

**Invitation
to the Annual General Meeting of
Schaeffler AG on April 23, 2021**

This is a convenience translation of the German language invitation to the annual general meeting of Schaeffler AG, which is provided to English-speaking readers for informational purposes only. Only the German version of this document is legally binding on Schaeffler AG. No warranty is made as to the accuracy of this translation and Schaeffler AG assumes no liability with respect thereto.

**Information pursuant to Table 3 of the Implementing Regulation (EU) 2018/1212
for the notification pursuant to section 125 of the German Stock Corporation Act (AktG)
of Schaeffler AG**

A. Specification of the message

1. Virtual Annual General Meeting of Schaeffler AG 2021
2. Convocation of the Annual General Meeting

B. Specification of the issuer

1. ISIN:

Common shares	DE000SHA0019
Common non-voting shares	DE000SHA0159
2. Name of the issuer: Schaeffler AG

C. Specification of the meeting

1. Date of the General Meeting: April 23, 2021
2. Time of the General Meeting: 10:00 CEST (8:00 UTC)
3. Type of General Meeting: Virtual Annual General Meeting without physical presence of the shareholders or their proxies
4. Location of the General Meeting: www.schaeffler.com/hv
Location of the Annual General Meeting within the meaning of the German Stock Corporation Act:
Schaeffler Conference Center, Industriestraße 1-3, 91074 Herzogenaurach, Germany
5. Record Date: April 1, 2021
6. Website for the General Meeting (URL): www.schaeffler.com/hv

Agenda

1. Presentation of the adopted separate financial statements and the approved consolidated financial statements as at December 31, 2020, and the combined management report for the company and the group, as well as the report of the Supervisory Board for the business year 2020
2. Resolution on the appropriation of the retained earnings available for distribution for the business year 2020
3. Resolution on the approval of the acts of the members of the Board of Managing Directors for the business year 2020
4. Resolution on the approval of the acts of the members of the Supervisory Board for the business year 2020
5. Resolution on the appointment of the auditor for the audit of the separate financial statements and the consolidated financial statements and for the review of the condensed financial statements and the interim management report as well as for any review of additional interim financial information
6. Resolution on the amendment and approval of the remuneration system of the Supervisory Board
7. Resolution on the amendment and approval of the remuneration system of the Board of Managing Directors
8. Resolution on the election of a Supervisory Board member
9. Resolution on the amendment of section 2.1 of the Articles of Association (Purpose of the Company)
10. Resolution on the amendment of section 17.4 of the Articles of Association in accordance with changes resulting from the implementation of the Second Shareholders' Rights Directive (ARUG II)

Schaeffler AG
Herzogenaurach

ISIN (common shares): DE000SHA0019 (WKN SHA001)
ISIN (common non-voting shares): DE000SHA0159 (WKN SHA015)

We hereby invite our shareholders to the annual general meeting on

Friday, April 23, 2021, 10:00 (CEST)

to be held as virtual event without physical presence of the shareholders or their proxies at www.schaeffler.com/agm (“**Virtual Annual General Meeting**”). The chairman of the meeting is present at the Schaeffler Conference Center, Industriestraße 1-3, 91074 Herzogenaurach, Germany.

Holding as a Virtual Annual General Meeting

The Board of Managing Directors of the company has resolved, with the consent of the Supervisory Board, to hold the annual general meeting of the company for the financial year 2021 as a Virtual Annual General Meeting without the physical presence of the company’s shareholders or their proxies. These resolutions were made based on the Act on Mitigating the Consequences of the COVID-19 Pandemic in Civil, Insolvency and Criminal Procedure Law of March 27, 2020, which entered into force on March 28, 2020 (BGBl I No. 14 2020, p. 569; the “**COVID-19 Mitigation Act**”), the validity of which was extended until December 31, 2021 by section 1 of the Ordinance on the Extension of Measures in the Law on Companies, Cooperatives, Associations and Foundations to Combat the Effects of the COVID-19 Pandemic of October 20, 2020 (BGBl I No. 48 2020, p. 2258).

There is no right for shareholders or their proxies to physically participate in the annual general meeting.

The members of the Board of Managing Directors, the designated proxies of the company and the notary public taking the minutes of the annual general meeting will be present at the location of the chairman of the meeting. Pursuant to article 2 section 1 para. 1 COVID-19 Mitigation Act in connection with section 118 para. 3 sentence 2 of the German Stock Corporation Act (*Aktiengesetz – AktG*) the Board of Managing Directors of the company has resolved, with the consent of the Supervisory Board, that Supervisory Board members may participate in the annual general meeting through video and audio transmission.

Agenda

1. Presentation of the adopted separate financial statements and the approved consolidated financial statements as at December 31, 2020, and the combined management report for the company and the group, as well as the report of the Supervisory Board for the business year 2020

The Supervisory Board approved the separate financial statements and the consolidated financial statements prepared by the Board of Managing Directors. The separate financial statements have thus been adopted pursuant to section 172 sentence 1 AktG. The annual general meeting therefore does not need to adopt a resolution on this agenda item 1. The abovementioned documents are available on the company's website at www.schaeffler.com/agm. In addition, the documents will be available and explained in detail at the annual general meeting.

2. Resolution on the appropriation of the retained earnings available for distribution for the business year 2020

The Board of Managing Directors and the Supervisory Board propose to appropriate the retained earnings for business year 2020 of EUR 168,824,074.22 reported in the separate financial statements of Schaeffler AG, consisting of net profit of EUR 153,824,074.22 and a withdrawal from other retained earnings of EUR 15,000,000.00, as follows:

Distribution of a dividend of EUR 0.25 per common non-voting share entitled to a dividend, at 166,000,000 common non-voting shares this comes to:	EUR 41,500,000.00
Distribution of a dividend of EUR 0.24 per common share entitled to a dividend, at 500,000.00 common shares this comes to:	EUR 120,000,000.00
Retained earnings:	EUR 7,324,074.22

In case of a corresponding resolution of the annual general meeting, the dividend is due in accordance with section 58 para. 4 sentence 2 AktG on the third business day following the resolution adopted by the annual general meeting, i.e., on April 28, 2021.

3. Resolution on the approval of the acts of the members of the Board of Managing Directors for the business year 2020

The Board of Managing Directors and the Supervisory Board propose to approve the acts of the members of the Board of Managing Directors holding office in the business year 2020 for this period.

4. Resolution on the approval of the acts of the members of the Supervisory Board for the business year 2020

The Board of Managing Directors and the Supervisory Board propose to approve the acts of the members of the Supervisory Board holding office in the business year 2020 for this period.

5. Resolution on the appointment of the auditor for the audit of the separate financial statements and the consolidated financial statements and for the review of the condensed financial statements and the interim management report as well as for any review of additional interim financial information

The Supervisory Board – based on the recommendation of the audit committee – proposes to appoint KPMG AG Wirtschaftsprüfungsgesellschaft, Munich,

- a) as auditor for the audit of the separate financial statements and the consolidated financial statements for the financial year 2021;

- b) as auditor for the review of the condensed financial statements and the interim management report (sections 115 para. 5 and 117 no. 2 Securities Trading Act (*Wertpapierhandelsgesetz* – WpHG) for the first six months of the financial year 2021; and
- c) as auditor for any review of additional interim financial information (section 115 para. 7 WpHG) for the first and/or third quarter of the financial year 2021 and/or for the first quarter of the financial year 2022.

6. Resolution on the reorganization of the remuneration and on the remuneration system for members of the Supervisory Board

Pursuant to section 113 para. 3 sentence 1 AktG, which was newly introduced by the Act Implementing the Second Shareholders' Rights Directive (ARUG II), the annual general meeting of the listed company will in future resolve on the remuneration of the members of the Supervisory Board at least every four years. In the resolution, the information required under section 87a para. 1 sentence 2 AktG shall be provided or referred to *mutatis mutandis*.

The remuneration of the members of the Supervisory Board of Schaeffler AG was resolved at the annual general meeting on December 1, 2014 and has not been adjusted since then.

The December 1, 2014 resolution reads:

„The following remuneration arrangements have been made for the Supervisory Board of Schaeffler AG:

1. The members of the Supervisory Board receive a fixed annual remuneration of EUR 50,000.00, and the members of the Executive Committee and the Audit Committee of the Supervisory Board receive an additional remuneration of EUR 20,000.00.
2. The chairman of the Supervisory Board receives 2 times and each deputy chairman 1.5 times the remuneration. The chairmen of the Executive and Audit Committees of the Supervisory Board receive 2 times the additional remuneration.
3. In the case of chairmanship of several committees or in the case of dual functions as chairman of the Supervisory Board and of one or more committees, the additional remuneration for the further chairmanship shall not apply.
4. If the mandate of a Supervisory Board member or the function with increased remuneration begins or ends in the course of a financial year, the Supervisory Board member shall receive the remuneration or the increased remuneration *pro rata temporis*.
5. Each member of the Supervisory Board shall additionally receive an attendance fee of EUR 1,500.00 for each Supervisory Board meeting attended by the member. This applies accordingly to attendance at committee meetings not held on the same day as a Supervisory Board meeting.
6. The fixed annual remuneration and the attendance fee are paid to the Supervisory Board member at the end of each financial year.“

The Supervisory Board carried out a review of the remuneration of Supervisory Board members on the occasion of the new regulations under ARUG II. As a result of its review, the Supervisory Board has decided to propose to the annual general meeting a reorganization of the remuneration system for Supervisory Board members and a corresponding adjustment to remuneration. The remuneration of the members of the Supervisory Board shall be supplemented by additional remuneration for the members of the Technology Committee in order to take appropriate account of the additional time required of the members of the Technology Committee.

