

**SCHAEFFLER**

**Invitation  
to the Annual General Meeting of  
Schaeffler AG on April 21, 2022**

*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.*

## **Agenda**

1. Presentation of the adopted separate financial statements and the approved consolidated financial statements as at December 31, 2021, and the combined management report for the company and the group, as well as the report of the Supervisory Board for the business year 2021
2. Resolution on the appropriation of the retained earnings available for distribution for the business year 2021
3. Resolution on the approval of the acts of the members of the Board of Managing Directors for the business year 2021
4. Resolution on the approval of the acts of the members of the Supervisory Board for the business year 2021
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 Board of Managing Directors
7. Resolution on the approval of the remuneration report

**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

Thursday, April 21, 2022, 10:00 (CEST)

to be held as virtual event without physical presence of the shareholders or their proxies at [www.schaeffler.com/agm](http://www.schaeffler.com/agm) ("**Virtual Annual General Meeting**"). The location of the meeting within the meaning of the German Stock Corporation Act (*Aktiengesetz – AktG*) is 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 (with the exception of designated proxies of the company).

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 August 31, 2022, by the Act on the Establishment of a Special Fund "Reconstruction Assistance 2021" and on the Temporary Suspension of the Obligation to File an Insolvency Application Due to Heavy Rainfall and Floods in July 2021 and on the Amendment of Other Laws of September 10, 2021 (BGBl I No. 63 2021, p. 4147).

**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 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, 2021, and the combined management report for the company and the group, as well as the report of the Supervisory Board for the business year 2021

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](http://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 2021

The Board of Managing Directors and the Supervisory Board propose to appropriate the retained earnings for business year 2021 of EUR 450,253,001.01 reported in the separate financial statements of Schaeffler AG as follows:

Distribution of a dividend of EUR 0.50 per common non-voting share entitled to a dividend, at 166,000,000 common non-voting shares this comes to:	EUR 83,000,000.00
Distribution of a dividend of EUR 0.49 per common share entitled to a dividend, at 500,000.00 common shares this comes to:	EUR 245,000,000.00
Retained earnings:	EUR 122,253,000.01

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 26, 2022.

### 3. Resolution on the approval of the acts of the members of the Board of Managing Directors for the business year 2021

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 2021 for this period.

### 4. Resolution on the approval of the acts of the members of the Supervisory Board for the business year 2021

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 2021 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 2022;

- 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 2022; 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 2022 and/or for the first quarter of the financial year 2023.

## **6. 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 Board of Managing Directors 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 April 23, 2021. Under the adjusted remuneration system, sustainability targets will be reflected even more strongly in both short-term and long-term remuneration in the future. The Schaeffler Group is thus emphasising the importance it assigns to the topic of “sustainability”. In addition, the peer group relevant for the horizontal comparison of Board of Managing Directors’ remuneration, the definition of the remuneration-relevant financial performance criteria and the amount of the maximum remuneration were updated, and the weighting of the service condition was reduced and made more flexible for future financial years. Furthermore, the date by which the share purchase obligation must be fulfilled was specified.

The adjusted remuneration system applies retroactively as of January 1, 2022 for already appointed members of the Board of Managing Directors as well as for 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, 2022, be approved.

The proposed remuneration system for the members of the Board of Managing Directors is sited after the agenda in section II. “Reports and further information on items on the agenda”.

## **7. Resolution on the approval of the remuneration report**

Pursuant to section 162 AktG, which was amended by the Act Implementing the Second Shareholders' Rights Directive (ARUG II), a remuneration report must be prepared by the Board of Managing Directors and the Supervisory Board for the first time for the financial year beginning after December 31, 2020 and submitted to the annual general meeting for approval pursuant to section 120a para. 4 of the AktG.

The remuneration report was audited by the auditor in accordance with section 162 para. 3 AktG to determine whether the legally required disclosures pursuant to section 162 para. 1 and 2 AktG were made. In addition to the legal requirements, the auditor also examined the content of the report. The auditor's report on the remuneration report is attached to the remuneration report.

The Board of Managing Directors and the Supervisory Board propose to approve on the remuneration report for the business year 2021.

The remuneration report for the members of the Board of Managing Directors is sited after the agenda in section II. "Reports and further information on items on the agenda" and can be accessed from the convening of the Annual General Meeting onwards at the internet address [www.schaeffler.com/hv](http://www.schaeffler.com/hv).



