

Extraordinary General Meeting of Schaeffler AG on September 15, 2020

**Explanations of the Shareholders' Rights pursuant to section 121 (3) no. 3 German Stock Companies Act ("Aktiengesetz" – AktG) (pursuant to section 122 (2), section 126 (1), article 2 section 1 of the Act to Mitigate the Effects of the COVID-19 Pandemic in the Areas of Civil, Insolvency and Criminal Procedure Law)**

**1. Motions by shareholders to supplement the agenda pursuant to section 122 (2) AktG, article 2 section 1 (3) of the COVID-19-Mitigation Act**

Shareholders, i.e. holders of common voting shares and/or common non-voting shares, whose shares, alone or taken together, represent a one-twentieth part (5%) of the share capital or, alone or taken together, reach the proportionate amount of EUR 500,000.00 may demand items to be included on the agenda and announced. Each new item must be accompanied by a statement of reason or a draft resolution. Pursuant to article 2 section 1 (3) sentence 4 of the Act to Mitigate the Effects of the COVID-19 Pandemic in the Areas of Civil, Insolvency and Criminal Procedure Law (BGBl I. pg. 570; the "**COVID-19-Mitigation Act**"), motions to supplement the agenda must be received by the company in writing at least 14 days before the general meeting – the date of receipt and the date of the general meeting will not be counted –, i.e. no later than by the end of

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(24:00 CEST)

Motions to supplement the agenda received later will not be taken into account. The shareholders are asked to direct such motions to supplement the agenda to the following address:

Schaeffler AG  
Board of Managing Directors  
attn.: Legal Department  
Industriestr. 1-3  
91074 Herzogenaurach  
Germany

Persons submitting a motion must prove that they have held the shares for at least 90 days before the date the motion is received by the company and that they hold the shares until the board of managing directors decides on the motion, with section 70 AktG being applicable when calculating the time for which the shares have been held. A shift from a Sunday, Saturday or a

public holiday to a preceding or subsequent business day shall not be possible. Sections 187 to 193 BGB shall not be applied accordingly.

Motions to supplement the agenda that are to be announced – if they were not announced with the convocation – will be announced promptly after receipt of the motion in the Federal Gazette and will be submitted for publication to such media for which it may be expected that they will disseminate the information across the European Union. They will also be announced on the internet at [www.schaeffler.com/agm](http://www.schaeffler.com/agm) and communicated to the shareholders.

The provisions of the German Stock Companies Act (AktG) and the COVID-19-Mitigation Act underlying these shareholders' rights are as follows:

*Section 122 AktG Convening a meeting at the request of a minority (excerpts)*

- (1) A shareholders' meeting shall be called if shareholders whose combined shares amount to at least one-twentieth of the share capital request such meeting in writing, stating the purpose and the reasons of such meeting; such request shall be addressed to the board of managing directors. The articles may provide that the right to request a shareholders' meeting shall require another form and the holding of a lower portion of the share capital. Persons submitting a motion must prove that they have held the shares for at least 90 days before the date the motion is received and that they hold the shares until the board of managing directors decides on the motion. Section 121 (7) shall apply mutatis mutandis.
- (2) In the same manner, shareholders whose combined shares amount to at least one-twentieth of the share capital or a proportionate ownership of at least € 500,000 may request that items be placed on the agenda and be published. Each new item must be accompanied by a statement of reason or a draft resolution. The request within the meaning of sentence 1 must be received by the company no later than 24 days, in the case of stock exchange listed companies no later than 30 days prior to the meeting, excluding the day of receipt.

*Section 70 AktG Calculation of the period of shareholding*

If the exercise of rights arising from the share requires that the shareholder has been the holder of such share for a certain period of time, the right to demand transfer of title from a credit institution, a financial services institution or an enterprise operating under Section 53 (1) sentence 1 or Section 53b (1) sentence 1 or Section 53b (7) of the German Banking Act (KWG) shall be deemed equivalent to ownership. The period during which the share has been owned by a predecessor shall be attributed to the shareholder if he / she has acquired the share without consideration, from his / her trustee, as full legal successor, in connection with the winding-up of a co-ownership or as a result of a transfer of assets pursuant to Section 13 of

the Insurance Supervision Act or Section 14 of the Building Loan Associations Act.

*Article 2 section 1 (3) of the COVID-19-Mitigation Act: Stock corporations; public partly limited partnerships; European companies (SEs); mutual insurance companies (excerpt)*

By way of derogation from section 123 (1) sentence 1 and (2) sentence 5 of the Stock Corporation Act, the management board may decide to convene the general meeting no later than by the 21st day preceding the day of the general meeting. By way of derogation from section 123 (4) sentence 2 of the Stock Corporation Act, proof of shareholding in companies listed on the stock exchange must refer to the start of the 12th day prior to the general meeting and must, in the case of bearer shares of the company, be sent to the address stated in the invitation convening the general meeting to arrive there no later than by the fourth day preceding the day of the general meeting, unless the management board makes provision in its invitation convening the general meeting for a shorter period within which the company must be in receipt of that proof; deviating determinations made in the articles of association are irrelevant. Where an invitation convening a general meeting stipulates a shorter period as set out in sentence 1, the notification referred to in section 125 (1) sentence 1 of the Stock Corporation Act must be made no later than 12 days prior to the general meeting and the notification referred to in section 125 (2) of the Stock Corporation Act must be made to the entity entered in the share register before the start of the 12th day prior to the general meeting. By way of derogation from section 122 (2) of the Stock Corporation Act, the company must, in the aforementioned case, be in receipt of any demands to supplement the general meeting's agenda no later than 14 days prior to the general meeting.