The Board of Managing Directors Board and Supervisory Board therefore propose to the annual general meeting that the remuneration system for the members of the Supervisory Board set out following this agenda item be adopted and that the remuneration of the members of the Supervisory Board be approved on the basis of the remuneration system as follows:

„The following remuneration arrangements have been made for the Supervisory Board of Schaeffler AG:

1. The members of the Supervisory Board receive a fixed annual remuneration of EUR 50,000.00. In addition to their fixed annual remuneration, the members of the Executive and Audit Committees of the Supervisory Board receive an additional remuneration of EUR 20,000.00, and the members of the Technology

- Committee of the Supervisory Board receive an additional remuneration of EUR 10,000.00. The memberships in the Nomination Committee and the Mediation Committee pursuant to section 27 para. 3 of the German Co-Determination Act (*Mitbestimmungsgesetz* – MitbestG) shall not be taken into account.
2. The chairman of the Supervisory Board receives 2 times and each deputy chairman 1.5 times the fixed annual remuneration. The chairmen of the General, Audit and Technology Committees of the Supervisory Board receive in addition to the fixed annual remuneration 2 times the additional remuneration.
 3. In the case of chairmanship of several committees or in the case of dual functions as chairman of the Supervisory Board and of one or more committees, the additional remuneration for the further chairmanship shall not apply.
 4. If the mandate of a Supervisory Board member or the function with increased remuneration begins or ends in the course of a financial year, the Supervisory Board member shall receive the remuneration or the increased remuneration pro rata temporis.
 5. Each member of the Supervisory Board shall additionally receive an attendance fee of EUR 1,500.00 for each Supervisory Board meeting attended by the member. This applies accordingly to attendance at committee meetings not held on the same day as a Supervisory Board meeting.
 6. The fixed annual remuneration, the additional remuneration and the attendance fee are paid to the Supervisory Board member at the end of each financial year.
 7. The members of the Supervisory Board shall be reimbursed for any value-added tax payable on the remuneration and expenses incurred in connection with the exercise of their mandate.
 8. The members of the Supervisory Board are included in a financial loss liability insurance for members of governing bodies and certain executives (D&O insurance) maintained by Schaeffler AG in the interest of and at the expense of Schaeffler AG in an appropriate amount, if such insurance exists.

The above adjustments apply retroactively from January 1, 2021.“

Remuneration system for the members of the Supervisory Board of Schaeffler AG

1. Contribution of the remuneration of the members of the Supervisory Board to the promotion of the business strategy and the long-term development of Schaeffler AG

By monitoring and advising the Board of Managing Directors in its management of the company, the Supervisory Board contributes to promoting the business strategy and achieving Schaeffler AG's overall objectives of creating sustainable value and generating free cash flow.

The prerequisite for the best possible supervision and advice to the Board of Managing Directors is the fulfillment of the competency profile and catalog of objectives resolved by the Supervisory Board for its composition. The remuneration of the members of the Supervisory Board also plays a significant role in this. The structure and amount of the compensation paid to the members of the Supervisory Board considers the requirements of the office of a member of the Supervisory Board of Schaeffler AG, in particular the time and responsibility involved. The compensation is in line with the market and its amount - also in comparison to the compensation of supervisory board members of other listed companies of comparable size in Germany - is commensurate with the duties of the Supervisory Board members and the situation of Schaeffler AG. The compensation ensures that serving on the Supervisory Board or one of its committees is sufficiently attractive to attract and retain suitable members. Appropriate compensation for members of the Supervisory Board in line with market conditions thus makes a significant contribution to promoting the business strategy and long-term development of Schaeffler AG (section 87a para. 1 sentence 2 no. 2 AktG).

The remuneration of the members of the Supervisory Board is structured in a clear and comprehensible manner. The remuneration comprises, among other things, fixed compensation and an additional attendance fee for meetings. The remuneration of the Supervisory Board does not contain any variable compensation components (section 87a para. 1 sentence 2 no. 3, 4 and 6 AktG) or share-based components (section 87a para. 1 sentence 2 no. 7 AktG). The payment of a fixed compensation is in line with Recommendation G. 18 sentence 1 of the German Corporate Governance Code (*Deutscher Corporate Governance Kodex – DCGK*).

2. Procedures for establishing, implementing and reviewing the remuneration system for the members of the Supervisory Board

The Annual General Meeting sets the remuneration of Supervisory Board members in the Articles of Association or by resolution at the proposal of the Board of Managing Directors and the Supervisory Board. Currently, the Annual General Meeting has approved the remuneration by resolution.

The Annual General Meeting shall resolve on the remuneration of the members of the Supervisory Board at least every four years. A resolution confirming the existing remuneration is also permissible. At regular intervals, at least every four years, the Board of Managing Directors and the Supervisory Board will review whether the remuneration, in particular with regard to its amount and composition, is still in line with the market and is commensurate with the duties of the members of the Supervisory Board and the situation of Schaeffler AG. In particular, the time required of the members of the Supervisory Board, their responsibilities, and the supervisory board remuneration granted by a peer group of companies listed on the M-DAX and S-DAX are relevant in this regard. The Board of Managing Directors and the Supervisory Board may seek advice from an external remuneration expert on the development of the remuneration for supervisory board members and on the appropriateness of the remuneration. If necessary, the Board of Managing Directors and the Supervisory Board propose an appropriate adjustment to the remuneration to the Annual General Meeting.

The preparation and presentation of proposed resolutions on the remuneration of Supervisory Board members is the responsibility of the Board of Managing Directors and the Supervisory Board in accordance with the statutory division of responsibilities. This results in mutual control between the two bodies.

The present remuneration system for the members of the Supervisory Board applies retroactively with effect as of January 1, 2021.

3. Remuneration components

The structure of the remuneration takes into account the basic idea that, in addition to an appropriate fixed annual compensation, the higher time commitment of the Chairman and Vice Chairman of the Supervisory Board as well as the Chairmen and members of committees should be appropriately taken into account through a corresponding additional compensation. The compensation of Supervisory Board members thus also complies with Recommendation G.17 DCGK.

a) Fixed annual compensation

The members of the Supervisory Board of Schaeffler AG receive a fixed annual compensation of EUR 50,000.

b) Function surcharges

(1) Chairman and Deputy Chairman of the Supervisory Board

The Chairman of the Supervisory Board receives 2 times and each Deputy Chairman 1.5 times the fixed annual compensation.

(2) Committee members

In addition to the fixed annual compensation, members of the Executive Committee and the Audit Committee of the Supervisory Board receive an additional compensation of EUR 20,000 and members of the Technology committee of the Supervisory Board receive an additional compensation of EUR 10,000, per committee. Committee memberships in the Nomination committee and the Mediation committee are not remunerated additionally.

(3) Committee Chair

The Chairmen of the Executive Committee, Audit Committee and Technology Committee of the Supervisory Board receive 2 times the additional compensation.

(4) Limitations of committee-related function surcharges

In the case of chairmanship in several committees or in the case of dual functions as Chairman of the Supervisory Board and of one or more committees, the additional compensation for the additional chairmanship shall not apply.

c) Attendance fee

Each member of the Supervisory Board shall additionally receive an attendance fee of EUR 1,500 for each Supervisory Board meeting attended by the member. This applies accordingly to attendance at committee meetings not held on the same day as a Supervisory Board meeting.

d) Payment terms, pro rata payment

The fixed annual compensation, the additional compensation and the attendance fee are paid to the respective Supervisory Board member at the end of each financial year. If the office of a Supervisory Board member or the function with additional compensation begins or ends during a financial year, the Supervisory Board member shall receive the compensation or the additional compensation pro rata temporis.

e) Reimbursement of expenses

The members of the Supervisory Board shall be reimbursed for expenses incurred in connection with the exercise of their mandate as well as any value-added tax payable on the remuneration and expenses.

f) D&O insurance

The members of the Supervisory Board are included in a financial loss liability insurance policy for members of governing bodies and certain executives (D&O insurance) maintained by Schaeffler AG in the interest of and at the expense of Schaeffler AG in an appropriate amount, to the extent such a policy exists.

7. Resolution on the amendment and approval of the remuneration system of the Board of Managing Directors

Pursuant to section 120a para. 1 AktG, in the case of listed companies, a resolution on the approval of the remuneration system for the members of the Executive Board presented by the Supervisory Board must be adopted by the annual general meeting whenever there is a significant change, but at least every four years.

As part of its regular review of the remuneration system of the Board of Managing Directors of Schaeffler AG, the Supervisory Board of Schaeffler AG has decided to make selective adjustments to the remuneration system approved by the annual general meeting on May 8, 2020. Under the amended remuneration system, the Supervisory Board is entitled to grant a payment or other benefit to new members of the Board of Managing Directors when taking office in the year of entry and/or the second year of appointment. Such a payment or other benefit may, for example, compensate for financial disadvantages suffered by a member of the Board of Managing Directors as a result of moving to Schaeffler AG at a previous service/employer - in particular due to forfeited variable remuneration - or disadvantages in connection with a change of location. This will ensure that suitable and qualified candidates can continue to be recruited serving as members of Schaeffler AG's Board of Managing Directors in the future. The amended remuneration system will apply retroactively as of January 1, 2021 to members of the Board of Managing Directors already appointed as well as to all members of the Board of Managing Directors whose service contracts are newly concluded or extended.