## **II. Reports and further information**

### **Remuneration system for the members of the Board of Managing Directors**

(Concerning item 6 of the agenda)

**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*)**

## **Table of Content**

### **Preamble**

- A. GUIDING PRINCIPLES OF THE REMUNERATION SYSTEM FOR THE MEMBERS OF THE BOARD OF MANAGING DIRECTORS OF SCHAEFFLER AG**
- B. PROCESS OF DETERMINING, IMPLEMENTING AND REVIEWING THE REMUNERATION SYSTEM**
- C. DETAILS OF THE REMUNERATION SYSTEM**
- I. Remuneration Components**
  - 1. Overview of the Remuneration Components and their relative proportions of the remuneration .....
  - 2. Fixed Remuneration Components
  - 3. Variable Remuneration Components
  - 4. Other Benefits
- II. Maximum Remuneration**
- III. Malus and Clawback Provisions**
- IV. Share Ownership Guidelines**
- V. Legal Provisions related to Remuneration**
  - 1. Terms and Conditions for Termination of Remuneration-related Legal Transactions, Including the Respective Notice Periods
  - 2. Severance Payments



## **Preamble**

As part of its regular review of the remuneration system for the members of the, the Supervisory Board of Schaeffler AG has reviewed the system of remuneration for the Board of Managing Directors of Schaeffler AG with focus on the importance of the topic of “sustainability“ for the Schaeffler Group and has decided to reflect sustainability objectives even more strongly in both short-term and long-term remuneration in the future. The changes will be explicitly reflected in the remuneration system and will not be based on the opening clauses contained in the remuneration system approved by the Annual General Meeting on April 23, 2021. In doing so, the Schaeffler Group is emphasizing the relevance it attaches to the issue of sustainability.

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, 2022 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 Dezember 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 comparable national 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 comparable national companies defined by the Supervisory Board of Schaeffler AG. 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, 2022 as well as to new or renewed service contracts with members of the Board of Managing Directors and reappointments.

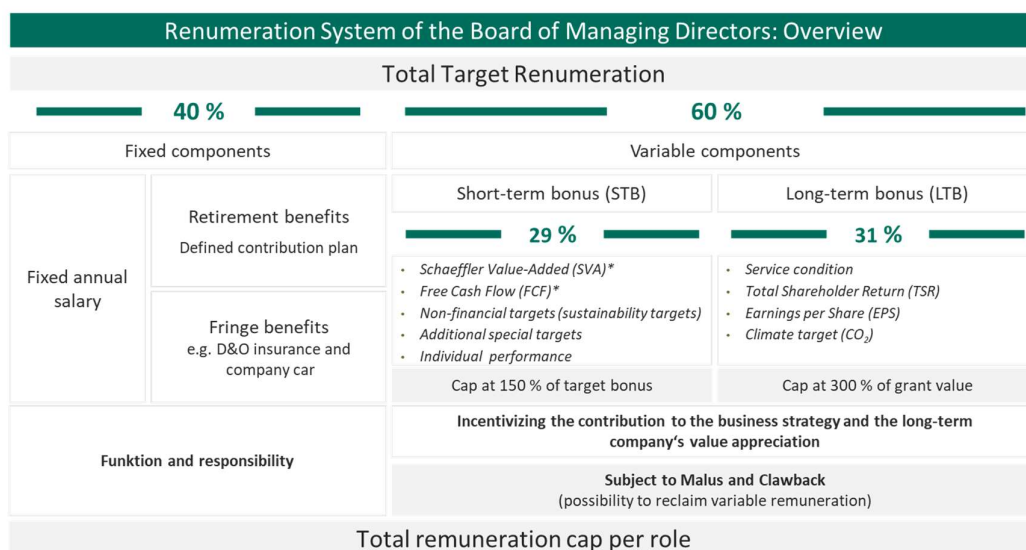
The Supervisory Board may temporarily deviate from the remuneration system (Provisions related to the Process of Determination and the Remuneration Structure), its individual components and regarding individual remuneration components of the remuneration system or implement new remuneration components, 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.



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%.

The percentages of individual remuneration components of the total target remuneration for individual members of the Board of Managing Directors may slightly 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 percentages stated may differ for future fiscal years, e.g. due to the granting of temporary payments or other benefits on the occasion of the assumption of office to new members of the Board of Managing Directors in accordance with Paragraph 4 or the development of the expense of contractually agreed fringe benefits and for any new appointments.

