in 2015	No. 083
in € thousands	Expenses (IFRS)
Klaus Rosenfeld (CEO)	92
Prof. Dr. Peter Gutzmer	67
Dr. Ulrich Hauck (since April 01, 2015)	42
Norbert Indlekofer ¹⁾	176
Oliver Jung	67
Prof. Dr. Peter Pleus	176
Dr. Stefan Spindler (since May 01, 2015)	38
Managing Directors who left the company in 2015 (Remuneration under remuneration in effect prior to listing)	
Kurt Mirlach (until December 31, 2015)	-
Robert Schullan (until April 30, 2015)	-
Total	658

¹⁾ Norbert Indlekofer left the Board of Managing Directors of Schaeffler AG as at December 31, 2016.

4.4 Remuneration of the Supervisory Board

The description of the remuneration of the Supervisory Board includes the disclosures required by German commercial law and is consistent with the recommendations of the GCGC. The remuneration of the Supervisory Board was set by a resolution passed by the general meeting on December 01, 2014.

The members of the Supervisory Board of Schaeffler AG receive fixed remuneration of EUR 50,000 per year. The Chairman of the Supervisory Board receives twice this amount, his Deputies 1.5 times this amount. In addition, membership on committees is compensated as follows:

- Executive committee; committee remuneration of EUR 20,000 for each ordinary member, twice this amount for the chairman.
- Audit committee; committee remuneration for each ordinary member of EUR 20,000, twice this amount for the chairman.

Where a member of the Supervisory Board chairs several committees or chairs both the Supervisory Board and one or more committees, no remuneration is paid for the additional chairmanship. Remuneration is pro-rated for changes in the Supervisory Board or its committees.

Remuneration for committee membership for any one financial year is conditional on the relevant committee actually having met to fulfill its responsibilities during the period.

In addition, each member of the Supervisory Board receives an attendance fee of EUR 1,500 for each meeting of the Supervisory Board or its committees he or she attends in person.

Members of the Supervisory Board are reimbursed for expenses incurred in connection with the performance of their duties and for any value-added tax on their remuneration.

The company has obtained director's and officers' liability insurance (D&O insurance) for all members of the Supervisory Board; the policy's deductible provision is in accordance with the German Stock Corporations Act and the GCGC.

No advances or loans were granted to members of the Supervisory Board in 2016 or 2015. The following tables summarize the amount of remuneration of each member of the Supervisory Board.

Supervisory Board remuneration for 2016 ¹⁾				No. 084
in € thousands	Fixed remuneration	Remuneration for committee membership	Attendance fees	Total remuneration
Bullinger, Prof. Dr. Hans-Jörg	60		7	67
Engelmann, Dr. Holger	60		7	67
Gottschalk, Prof. Dr. Bernd	60		7	67
Lenhard, Norbert ²⁾	60	24	12	96
Luther, Dr. Siegfried	60	48	16	124
Mittag, Dr. Reinold ²⁾	60	24	16	100
Münch, Yvonne ²⁾	60		9	69
Resch, Barbara ²⁾	60	24	14	98
Schaeffler, Georg F.W.	119	48	14	181
Schaeffler-Thumann, Maria-Elisabeth	89	24	7	120
Schmidt, Stefanie ²⁾	60		7	67
Spindler, Dirk	60		9	69
Stalker, Robin	60	24	14	98
Stolz, Jürgen ²⁾	60		9	69
Vicari, Salvatore ²⁾	60	24	14	98
Wechsler, Jürgen ²⁾	89	24	12	125
Wiesheu, Dr. Otto	60		7	67
Wolf, Prof. KR Ing. Siegfried	60	24	9	93
Worrich, Jürgen ²⁾	60	24	16	100
Zhang, Prof. Dr.-Ing. Tong	60		9	69
Total	1,317	312	215	1,844

1) All amounts shown include value-added tax on remuneration where applicable. The positions held by the Supervisory Board members are listed in section 5 "Governing bodies of the company".

2) These employee representatives have declared that their board remuneration is transferred to the Hans Böckler Foundation in accordance with the guidelines issued by the German Federation of Trade Unions.

Supervisory Board remuneration for 2015 ¹⁾				No. 085
in € thousands	Fixed remuneration	Remuneration for committee membership	Attendance fees	Total remuneration
Bänsch, Jürgen (until November 19, 2015) ²⁾	53	21	16	90
Bullinger, Prof. Dr. Hans-Jörg	60		7	67
Engelmann, Dr. Holger	60		7	67
Gottschalk, Prof. Dr. Bernd	60		7	67
Lenhard, Norbert ²⁾	60	24	16	100
Luther, Dr. Siegfried	60	48	12	120
Mittag, Dr. Reinold ²⁾	60	24	18	102
Mölkner, Thomas (until November 19, 2015) ²⁾	53		9	62
Münch, Yvonne (since November 19, 2015) ²⁾	7		2	9
Resch, Barbara (since November 19, 2015) ²⁾	7	1	4	12
Schaeffler, Georg F.W.	119	48	23	190
Schaeffler-Thumann, Maria-Elisabeth	89	24	12	125
Schmidt, Stefanie ²⁾	60		7	67
Spindler, Dirk	60		9	69
Stalker, Robin	60	24	16	100
Stolz, Jürgen ²⁾	60		9	69
Vicari, Salvatore ²⁾	60	24	18	102
Wechsler, Jürgen ²⁾	89	24	16	129
Wiesheu, Dr. Otto	60		9	69
Wolf, Prof. KR Ing. Siegfried	60	24	9	93
Worrich, Jürgen ²⁾	60	24	18	102
Zhang, Prof. Dr.-Ing. Tong	60		5	65
Total	1,317	310	249	1,876

1) All amounts shown include value-added tax on remuneration where applicable. The positions held by the Supervisory Board members are listed in section 5 "Governing bodies of the company".

2) These employee representatives have stated that their board remuneration is transferred to the Hans Böckler Foundation in accordance with the guidelines issued by the German Federation of Trade Unions.

Members of the Supervisory Board have not received any compensation for personal services, especially consulting and agency services, in 2016 or 2015.