The Supervisory Board proposes - based on the recommendation of its Executive Committee - that the remuneration system for the members of the Board of Managing Directors resolved by the Supervisory Board with effect from January 1, 2021, be approved.

Remuneration system for the members of the Board of Managing Directors of Schaeffler AG in accordance with section 87a of the German Stock Corporation Act (*Aktiengesetz – AktG*)

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Preamble

As part of its regular review of the remuneration system for the members of the Board of Managing Directors of Schaeffler AG, the Supervisory Board of Schaeffler AG has decided to make selective adjustments to the remuneration system adopted by the Annual General Meeting on May 8, 2020. This is to ensure that also in the future suitable and qualified candidates can be attracted for the position as member of the Board of Managing Directors of Schaeffler AG.

The description of the remuneration system starts with the guiding principles applied to the remuneration system of the Board of Managing Directors as well as the process of determining, implementing and reviewing the remuneration system. This is followed by a description of individual remuneration components as well as the maximum remuneration. The possibility to withhold and reclaim variable remuneration components (Malus and Clawback Provisions), the Share Ownership Guidelines as well as the terms and termination provisions of the Managing Directors' service contracts are outlined at the end of the document.

The remuneration system applies to all members of the Board of Managing Directors with retroactive effect as of January 1, 2021 as well as to new or renewed service contracts with members of the Board of Managing Directors and reappointments.

A. GUIDING PRINCIPLES OF THE REMUNERATION SYSTEM FOR THE MEMBERS OF THE BOARD OF MANAGING DIRECTORS OF SCHAEFFLER AG

The Supervisory Board of Schaeffler AG defines the remuneration system for the Board of Managing Directors based on the following guiding principles:

- **Alignment of pay and performance:** The variable performance-based remuneration components shall exceed the fixed remuneration components with reference to the total target remuneration amount in order to create a strong link between pay and performance.
- **Focus on value creation and Free Cash Flow:** The remuneration shall support the achievement of the main strategic objectives of Schaeffler AG: ensuring sustainable value creation and Free Cash Flow. The

related strategic and operative performance indicators shall be reflected in the variable remuneration of the members of the Board of Managing Directors as performance criteria.

- **Focus of variable remuneration on long-term and sustainable company value creation:** The variable remuneration shall be predominantly long-term oriented and linked to the company's value appreciation. Furthermore, sustainability targets shall be addressed in the variable remuneration to emphasize the increasing importance of sustainability as a part of the business strategy.
- **Fostering the capital market orientation and alignment with shareholder interests:** Members of the Board of Managing Directors are obligated to purchase shares of Schaeffler AG in a pre-defined amount and to hold them until the termination of their service agreement with Schaeffler AG (Share Ownership Guidelines).

The remuneration system of the members of the Board of Managing Directors is clear and transparent.

The remuneration system is compliant with the requirements set out in the German Stock Corporation Act (*Aktiengesetz – AktG*), as amended by the German Act Implementing the Second Shareholder Rights Directive in the version dated December 12, 2019 (BGBl. Part I 2019, no. 50, as of December 19, 2019) and considers recommendations of the German Corporate Governance Code (DCGK) as resolved by the Commission on December 16, 2019. It provides the Supervisory Board with the required flexibility to reflect the organizational changes and considers changing market conditions.

B. PROCESS OF DETERMINING, IMPLEMENTING AND REVIEWING THE REMUNERATION SYSTEM

The Supervisory Board determines the remuneration system, the amount of remuneration including the maximum remuneration for the members of the Board of Managing Directors. The Supervisory Board's Executive Committee prepares the decisions of the Supervisory Board on the remuneration system as well as the remuneration of individual members of the Board of Managing Directors.

This remuneration system was developed with the support of independent external compensation consultants. The Supervisory Board ensures the independency of mandated external consultants.

Procedures in respect of conflicts of interests defined by the rules of procedure for the Supervisory Board also apply to the process of determining, implementing and reviewing the remuneration system.

The Supervisory Board submits the remuneration system that it has resolved upon to the Annual General Meeting for approval. The Supervisory Board regularly reviews the appropriateness of the system and amount of executive remuneration. The assessment of appropriateness is based on a horizontal review of the structure and amount of remuneration, where the amount and structure of remuneration of each member of the Board of Managing Directors is compared against the market remuneration data of comparable companies (peer group) selected by the Supervisory Board. The peer group of Schaeffler AG consists of MDAX companies as well as international companies operating in a comparable sector. Furthermore, the Supervisory Board considers the remuneration levels of Schaeffler AG's employees when determining and reviewing the remuneration system of the members of the Board of Managing Directors (vertical review). For this purpose, the ratio between the amount of remuneration of each member of the Board of Managing Directors and the average remuneration per employee of the Schaeffler Group is compared against the corresponding ratios of MDAX companies. The average remuneration per employee is calculated based on the total global workforce of the Schaeffler Group, which reflects the international character of the company. In the event of significant changes, and no fewer than every four years, the remuneration system shall be submitted to the Annual General Meeting for approval. If the Annual General Meeting does not approve the submitted remuneration system, the Supervisory Board shall submit to the general meeting for approval a reviewed remuneration system at the subsequent Annual General Meeting, at the latest.

The remuneration system as described herein applies to already appointed members of the Board of Managing Directors with retroactive effect as of January 1, 2021 as well as to new or renewed service contracts with

members of the Board of Managing Directors and reappointments.

The Supervisory Board may temporarily deviate from the remuneration system (Provisions related to the Process of Determination and the Remuneration Structure), its individual components and regarding individual remuneration components of the remuneration system or implement new remuneration components, if this is required in the interest of the company's long-term well-being. Such deviations may apply in the event of extraordinary circumstances, for example a severe financial or economic crisis. Such deviations may also temporarily result in a deviating maximum remuneration for the Chief Executive Officer or other members of the Board of Managing Directors.

C. DETAILS OF THE REMUNERATION SYSTEM

I. Remuneration Components

1. Overview of the Remuneration Components and their relative proportions of the remuneration

The remuneration of members of the Board of Managing Directors comprises both fixed and variable components. The fixed components include the fixed annual salary, fringe benefits and retirement benefits. The variable components include the short-term variable remuneration (the Short-Term Bonus, STB) and the long-term variable remuneration (the Long-Term Bonus, LTB). Moreover, Share Ownership Guidelines (SOG) are also covered by the remuneration system.

Remuneration System of the Board of Managing Directors: Overview			
Total Target Remuneration			
40%		60%	
Fixed components		Variable components	
Fixed annual salary	Retirement benefits Defined contribution plan	Short-term bonus (STB) 29%	Long-term bonus (LTB) 31%
	Fringe benefits e.g. D&O insurance and company car	<ul style="list-style-type: none"> Schaeffler Value-Added (SVA)* Free Cash Flow (FCF)* Strategic targets (e.g. sustainability) Individual performance 	<ul style="list-style-type: none"> Service condition Total Shareholder Return (TSR) Earnings Per Share (EPS) Possibility to define additional sustainability targets
Function and responsibility		Cap at 150% of target bonus	Cap at 300% of grant value
Incentivizing the contribution to the business strategy and the long-term company's value appreciation			
Subject to Malus and Clawback (possibility to reclaim variable remuneration)			
Total remuneration cap per role			

The weightings of remuneration components as a % of total target remuneration (provided above) may slightly vary for various Managing Directors depending on the individual amounts of fringe benefits.

* For the divisional CEOs, division-specific performance indicators Schaeffler Value Added of the Division (SVA Division) und Divisional Cash Flow (DCF Division) are considered in addition to the above performance criteria

The total target remuneration includes the fixed annual salary, the contributions to retirement benefits, the fringe benefits and the target variable remuneration. With respect to the STB and the LTB, the target value and the grant value, respectively, both corresponding to 100% target achievement, are taken into consideration. The proportions of the fixed and variable remuneration elements are presented in relation to the total target remuneration.

The proportion of fixed remuneration for the Chief Executive Officer and the ordinary members of the Board of Managing Directors is currently approx. 40%. The proportion of variable remuneration is currently approx. 60%. The proportion of the STB currently amounts to approx. 29%, while the proportion of the LTB is approx. 31%.

Due to existing contractual provisions, the percentages of individual remuneration components of the total target remuneration for Dr. Spindler deviate from the above-mentioned percentages.

The remuneration system ensures that the variable remuneration exceeds the fixed remuneration in relation to the total target remuneration under any circumstances.

The actual percentages in future years as well as for newly appointed members of the Board of Managing Directors may deviate from the above-mentioned percentages by some percentage points. The deviations may particularly result from sign-on payments or benefits granted to new members of the Board of Managing Directors according to Paragraph 4, varying annual expenses in respect of provided fringe benefits or varying fringe benefits.

2. Fixed Remuneration Components

2.1 Fixed Annual Salary

Each member of the Board of Managing Directors receives a fixed annual salary, which is paid in cash and in twelve equal monthly installments.

2.2 Retirement Benefits

Furthermore, members of the Board of Managing Directors are entitled to retirement benefits including an old-age, disability and surviving dependents' pension. For ordinary members of the Board of Managing Directors, the company's contributions to retirement benefits per financial year amount to EUR 195,000 and for the Chief Executive Officer to EUR 390,000. From age 65, members of the Board of Managing Directors are no longer entitled to the annual contributions to retirement benefits – even if the service period goes beyond that age.