## **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 a maximum of EUR 195,000 and for the Chief Executive Officer to a maximum of 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. 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**

As a fringe benefit, Schaeffler AG provides each member of the Board of Managing Directors with a company car, also for private use. In addition, there is a D&O insurance policy with a deductible in accordance with the requirements of the German Stock Corporation Act of 10% of the damage up to at least 150% of the fixed annual salary. The members of the Board of Managing Directors members also receive an allowance for health and long-term care insurance and for contributions to the personal pension scheme (*Persönliches Vorsorgekonzept* – PVK). The members of the Board of Managing Directors are also included in the group

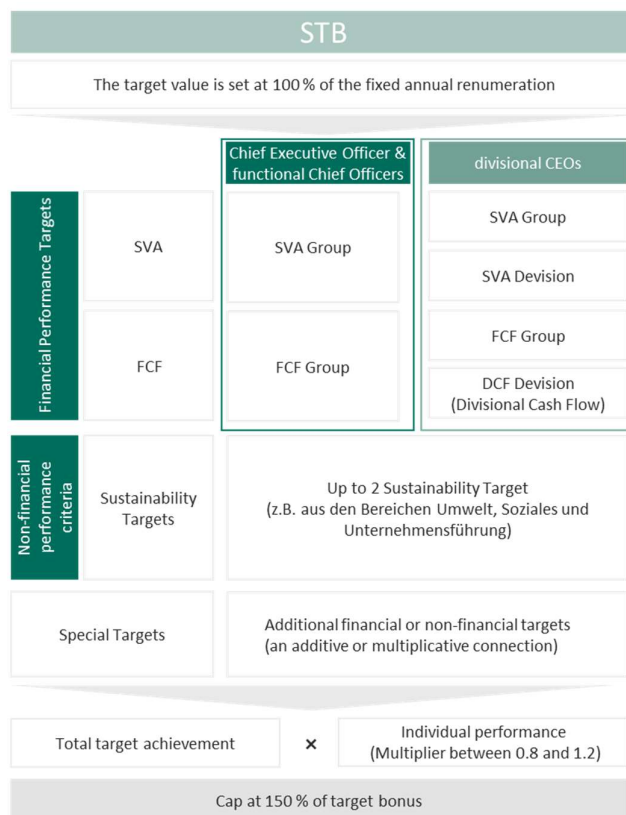
accident insurance. In the case of new appointments, further fringe benefits may be agreed in individual contracts.

### 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 cover the financial targets derived from the business strategy as well as non-financial targets. The financial targets are weighted at 80%, the non-financial targets at 20%. In addition, the Supervisory Board can define other special 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. Stefan 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 Officers<sup>1</sup> 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 financial performance targets for divisional CEOs<sup>2</sup> 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 gross of special effects 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 (1) Cash Flow from operating activities, (2) Cash Flow from investment activities, (3) repayments of lease liabilities, (4) excluding payments made and received for M&A activities in the relevant financial year. The DCF Division is calculated as from Schaeffler's internal divisional standard management reporting for the divisions in the relevant financial year and follows the basic business logic of the Group FCF (excl. tax and interest payments).

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 Non-financial performance criteria

The non-financial targets relate to environmental, social and governance (ESG targets) performance criteria. The Supervisory Board sets up to two non-financial targets and their weighting for the upcoming financial year. Non-financial targets are based on the Schaeffler Group's sustainability strategy and anchor related measures in the remuneration.

The Supervisory Board sets the target scales for the non-financial performance criteria annually. Target achievement for the respective financial year is determined by comparing the respective actual value with the target value set.

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<sup>1</sup> 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).

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

### **3.1.3 Special Targets**

The Supervisory Board is entitled to define additional special targets and thus further financial and non-financial targets. The special targets can either be defined as additional performance criteria (leading to a reduction of the weighting of the financial and non-financial performance criteria) or as a multiplier applied to the overall target achievement of the STB.