## **2. Countermotions by shareholders pursuant to section 126 AktG**

Countermotions by shareholders that have been received by the company at the address specified below at least 14 days prior to the general meeting – the date of receipt and the date of the general meeting are not counted –, i.e. no later than by the end of

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will promptly be made available, including the name of the shareholder, a possible statement of reason and any comment by the administration, on the internet at [www.schaeffler.com/agm](http://www.schaeffler.com/agm) (section 126 (1) sentence 3 AktG).

The company may refrain from making available a countermotion and its

possible statement of reason if circumstances for exclusions under section 126 (2) AktG apply.

Countermotions (including a possible statement of reason) by shareholders for the general meeting must be directed exclusively to the following address:

Schaeffler AG  
Legal Department  
Industriestr. 1-3  
91074 Herzogenaurach  
Germany  
Fax: +49 (0)9132 82-4963  
E-Mail: OR-HZA-Legal-Team-DE-HZA@schaeffler.com

Countermotions addressed otherwise will not be made available.

If the general meeting will, as envisaged, be held by way of absentee voting and proxy voting, there is naturally no right to submit motions “in” the meeting as per the explanatory memorandum of the COVID-19-Mitigation Act (Bundestag printed paper no. 19/18110, page 26).

The provisions of the German Stock Companies Act (AktG) and the COVID-19-Mitigation Act underlying these shareholders’ rights, which also specify under which conditions counterproposals need not be made available, are as follows:

*Section 126 AktG Motions by shareholders*

- (1) Motions by shareholders including the shareholders’ name, supporting information and, if any, management’s position shall be made available to the eligible persons referred to in Section 125 (1) through (3) under the conditions specified therein, provided that the shareholder transmitted to the company at least 14 days prior to the meeting a counterproposal to a proposal of the board of managing directors and the supervisory board regarding a specific item on the agenda, together with supporting information, to the address designated for this purpose in the shareholders’ meeting notice. The day of receipt shall not be counted. In the case of stock exchange listed companies, the required accessibility shall be provided over the website of the company. Section 125 (3) shall apply mutatis mutandis.
- (2) A counterproposal and its supporting information need not be made available if:
  1. the board of managing directors would by reason of such availability become criminally liable;

2. the counterproposal would result in a resolution of the shareholders' meeting that would be illegal or would violate the articles;
3. the supporting information contains statements which are manifestly false or misleading in material respects or which are libelous;
4. a counterproposal of such shareholder based on the same facts has already been made available with respect to a shareholders meeting of the company pursuant to Section 125;
5. the same counterproposal of such shareholder based on essentially identical supporting information has already been made available pursuant to Section 125 to at least two shareholders' meetings of the company within the past five years and at such shareholders' meetings less than one-twentieth of the share capital represented has voted in favor of such counterproposal;
6. the shareholder indicates that he / she will neither attend nor be represented at the shareholders' meeting; or
7. within the past two years at two shareholders' meetings the shareholder has failed to make a counterproposal he / she has submitted or failed to cause said counterproposal to be made.

The supporting information need not be made available if it exceeds a total of 5,000 characters.

- (3) If several shareholders make counterproposals for resolution with respect to the same subject matter, the board of managing directors may combine such counterproposals and the respective supporting information.

### 3. Right to ask questions by means of electronic communication

According to article 2 section 1 (2) sentence 1 no. 3 of the COVID-19-Mitigation Act shareholders have, in connection with the general meeting, the opportunity to ask questions by means of electronic communication, it being understood that this right to ask questions does not constitute a right to information.

The Board of Managing Directors has resolved, with the consent of the Supervisory Board, that all questions are to be submitted in German electronically at **SchaefflerHV2020-Fragen@computershare.de** ahead of the general meeting and no later than by September 13, 2020 (24:00 CEST). With respect to the transmission of questions to the company, shareholders are encouraged to provide their full names (and, in case of legal entities or partnerships, the full company name), their place of residence/registered office, as well as their access card number as provided on the access card. In case of missing or incomplete information, questions from shareholders might be disregarded.

The administration does not have to answer all questions but may summarize and choose meaningful questions in the interest of the other shareholders. It may give preference to shareholder associations and institutional investors with significant voting interest.

The underlying regulations to these shareholders' rights of the COVID-19-Mitigation Act, which also state under which circumstance the board of managing directors are allowed to refuse answering questions, are as follows:

#### *Article 2 section 1 (2) of the COVID-19-Mitigation Act*

The management board may decide that the general meeting is to be held in the form of a virtual general meeting without the need for shareholders or their authorized representatives to be physically present, provided that

1. the broadcast by means of audio and video transmission encompasses the entire general meeting,
2. provision is made for shareholders to exercise their voting right by means of electronic communication (absentee vote or electronic participation) and to grant a power of attorney,
3. shareholders are given the opportunity to ask questions by means of electronic communication,

4. shareholders who exercise their voting right in accordance with no. 2 are afforded the possibility of objecting to a resolution adopted by the general meeting by way of derogation from section 245 no. 1 of the Stock Corporation Act, the need to be physically present at the general meeting thus being waived.

The management board decides at its duty-bound, free discretion which questions it responds to and in which manner; it may also stipulate that questions must be submitted by means of electronic communication no later than two days prior to the meeting.

Herzogenaurach, August 2020

Schaeffler AG  
– The Board of Managing Directors –

**Disclaimer**

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