In the event of retirement or disability, each member of the Board of Managing Directors is entitled to a lump-sum payment in the amount of the accrued plan assets as of such date. The accrued plan assets are calculated as the sum of all retirement contributions made to the reinsurance plus the non-guaranteed participation surplus based on the insurance tariff of the reinsurance company. Alternatively, a member of the Board of Managing Directors can opt for the accrued plan assets to be paid out in ten annual installments or as a monthly pension annuity for life. The installment amount as well as the level of monthly pension annuity is based on a contribution of the accrued plan assets into a then to be concluded temporary or life pension insurance.

2.3 Fringe Benefits

The fringe benefits granted to each member of the Board of Managing Directors comprise a company car, including its private usage, and a directors' and officers' liability insurance (D&O insurance). In compliance with the requirements of the German Stock Corporation Act, the D&O insurance policy includes a deductible of 10% of the damage amount and up to a minimum of 150% of the fixed annual salary. In addition, a contribution to a health and long-term care insurance as well as payments to the personal pension scheme (*Persönliches Vorsorgekonzept* – PVK) are sponsored by the company. Furthermore, members of the Board of Managing Directors are covered by the group accident insurance. For the newly appointed members of the Board of Managing Directors additional fringe benefits may be individually defined and stipulated in the service agreement.

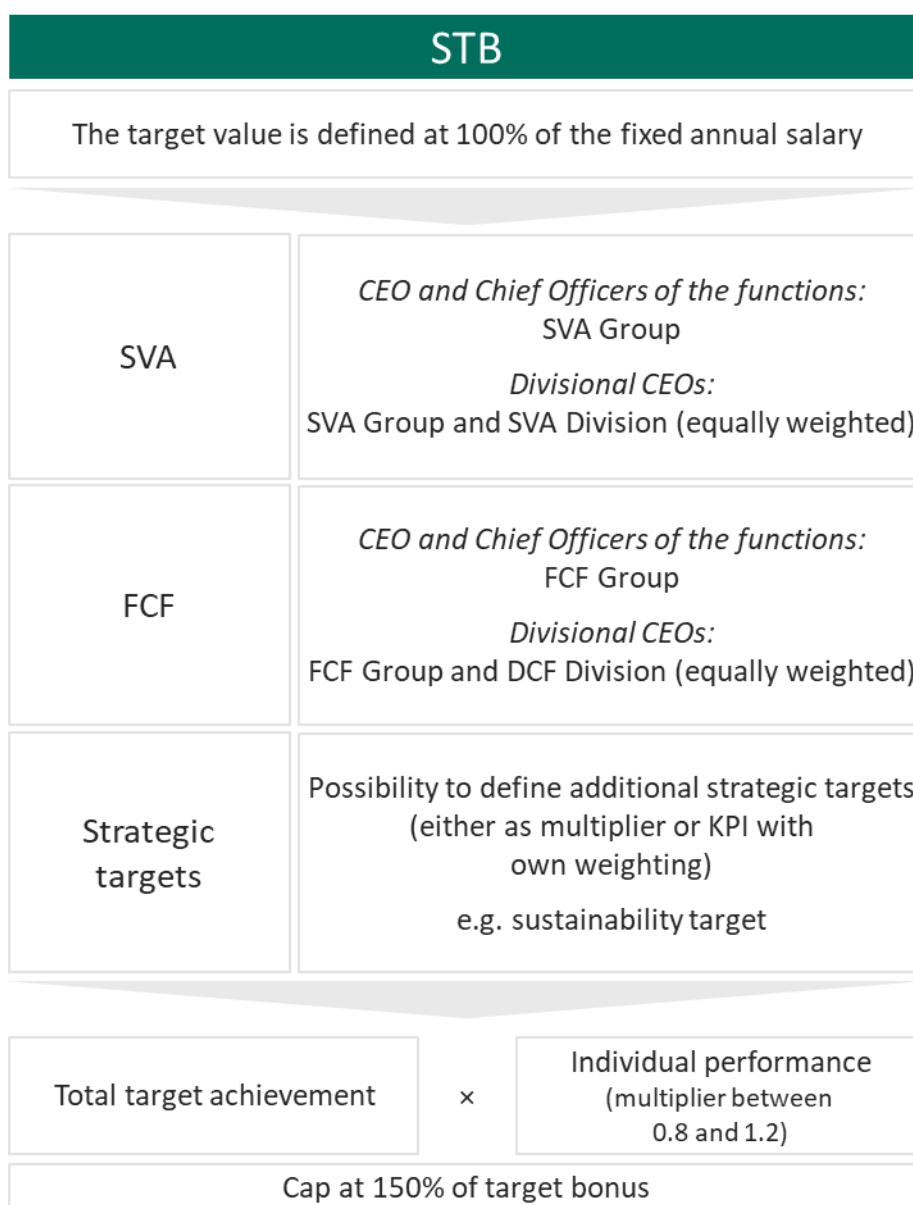
3. Variable Remuneration Components

3.1 Short-term Variable Remuneration (STB)

The STB is a performance-based bonus with a one-year performance period. This short-term variable remuneration component is designed to reward the annual contribution to the sustainable company value creation as well as the operational realization of the business strategy. The payout of the STB is based on the achievement of the performance criteria defined by the Supervisory Board for each financial year. Those primarily cover the financial targets derived from the business strategy. In addition, the Supervisory Board can define other strategic targets and may set deviating weightings of the performance targets in this case.

Moreover, the Board of Managing Directors member’s individual performance measured by the Supervisory Board according to its reasonably exercised discretion may be considered for the determination of the STB payout.

The individual target bonus is stipulated in the service agreement and amounts to 100% of the fixed annual salary. The existing contractual provisions for Dr. Spindler deviate from the above-mentioned rule. The STB payout is capped at 150% of the target bonus amount. This cap applies to the overall STB amount: both amendments of the STB by applying a multiplier and STB adjustments due to extraordinary circumstances are subject to this cap. The STB may be forfeited if the minimum level of the target achievement is not met.



3.1.1 Financial Performance Targets

Unless defined otherwise, the financial performance targets for the Chief Executive Officer and the functional Chief Officers¹ include Schaeffler Value Added of the Schaeffler Group (SVA Group) and Free Cash Flow of the Schaeffler Group (FCF Group), both equally weighted. To properly reflect the divisional performance, the

¹ Functional Chief Officers are members of the Board of Managing Directors who are responsible for one or multiple of the following corporate functions: Research & Development (CTO), Production, Supply Chain Management & Purchasing (COO), Finance & IT (CFO) or Human Resources (CHRO).

financial performance targets for divisional CEOs² are measured both on the Group and the divisional levels. The financial performance targets SVA Group, Schaeffler Value Added of the division (SVA Division), FCF Group and Divisional Cash-Flow of the division (DCF Division) are all equally weighted.

Schaeffler Value Added: The Schaeffler Value Added provides a central performance indicator for the contribution to the sustainable company value creation achieved in the respective financial year. In order to grow profitably and create long-term value, earnings must be sufficient to cover the cost of capital. The performance criterion SVA Group is based on the Schaeffler Group's EBIT less its cost of capital. SVA Division is determined using the same methodology as Schaeffler Value Added but using parameters segmented in accordance with IFRS 8.

Free Cash Flow: The Free Cash Flow is the most important operative performance indicator in terms of the current business strategy. It measures the company's ability to convert its operating performance to cash inflows. FCF Group is generally calculated based on the Schaeffler Group's cash flows from operating activities and from investing activities for the relevant financial year. The DCF Division is calculated as the sum of EBIT plus depreciation, amortization, and impairment losses plus change in working capital less additions to property, plant and equipment and intangible assets.

The Supervisory Board sets performance scales for each financial year, including the minimum and maximum target values for each financial performance target. The actual target achievement for the respective financial year is determined by comparing the actual values achieved for the financial year against the set target value. In case of extraordinary circumstances in the course of a year, the Supervisory Board is entitled to adjust the target achievement of the STB at its own reasonably exercised discretion. This may lead to either an increase or a decrease in target achievement.

3.1.2 Strategic Targets

The Supervisory Board is entitled to define additional strategic targets, which may also include non-financial targets. The strategic targets can either be defined as additional performance criteria (leading to a reduction of the weighting of the financial performance criteria) or as a multiplier applied to the overall target achievement of the STB.

To create a clear link between the company's sustainability strategy as well as related business initiatives and remuneration, the Supervisory Board has defined additional sustainability targets for the STB 2021. These sustainability targets are energy efficiency and occupational safety. The combined performance in respect of sustainability targets is used as a multiplier of +/- 10% (ranging from 0.9 to 1.1) applied to the overall STB target achievement for the Chief Executive Officer, the functional Chief Officers and the divisional CEOs.

3.1.3 Individual Performance

At its own reasonably exercised discretion, the Supervisory Board is entitled to apply a multiplier (ranging from 0.8 to 1.2) to the overall target achievement of the STB, which would reflect the Board of Managing Directors member's individual performance. While exercising its discretion, the Supervisory Board may particularly consider additional tasks and responsibilities due to interim roles of a member of the Board of Managing Directors.