### **3.1.4 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.

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

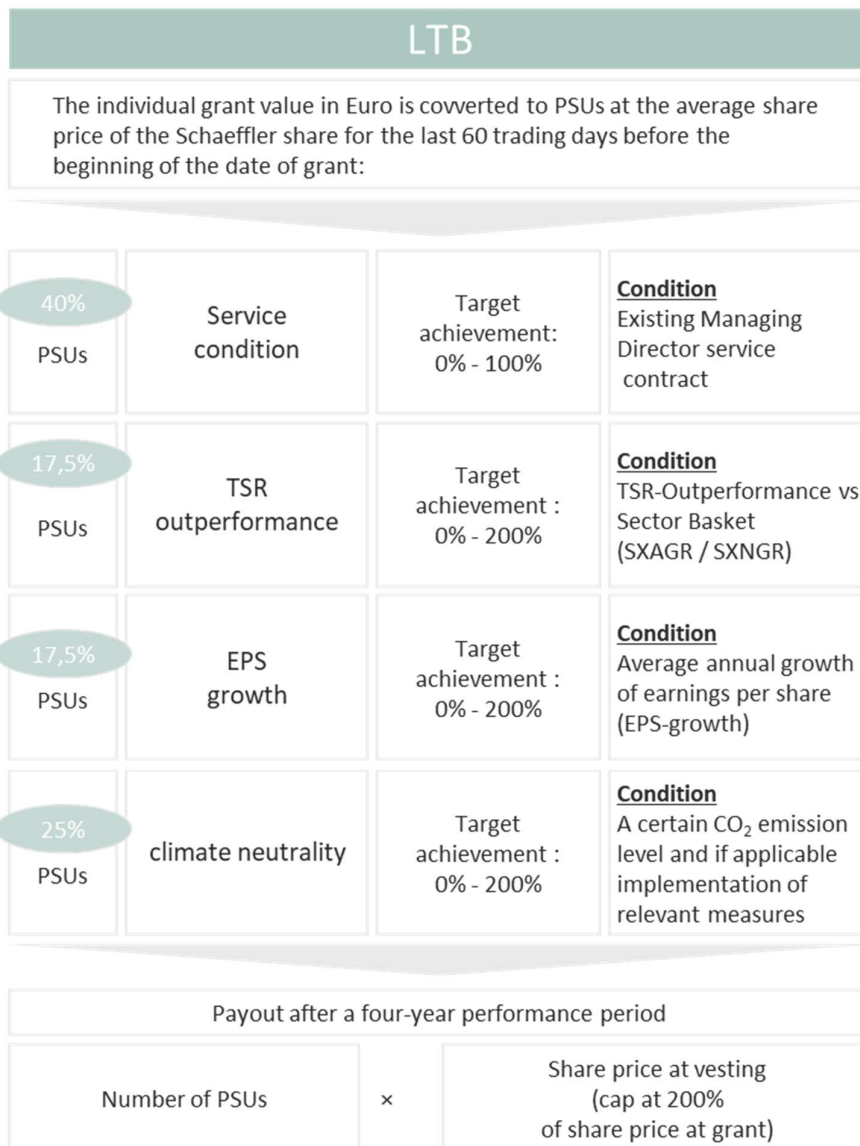
In the event of the termination of the Board of Managing Directors member's service agreement for good cause, revocation of the appointment for good cause by Schaeffler AG or in the event of the Board of Managing Directors member's resignation without cause, the STB entitlement for the respective financial 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, long-term competitiveness as well as the implementation of the strategic sustainability program "Path to Net Zero". 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 January 1, 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 as well as CO<sub>2</sub> emission level ("**climate neutrality target**").



The Supervisory Board sets performance scales for each LTB tranche. Performance scales define the level of outperformance of Total Shareholder Return, the level of the average annual growth of Earnings Per Share or at what CO<sub>2</sub> emission level 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 40%. The Supervisory Board is entitled to adjust the weighting of the service condition for future financial years at its reasonable discretion.

### 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 OEM, 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 17.5%.

### **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 Climate neutrality**

The Schaeffler Group's long-term strategy focuses on the topic of "sustainability" and, in particular, "climate neutrality". The climate neutrality target links parts of the long-term bonus to the implementation of the strategic program "Path to Climate Neutrality". For each performance period, the supervisory board sets one or more equally weighted targets for the climate neutrality target, which are derived from the "Path to Climate Neutrality".

Target achievement for the respective performance period is determined by comparing the respective actual value with the target value set by the Supervisory Board.

Unless otherwise specified, the weighting of the climate neutrality target is 25%.

### **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 7,650,000. For each ordinary member of the Board of Managing Director, the Maximum Remuneration amounts to EUR 3,875,000. Due to existing contractual provisions for Dr. Spindler the Maximum Remuneration amounts to EUR 4,580,000.

### **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 the period of their service agreements (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 members of the Board of Managing Directors incumbent on January 1, 2020, the obligation must be fulfilled until 31 December 2023. All other members of the Board of Directors shall fulfil the obligation until the end of the first performance period of the LTB. 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. As a general rule, Managing Directors are appointed for a period of three years when they are first appointed. The reappointment period is usually five years.

