

Annual General Meeting of Schaeffler AG on April 23, 2021

**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), section 127 AktG, 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 para. 2 AktG**

Shareholders 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. Furthermore, the annual general meeting may, pursuant to section 87 para. 4 AktG upon motion pursuant to section 122 para. 2 sentence 1 AktG, reduce the amount of the maximum remuneration for the Board of Managing Directors determined pursuant to section 87a para. 1 sentence 2 number 1 AktG. Motions to supplement the agenda must be received by the company in writing at least 30 days prior to the annual general meeting – the date of receipt and the date of the annual general meeting will not be counted –, i.e., no later than by the end of

**March 23, 2021**  
(24:00 CET)

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

Persons submitting a motion must prove that they have held the shares for at least 90 days prior to the date the motion is received 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) 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.”

*Section 87 para. 4 AktG Principles applying to the remuneration of the members of the management board:*

“The general meeting may reduce the maximum total remuneration determined pursuant to section 87a (1) sentence 1 no. 1 upon request pursuant to section 122 (2) sentence 1.”

*Section 87a para. 1 sentence 2 number 1 AktG remuneration system of listed companies:*

“This remuneration system shall contain at least the following information but with regard to remuneration components only to the extent that they are actually included:

1. the determination of a maximum remuneration for the members of the management board.”

**2. Countermotions and proposals for election by shareholders pursuant to sections 126 para. 1 and 127 AktG**

Each shareholder is entitled to send countermotions to proposals from the Board of Managing Directors and/or the Supervisory Board for specific items on the agenda and make counterproposals for the election proposals on the agenda (sections 126 para. 1, 127 AktG). Countermotions and proposals for elections submitted by shareholders that are required to be disclosed under section 126 para. 1 sentence 1 AktG or section 127 sentence 1 AktG will be deemed to have been submitted to the general meeting, if the shareholder submitting the countermotion or the proposal for election is duly authorized and has registered for participation in the annual general meeting. This does not affect the right of the chairman of the annual general meeting to have the proposals of the Board of Managing Directors voted on first. Should the proposals put forward by the Board of Managing Directors be accepted with the necessary majority, the countermotions or (differing) proposal for election are thus deemed to have been settled.

Countermotions, subject to section 126 para. 2 and 3 AktG, and election proposals, subject to sections 127 sentence 1, 126 para. 2 and para. 3, section 127 sentence 3 AktG, by shareholders will only be made available on the internet at [www.schaeffler.com/agm](http://www.schaeffler.com/agm) if the requirements described below are fulfilled. The publication will include the shareholders' name, the statement of reason and any comment by the administration.

Countermotions so to be made available must oppose a resolution proposal by the Board of Managing Directors and/or Supervisory Board and refer to a specific item on the agenda and be submitted including a statement of reason. Election counterproposals to be made available must refer to the elections included as part of the agenda; the election proposals need not to be submitted together with a statement of reason.

Countermotions (together with a statement of reason) against a proposal by the Board of Managing Directors and/or the Supervisory Board regarding a specific item of the agenda and the election proposals by shareholders for elections included as part of the agenda must be received by the company no later than

**April 8, 2021**  
(24:00 CEST)

at company at the following address.

Schaeffler AG  
Rechtsabteilung  
Industriestr. 1–3  
91074 Herzogenaurach

Fax: +49 9132 82-4963

Email: OR-HZA-Legal-Team-DE-HZA@schaeffler.com

During the Virtual Annual General Meeting countermotions/election proposals cannot be made.

The provisions of the German Stock Companies Act (AktG) and the Act on Mitigating the Consequences of the Covid-19-pandemic in Civil, Insolvency and Criminal Procedure Law (BGBl. I, p. 570 “**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."

*Section 127 AktG Election proposals by shareholders (excerpt)*

"Section 126 shall apply mutatis mutandis to a proposal by a shareholder for the election of members of the supervisory board or independent auditors. Such proposal need not be supported by a statement of the reasons therefor. The board of managing directors need not make such proposal available if the proposal fails to contain information pursuant to Section 124 (3) sentence 4 and Section 125 (1) sentence 5."

*Section 124 (3) sentence 4 AktG:*

"The proposal for the election of members of the supervisory board or auditors shall state their names, actual profession and place of residence."

*Section 125 (1) sentence 5 AktG:*

"In the case of stock exchange listed companies, any proposal for the election of supervisory board members must be accompanied by details on the membership in other supervisory boards whose establishment is required by law; details on their membership in comparable domestic and foreign controlling bodies of business enterprises should also be provided."

*Article 2 section 1 (2) sentence 3 of the COVID-19 Mitigation Act*

"Motions or election proposals for election by shareholders which are to be made available pursuant to Section 126 or Section 127 of the AktG shall be deemed to have been made at the meeting if the

shareholder making the motion or submitting the election proposals is duly authorized and registered for the Annual General Meeting.”

**3. Right to ask questions pursuant to article 2 section 1 para. 2 no. 3 COVID-19 Mitigation Act**

According to the provisions of article 2 section 1 para. 2 no. 3 COVID-19 Mitigation Act shareholders duly registered by **April 16, 2021** (24:00 CEST) and having duly submitted proof of shareholding (as set out above) have, in connection with the general meeting, the right 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 **SchaefflerHV2021-Fragen@computershare.de** ahead of the general meeting and by no later than **April 21, 2021** (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 may not be considered.

It is not envisaged for the shareholders to ask questions after expiration of the deadline and during the Virtual Annual General Meeting. Questions will be answered “in” the general meeting – to the extent FAQs have not been answered on the company’s website in advance.

The Board of Managing Directors decides at its own due discretion how it answers questions

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 para. 2 of the COVID-19 Mitigation Act*

“(2) 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 right 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 how it wishes to respond to questions; it may also stipulate that questions must be submitted by means of electronic communication no later than one day prior to the meeting.”

**4. Objection pursuant to article 2 section 1 para. 2 no. 4 of the COVID-19 Mitigation Act**

Shareholders that have exercised their voting rights by absentee vote or proxy are afforded the opportunity to object to a resolution of the annual general meeting, waiving any requirement to physically participate in the annual general meeting. The objection is to be lodged until the end of the Virtual Annual General Meeting by means of electronic communication.

For this purpose, shareholders that exercised their voting rights as described above may submit their objections until the end of the meeting by means of electronic communication at the following email address:

**SchaefflerHV2021-Widerspruch-beim-Notar@computershare.de**

The underlying regulations to these shareholders' rights of the COVID-19-Mitigation Act are as follows:

*Article 2 section 1 para. 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 right 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 how it wishes to respond to questions; it may also stipulate that questions must be submitted by means of electronic communication no later than one day prior to the meeting.”

Herzogenaurach, March 2021

Schaeffler AG  
– The Board of Managing Directors –

***Disclaimer***

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