3.1.4 STB Payout

The Supervisory Board determines the STB payout within the first three months of the year following the respective financial year. The STB payout is payable in cash on 31 March of the year following the respective financial year. If the service period of a member of the Board of Managing Directors in the respective financial

² Divisional CEOs are those members of the Board of Managing Directors who are each responsible for one or multiple of the following divisions: Automotive Technologies (CEO Automotive Technologies), Automotive Aftermarket (CEO Automotive Aftermarket) or Industrial (CEO Industrial).

year was shorter than 12 months, the STB amount is prorated accordingly and is paid on the regular payout date.

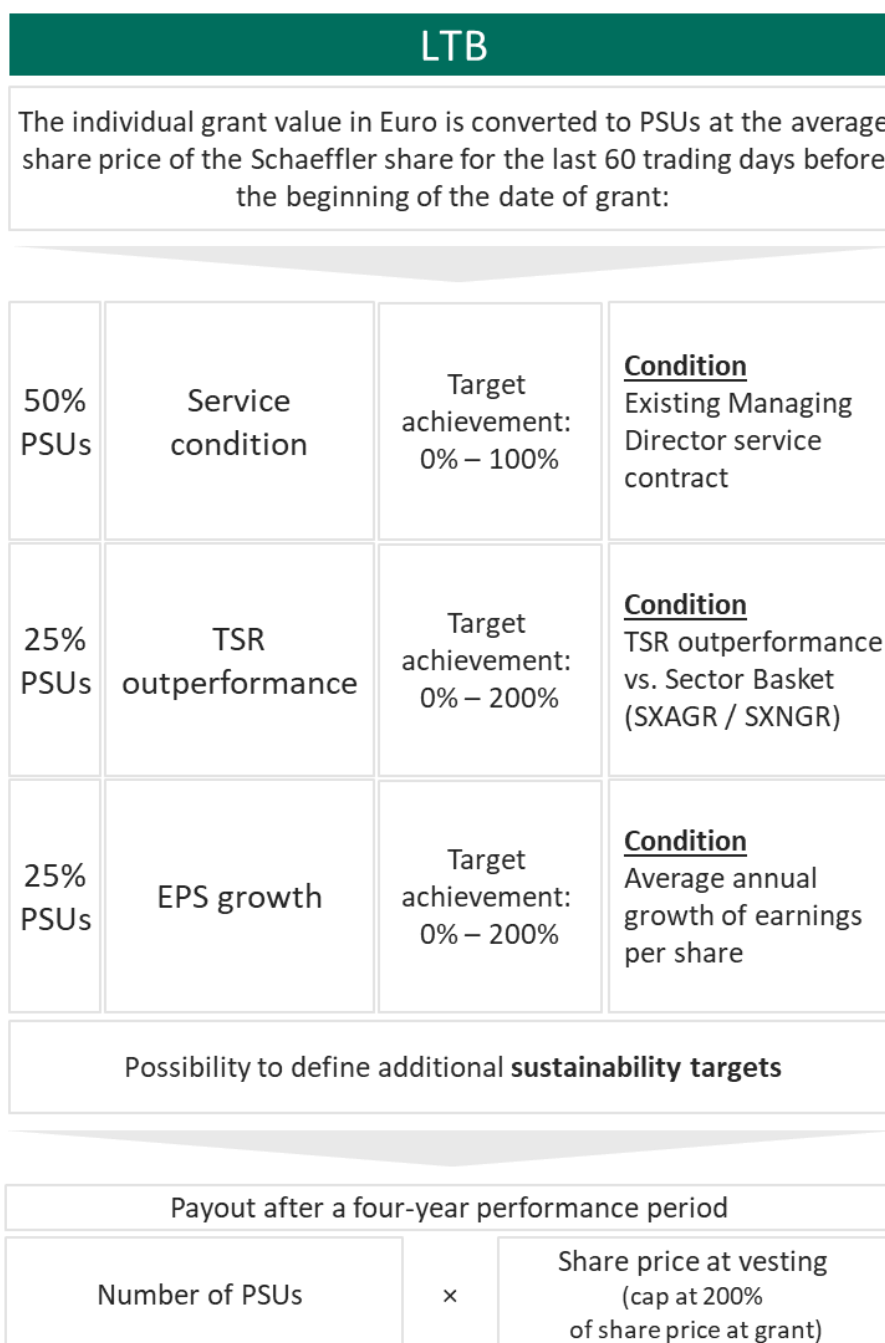
In the event of the termination of the Board of Managing Directors member's service agreement for good cause, revocation of the appointment for good cause by Schaeffler AG or in the event of the Board of Managing Directors member's resignation without cause, the STB entitlement for the respective financial year lapses. The event is deemed to be effective as of the day of the receipt of the notice of termination, revocation or resignation.

3.2 Long-term Variable Remuneration (LTB)

The LTB creates an incentive towards the long-term company value creation. Due to the share-based character of the LTB, the members of the Board of Managing Directors participate in the long-term company value creation. The LTB performance conditions are linked to the business strategy and incentivize sustainable and profitable growth as well as long-term competitiveness. Moreover, the share-based design of the LTB further contributes to the alignment of interests between the shareholders and the Board of Managing Directors.

The LTB is a share-based Performance Share Unit Plan (PSUP) with a four-year performance period attributable to each tranche. LTB tranches are granted annually. Each performance period starts at the 1 January of the respective financial year. Virtual shares (Performance Share Units, PSUs) are granted annually to the members of the Board of Managing Directors. The number of PSUs is determined based on the individual grant value in Euro and the share price at grant. The share price at grant is defined as the average closing price of the preferred share of Schaeffler AG in the XETRA trading system of Frankfurt Stock Exchange (or any successor system) for the last 60 trading days before the beginning of the performance period.

Vesting of PSUs at the end of the four-year performance period is based on the fulfillment of the service and performance conditions. Performance conditions are set by the Supervisory Board and currently comprise Total Shareholder Return outperformance ("**TSR outperformance**") and EPS growth.



The Supervisory Board sets performance scales for each LTB tranche. Performance scales define the level of outperformance of Total Shareholder Return and the level of the average annual growth of Earnings Per Share which is required for a defined percentage of PSUs to vest. The number of PSUs which vest subject to the fulfillment of the performance conditions is capped at 200%.

3.2.1 Service Condition

The vesting and payout of PSUs is generally subject to continuous existence of the Board of Managing Directors member’s service agreement during the entire performance period. Should a member of the Board of Managing Directors join the Board of Managing Directors during a financial year, the service condition for the performance period beginning in the year of entry is deemed to be fulfilled if the Board of Managing Directors member’s service agreement still exists at the end of the respective performance period. Unless defined otherwise, the weighting of the service condition is set at 50%.

3.2.2 TSR Outperformance

The TSR outperformance performance condition measures the resulting Total Shareholder Return (TSR) during the respective performance period compared to a relevant peer group. This relative TSR performance reflects the long-term competitiveness of the Schaeffler Group.

The peer group consists of a so-called Sector Basket, which reflects the sector-specific market conditions of Schaeffler AG: Automotive Technologies, Automotive Aftermarket and Industry. This Sector Basket combines two performance indices: STOXX Europe 600 Automobiles and Parts Gross Return (SXAGR) and STOXX Europe 600 Industrial Goods and Services Gross Return (SXNGR) weighted at 75% and 25% respectively. These weightings correspond to the current revenue structure of the business segments within Schaeffler AG. The TSR outperformance is determined based on the difference between the TSR of the Schaeffler share and the TSR of the peer group. By mutual consent, the composition of and the weightings within the peer group may be amended to reflect potential changes in the market environment and company strategy.

Unless defined otherwise, the weighting of the TSR outperformance is set at 25%.

3.2.3 EPS Growth

The annual EPS growth measured during the four-year performance period reflects the operative performance of Schaeffler AG and long-term profitability growth. The combination of TSR outperformance and the EPS growth considers both the market conditions and the internal financial performance and therefore ensures a balanced performance measurement. The EPS growth is measured as average annual growth of the earnings per preferred share (EPS) during the performance period. The EPS is defined as earnings per preferred share (basic) from continued operations accounted in the audited consolidated financial statements.

Unless defined otherwise, the weighting of the EPS growth is set at 25%.

3.2.4 Additional Performance Criteria

The Supervisory Board is entitled to define additional or further performance conditions, in particular ESG targets (Environment, Social, Governance), as well as a deviating weighting of performance conditions for future performance periods.

3.2.5 LTB Payout

Vested PSUs are paid out in cash. The payout amount is determined by multiplying the final number of vested PSUs with the average closing price of the preferred share of Schaeffler AG in the XETRA trading system of Frankfurt Stock Exchange (or any successor system) for the last 60 trading days of the performance period. The share price is capped at double the share price at grant for the respective tranche. The LTB is payable at the next ordinary payment date after approval of the consolidated financial statements of Schaeffler AG.

In case of extraordinary circumstances, the Supervisory Board is entitled to limit the grant of the PSUs and/or the payout of the LTB at its own reasonably exercised discretion. The Supervisory Board may also re-define the number of PSUs, if no PSUs or a reduced number of PSUs were granted to the member of the Board of Managing Directors due to extraordinary circumstances.

3.2.6 Other Provisions: Leaver Rules and Capital Events

The PSUP plan terms differentiate between “Good Leavers” and “Bad Leavers” for cases when a member of the Board of Managing Directors leaves Schaeffler AG. In a “Good Leaver” case (including contract expiration, contract annulment, reaching retirement age), generally, granted Performance Share Units vest pro rata temporis on the last day of the performance period and are settled on the normal payout date. In a “Bad Leaver” case (especially termination of the service agreement for good cause by Schaeffler AG), all Performance Share Units, which remain unvested by the time of the receipt of a termination notice, forfeit.