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.

**Remuneration report**  
(Concerning item 7 of the agenda)

Remuneration report 2021

**Contents**

- 1. Remuneration of Managing Directors**
  - 1.1 Review of 2021
  - 1.2 Remuneration principles
  - 1.3 Remuneration for 2021
  - 1.4 Share-based payment – overview
  - 1.5 Share ownership requirements
  - 1.6 Retirement benefits
  - 1.7 Other information on the remuneration of Managing Directors
  - 1.8 Amounts of remuneration of the Board of Managing Directors
- 2. Remuneration of members of the Supervisory Board**
  - 2.1 Overview of remuneration of Supervisory Board in 2021
  - 2.2 Amounts of remuneration of the Supervisory Board
- 3. Comparative information on remuneration**
- 4. Auditor's report**

This remuneration report sets out detailed information about the benefits awarded and due as well as compensation granted to current and former Managing Directors and members of the Supervisory Board of Schaeffler AG. It also describes the main features of the current remuneration systems for the Board of Managing Directors and the Supervisory Board.

The remuneration report complies with the requirements of section 162 German Stock Corporations Act (*Aktiengesetz – AktG*) and reflects the recommendations of the German Corporate Governance Code (GCGC) dated December 16, 2019. This remuneration report will be submitted to the annual general meeting for approval on April 21, 2022.

Detailed descriptions of the remuneration systems for the Managing Directors and the members of the Supervisory Board of Schaeffler AG are available from the website.



# 1. Remuneration of Managing Directors

## 1.1 Review of 2021

### Financial performance

Despite the challenging market environment in the second half of the year, the Schaeffler Group did well overall in 2021. The considerable revenue growth of 9.7% excluding the impact of currency translation considerably exceeded the prior year. The Automotive Technologies division generated considerable revenue growth of 7.4% excluding the impact of currency translation which was attributable to the vigorous first half of 2021. In the second half of the year, growing bottlenecks in global supply chains, particularly those for semiconductors, significantly reduced customers' call-offs and considerably lowered sales volumes, driven by the market. On the whole, the Automotive Technologies division once more considerably outperformed global automobile production which increased by 3.4% in 2021.

Unlike the Automotive Technologies division, the Automotive Aftermarket and Industrial divisions grew in the second half of the year as well, resulting in both divisions generating strong double-digit full-year growth rates of 13.0% and 13.6%, respectively.

The recovery of the business has significantly improved earnings in 2021. A strong EBIT margin before special items of 9.1% considerably exceeded the prior year. Volume decreases at the Automotive Technologies division and rising cost of materials due to the worldwide shortage of raw materials in the second half of 2021 were partly mitigated by the encouraging earnings trend of the Industrial division. The year-on-year decline in the Automotive Aftermarket division's EBIT margin before special items was primarily due to higher product expenses.

Free cash flow before cash in- and outflows for M&A activities of EUR 523 m was ahead of the prior-year level in spite of restructuring expenditures.

### Changes to the Board of Managing Directors

Dr. Klaus Patzak resigned from his position on Schaeffler AG's Board of Managing Directors – Finance & IT – by mutual agreement effective August 1, 2021. The Supervisory Board agreed to Dr. Klaus Patzak's resignation from his position on the Board of Managing Directors effective August 1, 2021, at its extraordinary meeting held on July 30, 2021.

At its meeting on August 27, 2021, the Supervisory Board of Schaeffler AG appointed Claus Bauer as Managing Director of Schaeffler AG responsible for Finance and IT for a two-year term of office effective September 1, 2021.

At its extraordinary meeting on April 21, 2021, the Supervisory Board of Schaeffler AG appointed Jens Schüler as the new CEO of the Automotive Aftermarket division and as a member of the Board of Managing Directors of Schaeffler AG effective January 1, 2022. Jens Schüler succeeds Michael Söding who has stepped down from his position and retired by mutual agreement effective December 31, 2021.

### Amendments to the remuneration system

As part of the periodic review of the remuneration system for the Managing Directors of Schaeffler AG at its meeting on February 26, 2021, the Supervisory Board of Schaeffler AG decided to selectively amend the remuneration system approved by the annual general meeting on May 8, 2020.

The amendment consisted of adding a clause that permits additional benefits to be granted to new Managing Directors upon joining the Board of Managing Directors ("sign-on bonus"). This type of payment or other benefit can serve to offset financial disadvantages a Managing Director incurs at a previous employer as a result of joining Schaeffler AG – particularly due to variable remuneration forfeited. This addition is intended to contribute to Schaeffler AG's continued ability to attract appropriate and qualified candidates for a position on its Board of Managing Directors in the future.

All other aspects of the remuneration system 2021 are unchanged from the prior year.

## 1.2 Remuneration principles

The full Supervisory Board determines the system and amount of remuneration of individual Managing Directors including the cap on remuneration. The executive committee prepares the Supervisory Board's decisions regarding the system and remuneration of individual Managing Directors.

The current remuneration system was developed with the support of independent external consultants. The total remuneration of the Board of Managing Directors is performance- and success-based and supports the Schaeffler Group's operational and strategic objectives in a dynamic and international environment. Remuneration was set based on the following principles:

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**Linking performance and remuneration:**

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The variable performance-based remuneration components should exceed the fixed remuneration components relative to total target remuneration in order to ensure remuneration is performance-based.

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**Value creation and free cash flow:**

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Remuneration should promote the achievement of Schaeffler AG's overarching objectives of creating value sustainably and generating free cash flow. The related strategic and operating performance indicators should serve as performance criteria embedded in the variable remuneration of the Managing Directors.

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**Variable remuneration focused on long-term and sustainable appreciation of shareholder value:**

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Variable remuneration should be largely long-term in nature and linked to appreciation of shareholder value. In order to reflect the growing importance of sustainability within the company's strategy, sustainability targets should be addressed in variable remuneration.

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**Strengthening orientation toward the capital markets and more extensively aligning interests with those of shareholders:**

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Managing Directors are obligated to purchase a set amount of Schaeffler AG's common non-voting shares and to hold them until the end of their term of service with Schaeffler AG (obligation to purchase and hold shares).

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The current remuneration system for Managing Directors was approved by the annual general meeting of Schaeffler AG on April 23, 2021, and is effective from January 1, 2021.

## Overview of remuneration of Managing Directors for 2021 and changes planned for 2022

The remuneration of all Managing Directors consists of fixed remuneration as well as short- and long-term variable components. The variable component is largely long-term in nature. In addition, Managing Directors receive pension commitments and the customary fringe benefits.

At its meeting on December 17, 2021, Schaeffler AG's Supervisory Board passed a resolution to enhance the company's remuneration policy for the Board of Managing Directors. In order to reflect the growing importance of sustainability within the company's strategy, the Supervisory Board has decided to embed sustainability targets in the short-term bonus (STB) as well as in the long-term bonus (LTB). For the STB, a maximum of two environmental, social, and governance (ESG) targets are defined each year; 20% of the STB is subject to achievement of these targets. Implementation of the "Path to Climate Neutrality" will be embedded in the LTB with a weight of 25% starting with the plan's 2022–2025 tranche.

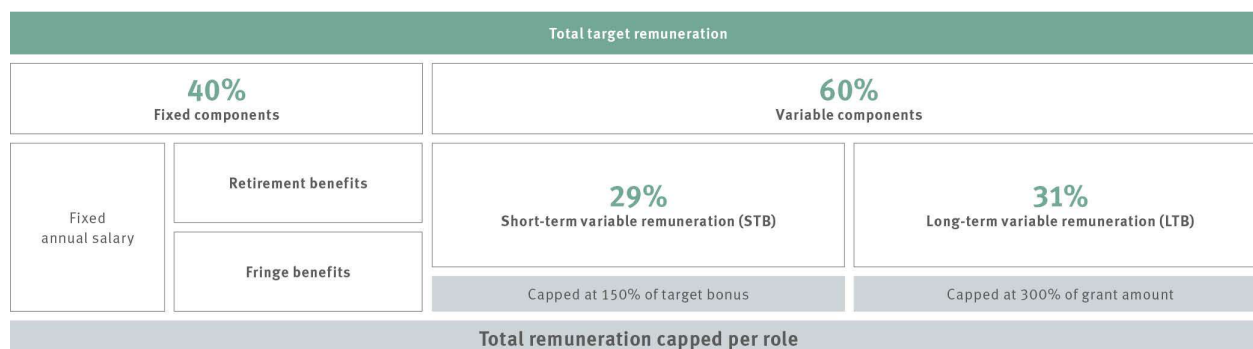
Overview of remuneration system				
Component	Objective	Structure 2021		Planned changes 2022
Non-performance-based components		Target amount (in € thousands)	Description	
Fixed annual salary		CEO: 1,200 Managing Director: 600	Annual base remuneration Payout in twelve monthly installments	To remain unchanged
Fringe benefits	Reflects the role and area of responsibility within the Board of Managing Directors Secures an appropriate basic income and prevents inappropriate risk-taking	CEO/Managing Director: up to 42	Company car (including for private use) Insurance benefits incl. pecuniary damage liability insurance (D&O insurance)	To remain unchanged
Retirement benefits	Ensures adequate retirement benefits	CEO: 390 Managing Director: 195	Defined contribution model	To remain unchanged