The plan terms of the PSUP also includes provisions for capital events (including capital increase, restructuring of Schaeffler AG) allowing potential adjustment of the number of granted virtual shares. In case of a delisting, all entitlements to a payout within the Performance Share Unit Plan forfeit and the members of the Board of Managing Directors will receive a grant within a subsequent plan offering economically equivalent conditions.

4. Other Benefits

The Supervisory Board is entitled to grant sign-on payments or other sign-on benefits to new members of the Board of Managing Directors in the first and/or second year of appointment, in order to e.g. compensate for forfeited remuneration elements (especially variable remuneration) from previous employment or service as well as relocation costs resulting from taking office at Schaeffler AG.

II. Maximum Remuneration

The overall remuneration amount payable to each member of the Board of Managing Directors in respect of a financial year is limited to a maximum total remuneration amount (“**Maximum Remuneration**”). The Maximum Remuneration covers all payouts and allocations of the total remuneration granted to a member of the Board of Managing Directors (including the fixed annual salary, variable remuneration components, service cost and fringe benefits as well as sign-on payment and benefits granted according to Paragraph I.4) for the relevant financial year, irrespective of the dates when the payouts and allocations are actually made.

The Chief Executive Officer’s Maximum Remuneration amounts to EUR 7,390,000. For each ordinary member of the Board of Managing Director, the Maximum Remuneration amounts to EUR 3,745,000. Due to existing contractual provisions for Dr. Spindler the Maximum Remuneration amounts to EUR 4,420,000.

III. Malus and Clawback Provisions

The Supervisory Board is entitled to withhold up to 100% (Malus) of the payout to a member of the Board of Managing Directors or reclaim (Clawback) it, in full or in part, in respect of the variable remuneration components during the relevant performance periods (for the STB: during the relevant one-year performance period; for the LTB: during the relevant four-year performance period) in cases of severe breach of:

- compliance with the Code of Conduct of Schaeffler Group,
- duties related to managing the company,
- compliance with the Code of Conduct of Schaeffler Group by employees of Schaeffler AG or by executive bodies or employees of affiliated companies of Schaeffler AG in case the member of the Board of Managing Directors has severely breached the obligation to organize and supervise the company.

The individual payout within the variable remuneration, including STB and LTB, could be withheld in full or in part if during the relevant performance period (one year for the STB and four years for the LTB) one of the three breaches defined above apply and payout has not been made by the time the Supervisory Board decides to withhold the remuneration. In case such breaches are revealed or disclosed ex post, the already paid out amounts related to variable remuneration, including STB and LTB, could be reclaimed in full or in part. Such a reclaim is no more admissible if more than five years have passed.

Even after the service agreement has been terminated, the decision in respect of withholding or reclaiming the already paid variable remuneration could be made.

The Supervisory Board is entitled to decide on withholding or reclaiming of variable compensation at its own discretion.

IV. Share Ownership Guidelines

The ordinary members of the Board of Managing Directors are obligated to purchase common non-voting shares of Schaeffler AG in the amount of 100% of the gross fixed annual salary and to hold them during their Board appointment (target number of shares). For the Chief Executive Officer, the amount of 200% of the gross fixed annual salary applies accordingly. The value of the common non-voting shares by the time of purchase is relevant for the purpose of the guidelines. For the current members of the Board of Managing Directors, the obligation must be fulfilled until 31 December 2023. In case of an appointment to the Board of Managing Directors during a financial year, the obligation must be fulfilled until the end of the four-year performance period of the LTB, which begins in the calendar year following the start of the service agreement. The payout of the LTB is contingent on the proof of compliance with the Share Ownership Guidelines until the end of the respective performance period. If the service agreement of a member of the Board of Managing Directors ends prior to the end of the first performance period, the target number of shares is reduced on a pro rata temporis basis and reflect the actual term of the service agreement in relation to the four-year performance period of the LTB. If the service agreement of a member of the Board of Managing Directors ends after the completion of the first performance period and the respective share ownership obligations are duly fulfilled, the LTB payouts in respect of the subsequent performance periods are no longer contingent on the proof of compliance with the Share Ownership Guidelines.

The Share Ownership Guidelines set further incentives towards the long-term company value creation beyond the four-year performance period of the LTB. Furthermore, Share Ownership Guidelines foster the capital market orientation and align the interests of the Board of Managing Directors with interests of shareholders of Schaeffler AG.

V. Legal Provisions related to Remuneration

1. Terms and Conditions for Termination of Remuneration-related Legal Transactions, Including the Respective Notice Periods

The service agreements of Managing Directors last for the current nomination period and as of the AGM approval, have the following terms:

- Mr. Rosenfeld’s service agreement: until June 30, 2024
- Mr. Zink’s service agreement: until December 31, 2024
- Mr. Söding’ service agreement: until December 31, 2023
- Mr. Dr. Spindler’s service agreement: until April 30, 2023
- Mr. Dr. Patzak’s service agreement: until July 31, 2023
- Mr. Schick’s service agreement: until March 31, 2026
- Mrs. Schittenhelm’s service agreement: until December 31, 2023
- Mr. Wagner’s service agreement: until September 30, 2022

The service agreements shall be extended for the period for which the Supervisory Board, with the consent of the member of the Board of Managing Directors, resolves to reappoint him/her as a member of the Board of Managing Directors of the company.

The service agreement ends automatically at the end of the month in which the member of the Board of Managing Directors reaches the age of 68. Moreover, the service agreement ends automatically in case of an

extraordinary termination for good cause.

There are no special provisions for the event that a change of control event occurs, that is, neither special rights to terminate the contract nor severance payments.

2. Severance Payments

The amount of severance payment payable in the event of early termination of a service agreement is limited to a maximum of two annual remuneration amounts and may not exceed the remuneration amount corresponding to the remaining term of service (severance cap). An early termination of the service agreement for a reason for which the member of the Board of Managing Directors is responsible disqualifies him or her for any severance payment. The severance cap is generally calculated based on the total remuneration for the last full financial year and on the expected total remuneration for the current year where applicable.

The members of the Board of Managing Directors are subject to non-competition clause for a period of two years following termination of the service agreement. In return, they are entitled to compensation in the amount of 50% of the latest fixed annual salary granted to the Managing Directors plus 50% of the last STB paid prior to termination of the service agreement. The existing contractual provisions of some members of the Board of Managing Directors stipulate deviating provisions in respect of the non-competition clauses. These members of the Board of Managing Directors are entitled to compensation in the amount of 50% of the average contractual remuneration granted to the members of the Board of Managing Directors for the last 12 months before the end of their appointment. In case members of the Board of Managing Directors receive any income from activities, which are not covered by the non-compete clause, this income amount shall be deducted from the compensation amount provided that the total of the compensation amount and received income exceeds the latest received and contractually agreed remuneration from Schaeffler AG by more than one tenth.

8. Resolution on the Election of a Supervisory Board member

The member Ms. Sabrina Soussan, appointed by the annual general meeting, has resigned her Supervisory Board mandate with effect from the end of this annual general meeting and will leave the Supervisory Board at the end of today's annual general meeting, so that the by-election of a Supervisory Board member is necessary.

The term of office of the other shareholder representatives on the Supervisory Board elected by the annual general meeting on April 24, 2019, ends at the close of the annual general meeting that resolves on the formal approval of the acts of the Supervisory Board for the business year 2023.

Pursuant to sections 96 paras. 1 and 2, 101 para. 1 AktG in conjunction with section 7 para. 1 sentence 1 no. 3 MitbestG, the Supervisory Board of Schaeffler AG is composed of ten shareholder representatives and ten employee representatives.

In addition, pursuant to section 96 para. 2 sentence 1 AktG, the Supervisory Board must be composed of at least 30% women and at least 30% men. The statutory minimum quota applies to the Supervisory Board as a whole (cumulative compliance). However, both the shareholder representatives and the employee representatives are entitled to object to the cumulative compliance by majority resolution. The employee representatives on the Supervisory Board unanimously objected to the cumulative compliance on December 10, 2015, and confirmed their decision to object on September 30, 2019. The minimum quota must therefore be fulfilled separately by the shareholder representatives and the employee representatives. The Supervisory Board must therefore propose a female candidate so that, once elected, the statutory quota continues to be met on the shareholder side.

The nomination proposal of the Supervisory Board is based on the recommendation of its Nomination Committee, takes into account the objectives resolved by the Supervisory Board for its composition, and aims to fulfill the competence profile developed by the Supervisory Board for the entire board. The diversity scheme developed by the Supervisory Board for its composition is thereby realized as well.

The appointment of the following proposed candidate shall be for the remainder of Ms. Soussan's term of office, i.e., for a term of office of three years.

On the recommendation of its Nomination Committee, the Supervisory Board proposes that the following candidate be elected to the Supervisory Board as a shareholder representative for the period until the end of the annual general meeting resolving on the formal approval of the acts of the Supervisory Board for the business year 2023:

Ms. Ulrike Hasbargen, residing in Munich, Germany
Tax consultant/auditor, member of the supervisory board of Ernst & Young GmbH

The proposed candidate has agreed in advance to accept the office in the event of her election.

Further information on the nominated candidate is set forth in the annex to the agenda.