Performance-based components				
Short-term variable remuneration (STB)	Promotes profitable growth taking into account the overall responsibility of the Board of Managing Directors and individual performance of Managing Directors	CEO: 1,200 Managing Director: 600 <sup>1)</sup>	<b>Financial targets</b> – CEO and Chief Officers of the functions (1) SVA Group (vs. target value) (50%) (2) FCF Group (vs. target value) (50%) – Divisional CEOs (1) SVA Group (vs. target value) (25%) (2) SVA Division (vs. target value) (25%) (3) FCF Group (vs. target value) (25%) (4) DCF Division (vs. target value) (25%) <b>Strategic targets</b> – Strategic sustainability target (multiplier 0.9–1.1) (1) Improve energy efficiency (2) Improve occupational safety Capped at 150% of target bonus	ESG targets will be integrated in the STB as non-financial targets with a weight of 20%. The Supervisory Board will define a maximum of two ESG targets each year. The weights of the financial targets (FCF/DCF and SVA) will be reduced proportionally. The Supervisory Board will retain the ability to define a further special target.
Long-term variable remuneration (LTB)	Promotes the sustainable development of shareholder value – while simultaneously aligning the interests of the Managing Directors and shareholders	CEO: 1,300 Managing Director: 650 <sup>2)</sup>	<b>Share-based remuneration instrument</b> Individual grant amount is converted to PSUs at the average closing price of Schaeffler shares on the last 60 trading days – Service condition (50% PSUs) (target achievement rate 0–100%) – TSR outperformance (25% PSUs) (target achievement rate 0–200%) – EPS growth (25% PSUs) (target achievement rate 0–200%) Payout after a four-year performance period (number of PSUs x share price at payout) Share price at payout is the average closing price of Schaeffler shares on the last 60 trading days of the relevant performance period Share price at payout capped at 200% of share price at grant date, equaling a cap of 300% of the target LTB amount	A sustainability target will be implemented in the long-term bonus starting with the plan's 2022 tranche: 25% of the LTB is subject to implementation of the Path to Climate Neutrality. To this end, the Supervisory Board will establish, for each tranche, a four-year target derived from the relevant milestones. Weights of other factors will be reallocated: 35% are subject to achievement of financial targets (TSR and EPS, 17.5% each) while 40% are tied to a service condition.
Further remuneration arrangements				
Share ownership requirements	Promotes an equity culture and ensures close alignment of the interests of the Managing Directors with shareholders' interests	CEO: 2,400 Managing Director: 600	Obligation to invest in Schaeffler common non-voting shares – CEO: 200% of annual fixed remuneration – Ordinary Managing Director: 100% of annual fixed remuneration Obligation to hold throughout period of service as Managing Director Prerequisite for payout of LTB starting with 2020–2023 tranche	To remain unchanged
Compliance- and performance clawback	Ensures the sustainable development of the company and reflects the duty of care of Managing Directors		Ability of Supervisory Board to reduce, withhold, or claw back the variable remuneration in the event of a severe violation of the duty of care	To remain unchanged
1) Individual contractual agreement for Dr. Spindler: EUR 750 thousand. 2) Individual contractual agreement for Dr. Spindler: EUR 800 thousand.				

## Remuneration structure

The diagram illustrates the general structure of the total target remuneration. The share of the total target remuneration represented by each of the various components can vary by a few percentage points between Managing Directors since amounts of fringe benefits differ between individuals.

### Structure of total target remuneration



The relative share of the target remuneration represented by each component was within the defined ranges for all Managing Directors in 2021. The relative share each remuneration component represents of the benefits awarded and due can differ

from this as a result of actual target achievement for 2021 for the variable remuneration (and the inclusion of the “One-off PSU grant 2020”).

## Appropriateness of the remuneration

The Supervisory Board ensures that the current remuneration system and the amount of the remuneration are regularly reviewed for appropriateness.