9. Resolution on the Amendment of section 2.1 of the Articles of Association (Purpose of the Company)

The purpose of the company set out in section 2.1 of the Articles of Association shall be adapted to changing economic conditions. It was last amended in 2015 and appears no longer up-to-date in all respects. The proposed modernization of the corporate purpose is intended to enable Schaeffler AG to respond to changing market conditions and value chains and to help shape them in the best interests of shareholders. In addition to terminological updates, the increasing digitalization will also be emphasized more emphatically.

The Board of Managing Directors and the Supervisory Board therefore propose to resolve:

Section 2.1 of the Articles of Association of the company shall be reworded as follows:

“The purpose of the company is

- (a) the development, manufacture and distribution of components, parts, systems and software, as well as the development and provision of analog and digital services for automotive manufacturers, other industrial customers and other customers,
- (b) the trading of such products; and
- (c) the manufacture or procurement of components, raw materials or parts required for the manufacture of the products referred to in (a).

The company may carry out its corporate purpose itself or through subsidiaries or associated companies. It is entitled to engage in all transactions and take all measures which appear suitable to serve the objective of the company directly or indirectly.”

10. Resolution on the amendment of section 17.4 of the Articles of Association in accordance with changes resulting from the implementation of the Second Shareholders’ Rights Directive (ARUG II)

As a result of the Act Amending the Second Shareholders’ Rights Directive, section 123 para. 4 AktG on the proof of share ownership was amended, among other things. According to the new regulation, the proof of the ultimate intermediary pursuant to section 67c para. 3 AktG is sufficient for the proof of share ownership in any case. This amendment has been in effect since September 3, 2020, and necessitates an amendment to section 17.4 of the Articles of Association.

The Board of Managing Directors and the Supervisory Board therefore propose to resolve:

Section 17.4 of the Articles of Association of the company shall be reworded as follows:

Proof of share ownership shall be provided by submitting a special proof of share ownership issued by the ultimate intermediary in text form (section 126b of the German Civil Code (BGB)) in German or English; proof in accordance with section 67c para. 3 AktG shall suffice in any case. The company may permit other languages in the invitation. The proof of share ownership must relate to the beginning of the 21st day prior to the annual general meeting (record date) and must be received by the company at the address specified for this purpose in the invitation at least six days prior to the annual general meeting. A shorter period, to be measured in days, may be provided for in the convocation. The day of the annual general meeting and the day of receipt shall not be counted. In relation to the company, only those persons who have provided such proof shall be deemed to be shareholders for the purpose of attending the annual general meeting or exercising voting rights.”

Further information and notes

Total number of shares and voting rights

At the time of the convocation of the annual general meeting, the company's share capital amounts to EUR 666,000,000.00 and is divided into 666,000,000 no-par-value shares, each representing a notional interest in the share capital of EUR 1.00. Of the 666,000,000 no-par-value shares, 500,000,000 shares are common shares with just as many voting rights and 166,000,000 shares are common non-voting shares. The common non-voting shares also have no voting rights in the annual general meeting pursuant to section 140 para. 2 sentence 1 AktG. At the time of the convocation the company holds no treasury shares.

Holding by way of a virtual general meeting

The Board of Managing Directors of the company has resolved, with the consent of the Supervisory Board, to hold the annual general meeting of the company on April 23, 2021 as a virtual annual general meeting without the physical presence of the company's shareholders or their proxies. This resolution was taken based on the COVID-19 Mitigation Act, which came into effect on March, 28, 2020, and whose validity was extended until December 31, 2021 by section 1 of the Ordinance on the Extension of Measures in Company, Cooperative, Association and Foundation Law to Combat the Effects of the COVID-19 Pandemic of October 20, 2020 (BGBl I No. 48 2020, p. 2258).

The shareholders' and their proxies' right to physically participate in the annual general meeting is excluded.

Holding the annual general meeting on April 23, 2021 as a virtual meeting requires several modifications with respect to the annual general meeting and the rights of the shareholders. The shareholders and their proxies have the options described below to follow the entire Virtual Annual General Meeting on the internet by way of video and audio transmission, to exercise their voting rights through electronic communication (absentee vote) and to grant proxies (holders of common shares), the right to ask questions by means of electronic communication, and shareholders, that have exercised their voting rights, can use electronic communication to raise objections to resolutions of the annual general meeting.

Requirements for participating in the Virtual Annual General Meeting and exercising voting rights and the right to ask questions

Holders of common shares are entitled to participate in the Virtual Annual General Meeting, to exercise their right to ask questions in connection with the Virtual Annual General Meeting (see below), to exercise their voting rights via electronic communication (absentee vote) and to grant power of attorney if they register in a timely manner and provide proof of their right to participate.

Holders of common non-voting shares are entitled to participate in the Virtual Annual General Meeting and to exercise their right to ask questions in connection with the Virtual Annual General Meeting (see below) if they register in a timely manner and provide proof of their right to participate.

Registration and proof of right to participate must be received by the company at

Schaeffler AG
c/o Deutsche Bank AG
Securities Production
General Meetings
Post Box 20 01 07
60605 Frankfurt am Main
Germany
Fax: +49 69 12012-86045
Email: wp.hv@db-is.com

at least six days before the Virtual Annual General Meeting, excluding the day of the Annual General Meeting and the day of receipt, that is by **April 16, 2021 (24:00 CEST)**. For the purpose of proving the right to participate, a proof of shareholding issued by the custodian bank in text form (section 126b BGB) in German or English language is sufficient. Proof of shareholding must be as of the beginning of **April 2, 2021 (00:00 CEST)** (“**record date**”).

Upon due registration and proof of share ownership, access cards including the access credentials for the transmission of the Virtual Annual General Meeting will be automatically sent to the shareholders. In order to ensure the timely receipt of the access cards, we kindly request that shareholders submit their registration and the proof of shareholding to the company sufficiently in advance.

Relevance of the record date

In relation to the company, only someone who has provided the specific proof of the right to participate (not within the meaning of stock corporation law) in the Virtual Annual General Meeting or to exercise voting rights and the right to ask questions may virtually participate in the annual general meeting via the internet and exercise voting rights and the right to ask questions as a shareholder. This means that shareholders who have acquired their shares after 00:00 CEST on the record date have the right to virtually participate and exercise their voting rights (holders of common shares) and their right to ask questions with regard to these shares only if they have been appointed as a proxy or authorized to exercise these rights. The record date does not prevent a sale of shares. Shareholders who sell all or any of their shares after 00:00 CEST on the record date are therefore – subject to timely registration and submission of proof of shareholding – nevertheless entitled in relation to the company both to submit questions and to participate in the Virtual Annual General Meeting and – if they are holders of common shares – to exercise their voting rights.

Procedure for absentee voting

Holders of common shares may cast their votes without being present at the meeting by means of electronic communication (absentee vote) or by granting proxy. Only those holders of common shares duly registered no later than by April 16, 2021 (24:00 CEST) and having duly provided proof of shareholding (as specified above) are entitled to exercise their voting rights by means of electronic communication (absentee vote) or by granting proxy. The number of voting rights exercised by absentee vote is determined by the proof of shareholding as of the record date.

Votes cast by absentee vote are limited to the resolution proposals by the Board of Managing Directors and/or the Supervisory Board announced in the invitation to the Virtual Annual General Meeting and resolution proposals by shareholders announced through a supplementation of the agenda pursuant to section 122 para. 2 AktG, as a counter-motion pursuant to section 126 para. 1 AktG or as a proposal for election pursuant to section 127 AktG.

Absentee votes can be submitted by electronic communication at the following email address:

Email: schaeffler-HV2021@computershare.de

Absentee votes (via email) might be cast or changed until the end of the voting at the day of the Annual General Meeting. In order to exercise their voting rights by absentee vote, holders of common shares are required to state their full name (and, in case of legal entities or partnerships, the full company name), their place of residence/registered office as well as the their access card number as indicated on the access card.

Authorization of proxies for exercising voting rights, exercising the right to ask questions or the virtual participation

The shareholder may also exercise his voting rights (holders of common shares) or other rights to participate, in particular the right to ask questions (holders of common shares and common non-voting shares), in connection with the Virtual Annual General Meeting via proxy, e.g. via the custodian bank, an association of shareholders, the proxies designated by the company or another person of their choosing. Shareholders who would like to grant a power of attorney must also register for the annual general meeting as described above in a timely manner and provide proof of their entitlement. Granting of the power of attorney, its revocation and proof of authorization vis-à-vis the company must be in text form; section 135 AktG remains unaffected. Shareholders who wish to grant a power of attorney are

kindly requested to use the proxy form for issuance, which the company provides for this purpose. The use of the proxy form is not mandatory.

The appointment of a proxy, its revocation and proof of a power of attorney vis-à-vis the company can also be submitted in text form (section 126b BGB) to the following address until the day of the Virtual Annual General Meeting:

Schaeffler AG
c/o Computershare Operations Center
80249 München
Fax: +49 89 30903-74675
Email: schaeffler-HV2021@computershare.de

On the day of the Virtual Annual General Meeting, the aforementioned actions with respect to the proxies can be submitted to the following address only:

Email: schaeffler-HV2021@computershare.de

With regard to the exercise of the right to ask questions, the deadline specified below applies equally to shareholders' proxies.

If powers of attorney for exercising voting rights are granted to intermediaries, as well as to associations of shareholders, proxy advisors or persons or institutions within the meaning of section 135 para. 8 AktG, the proxy holder must verifiably record the power of attorney. It must also be complete and may only contain declarations related to the exercise of voting rights. We therefore kindly ask shareholders who wish to grant power of attorney to an intermediary, an association of shareholders, a proxy advisor or an equivalent person or institution within the meaning of section 135 AktG to coordinate the form of the power of attorney with the proxy. These persons may also use absentee voting in accordance with the aforementioned deadline.

Holders of common shares have the possibility to have their voting rights exercised in accordance with their instructions in the Virtual Annual General Meeting through proxies designated by the company for this purpose. In this case, a holder of common shares must, as described above, also register for the annual general meeting and provide proof of shareholding in a timely manner. If a holder of common shares wishes to grant power of attorney to the proxies designated by the company, he must give the instructions with respect to every item on the agenda that is being voted on as to how the voting right is to be exercised. The proxies designated by the company are obligated to vote in accordance with the instructions issued to them. The proxies designated by the company are not permitted to exercise voting rights at their own discretion.

Please note that the proxies designated by the company do not accept authorizations for the lodging of objections against resolutions by the annual general meeting or for the exercise of the right to ask questions under the requirements set out in this invitation.

The form that holders of common shares receive with the access card to the annual general meeting when registering and providing proof in a timely manner can be used for granting power of attorney and instructions to the instruction-bound proxy designated by the company.

The appointment of the proxies designated by the company, its revocation and the issuance of instructions can also be submitted in text form to the following address prior to the annual general meeting until April 22, 2021 (24:00 CEST):

Schaeffler AG
c/o Computershare Operations Center
80249 München
Fax: +49 89 30903-74675
Email: schaeffler-HV2021@computershare.de

On the day of the Virtual Annual General Meeting, the appointment of proxies designated by the company, its revocation and the issuance of instructions can be submitted until the end of the vote to the following address only:

Email: schaeffler-HV2021@computershare.de

Rights of shareholders

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 and communicated to the shareholders.

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 proposals for election, 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 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 proposals for election 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 proposals for election by shareholders for elections included as part of the agenda must be received by the company at the following address by no later than April 8, 2021, (24:00 CEST):

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/proposals for election cannot be made.

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

According to the provisions of the 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.

Information pursuant to section 124a AktG on the company’s website

The content of the convocation of the annual general meeting to be held via internet, any documents to be made available, motions from shareholders that are to be made available as well as further information relating to the annual general meeting (including the rights of shareholders) are available on the company’s website at www.schaeffler.com/agm. The documents to be made available will also be available during the Virtual Annual General Meeting on April 23, 2021.

The convocation of the Virtual Annual General Meeting is published in the Federal Gazette dated March 12, 2021 and was submitted for publication to such media for which it may be expected that they will disseminate the information across the European Union.

Video and audio transmission of the entire annual general meeting

The shareholders of Schaeffler AG may follow the entire annual general meeting (including answering the questions submitted in due time by means of electronic communication and the vote) on April 23, 2021 starting 10:00 (CEST) on the internet (www.schaeffler.com/agm) upon entering their access credentials.

In addition to a password, the required access credentials includes the surname, first name and place of residence of the person (and in case of legal entities or partnerships, the full company name and registered office) to whom the access card has been issued, in each case, as printed on the access card. The password is printed on the access card which will be sent to all holders of common voting shares and common non-voting shares, that have duly registered their participation in the Virtual Annual General Meeting, in due time prior to the annual general meeting.

The opening of the general meeting by the chairman of the meeting, the speech of the chairman of the Supervisory Board and the speech of the Chief Executive Officer will be broadcast for the interested public at www.schaeffler.com/agm and will remain available after the Virtual Annual General Meeting as an online recording at the aforementioned address.

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

Herzogenaurach, March 2021

The Board of Managing Directors

Information on data protection for shareholders

The company, as the responsible body within the meaning of Article 4 no. 7 of the General Data Protection Regulation, processes personal data (last name, address, email address, number of shares, class of shares, type of ownership of shares and number of the access card) based on applicable data protection laws. In addition, the company also processes personal data of a proxy holder authorized by a shareholder, if any (in particular, such proxy holder's name and place of residence). If a shareholder or proxy holder makes use of the opportunity to ask questions pursuant to article 2 section 1 para. 2 no. 3 COVID-19 Mitigation Act or otherwise contacts the company, the company also processes the personal data required or conducive to respond to any inquiries (such as the contact information provided by the shareholder or proxy holder, e.g., telephone numbers).

Depending on individual cases, this may also apply to additional personal data. For example, the company processes information on questions and motions to supplement the agenda from shareholders at the general meeting. In the event of counter motions or motions to supplement the agenda, which must be made available, the company will also publish such proposals together with the shareholder's name, online at <http://www.schaeffler.com/agm>.

The processing of personal data of shareholders is required pursuant to sections 118 et seq. AktG in order to prepare, carry out and perform follow-up work on the Virtual Annual General Meeting, as well as to enable shareholders to exercise their rights in connection with the general meeting. Without the provision of such personal data, a participation of shareholders in Virtual Annual General Meeting and the exercise of voting rights and other rights would not be possible. The AktG in conjunction with Article 6 para. 1 c) of the General Data Protection Regulation, form the legal basis for the processing. Given that all shares in the company are bearer shares, the company does, however, point out that shareholders may be represented by an intermediary (section 135 para. 5 AktG), a shareholders' association, a proxy advisor or any other equivalent person or institution pursuant to section 135 AktG, while maintaining their anonymity and without providing personal data, respectively. The company may also process personal data to fulfil other legal obligations, such as regulatory requirements as well as obligations to retain data under stock corporation laws, securities laws, commercial laws and tax laws. The relevant statutory provisions in conjunction with Article 6 para. 1 sentence 1 c) of the General Data Protection Regulation form the legal basis for such processing.

The company's service providers that are commissioned for the purpose of holding the general meeting receive personal data from the company only to the extent such data is required to provide the requested services and only process the data in accordance with instructions from the company.

Furthermore, personal data is made available to the shareholders and shareholder representatives in accordance with applicable laws, notably in the form of the list of participants. Shareholders and shareholder representatives may inspect the list of participants for a period of up to two years after the Virtual Annual General Meeting (section 129 para. 4 sentence 2 AktG).

The company does not use personal data recorded in connection with the general meeting for any decision based on automated processing and does not engage in any profiling.

The company and its service providers, respectively, generally receive personal data of shareholders via the registration office of the financial institutions such shareholders have commissioned to hold their shares in the company (so-called custodian banks).

The storage period for the data recorded in connection with the general meeting regularly amounts to up to three years, unless the company is legally required to provide evidence and retain data for a longer period of time or where the company has a legitimate interest in further retention, for example in case of judicial and extrajudicial disputes in connection with the general meeting. After the expiration of the relevant period, personal data will be deleted.

If certain statutory requirements are met, shareholders have information, correction, limitation, objection and deletion rights with respect to their personal data and the processing thereof. If personal data of shareholders is inaccurate or incomplete, such shareholders have the right to request a correction and supplement. Shareholders may at any time request the deletion of their personal data, unless the company is legally required or entitled to further process their data. Furthermore, shareholders have a right to data portability pursuant to Article 20 of the General Data Protection Regulation.

Shareholders can assert these rights vis-à-vis the company free of charge via the following contact details, which also allow shareholders to contact the company with respect to questions on data protection:

Schaeffler AG
Industriestraße 1-3
91074 Herzogenaurach
Fax: +49 9132 82-5901
Email: Datenschutz@schaeffler.com

Moreover, shareholders have the right to file a complaint with the data protection supervisory authorities pursuant to Article 77 of the General Data Protection Regulation.

The data protection supervisory authority responsible for the company is:

Bayerisches Landesamt für Datenschutzaufsicht
Promenade 27
91522 Ansbach
Tel.: +49 981 53-1300
Fax: + 49 981 53-5300
Email: poststelle@lda.bayern.de

The company's data protection officer can be contacted at:

Schaeffler AG
Data Protection Officer
Industriestraße 1-3
91074 Herzogenaurach
Fax: +49 9132 82-5901

Additional information on Agenda item 8

Ulrike Hasbargen

Tax consultant/auditor, member of the supervisory board of Ernst & Young GmbH

Personal information:

Year of birth: 1961

Nationality: German

Education: Degree in business administration from the University of Cologne, Germany

Tax consultant/auditor

Professional career:

1985 - 2002 Arthur Andersen GmbH
Wirtschaftsprüfungsgesellschaft,
Steuerberatungsgesellschaft (initially in Frankfurt, then New York and eventually Munich)

2000 Joined the partnership and appointment as Managing Partner Human Capital Services (until 2015)

2002 - 2020 Ernst & Young AG (merger with Arthur Andersen) / after change of legal form in 2009 Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

2005 - 2010 Ernst & Young AG / after change of legal form in 2009 Ernst & Young GmbH
Managing Partner Tax Services Tax Division Bavaria

2010 - 2020 Ernst & Young GmbH
Joined the Tax Core Team (Leadership) Germany, Austria and Switzerland

2015 - 2020 Ernst & Young GmbH
Managing Partner People Advisory Services for Germany, Austria and Switzerland

Information on memberships in other statutory supervisory boards and comparable domestic and foreign supervisory bodies of businesses

Ernst & Young GmbH

No further material activities.

Independence (Recommendation C.13 DCGK)

There are no personal or business relationships with the company, the governing bodies of Schaeffler AG, or a significant shareholder of Schaeffler AG.