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

The Supervisory Board of Schaeffler AG has engaged Ernst & Young Wirtschaftsprüfungsgesellschaft (EY) to review the appropriateness of the remuneration of the Board of Managing Directors. In a report issued in 2020, EY concluded that the total remuneration of the Managing Directors is customary and appropriate in comparison to that of other companies of comparable size within the same industry and country with respect to the amount, structure, and features of remuneration instruments.

For the horizontal comparison, the amount and structure of both the various components and the total target remuneration of the CEO and the ordinary Managing Directors were compared to remuneration market data of peer companies. For the comparison performed in 2020, appropriateness of the remuneration of the CEO and the ordinary Managing Directors was assessed based on companies included in the MDAX as at December 31, 2019, as well as an individually defined peer group. The individual peer group comprised the following publicly listed international companies: Continental AG, Copart Inc., Deutz AG, ElingKlinger AG, Gestamp Automoción S.A., Goodyear Tire & Rubber Co., KAP AG, Leoni AG, Michelin AG & Co. KGaA, Plastic Omnium S.A., Rheinmetall AG, SGL Carbon SE, TI Fluid Systems plc., and The Timken Company.

The vertical comparison was based on the average remuneration of the Schaeffler Group’s employees (total workforce), which reflects the company’s international nature. The ratio of the amount of remuneration of the Managing Directors to average employee remuneration was compared to the corresponding ratios of MDAX companies.

## Cap on remuneration

In accordance with the new legal requirements of section 87a AktG, the Supervisory Board caps the total remuneration per year per Managing Director (cap on remuneration). The cap on remuneration for the relevant year is calculated based on the maximum amounts of the various components of remuneration (base remuneration for the year, STB, LTB) as well as retirement benefits and other fringe benefits. The cap on remuneration limits the total amount of remuneration that can be granted to a Managing Director for a given year, regardless of whether this remuneration is paid during that year or at a later date.

The cap on remuneration for 2021 amounts to EUR 7,390 thousand for the Chief Executive Officer and EUR 3,745 thousand for each ordinary Managing Director. The amount for Dr. Spindler differs due to existing contractual commitments: The cap on his remuneration for 2021 is EUR 4,420 thousand.

The above caps on remuneration apply to the amounts actually incurred for the short-term bonus and the long-term bonus, regardless of whether they are paid out during the year or at a later date. The final amount incurred (payout amount) for the 2020–2024 tranche of the long-term bonus will not be determined until the end of 2024. Compliance with the cap on remuneration for 2021 will be finally reported on in the 2024 remuneration report.

## Malus clause and claw-back provision

With a view to the requirements of the GCGC, the company has introduced a malus clause and claw-back provision for variable remuneration. Especially in the event of a severe violation of the duty of care in managing the company, the Supervisory Board can decide to reduce, cancel, or reclaim the variable remuneration. Should a violation be discovered or become known, variable components previously paid can be clawed back within five years of payment. As the Supervisory Board is not aware of any matters triggering a malus clause that would impede payment of the variable remuneration for 2021, this clause has not been applied.

## 1.3 Remuneration for 2021

### Fixed remuneration

Each ordinary Managing Director received an identical amount of fixed remuneration (EUR 600 thousand); the Chief Executive Officer received twice this amount (EUR 1,200 thousand). Fixed remuneration was paid in twelve equal installments each month. No separate remuneration was paid for positions held on supervisory or similar boards of group companies.

### Fringe benefits

Fringe benefits granted in 2021 include the use of a company car, including for private purposes, and customary insurance benefits such as directors' and officers' liability insurance (D&O insurance). This D&O insurance policy includes a deductible provision that is in accordance with section 93 (2) (3) AktG. Tax on the pecuniary advantage related to fringe benefits granted is paid individually by each Managing Director. No loans were granted to members of the Board of Managing Directors in 2021.

### Short-term variable component – short-term bonus

The short-term bonus is linked to the key indicators of the Schaeffler Group's value creation – free cash flow of the Schaeffler Group (FCF Group) and Schaeffler Value Added of the Schaeffler Group (SVA Group). As a result, remuneration contributes significantly to successfully implementing the strategy and investing in growth areas while maintaining the focus on profitability and cash flow generation. The performance measures promote the Schaeffler Group's long-term growth by reflecting profitable growth as well as capital allocation and capital efficiency, which are part of the company's value-based management approach.

The short-term bonus paid out to the CEO and to the Chief Officers of the functions is determined based on the target achievement rate for the FCF Group and SVA Group performance targets which are weighted equally.

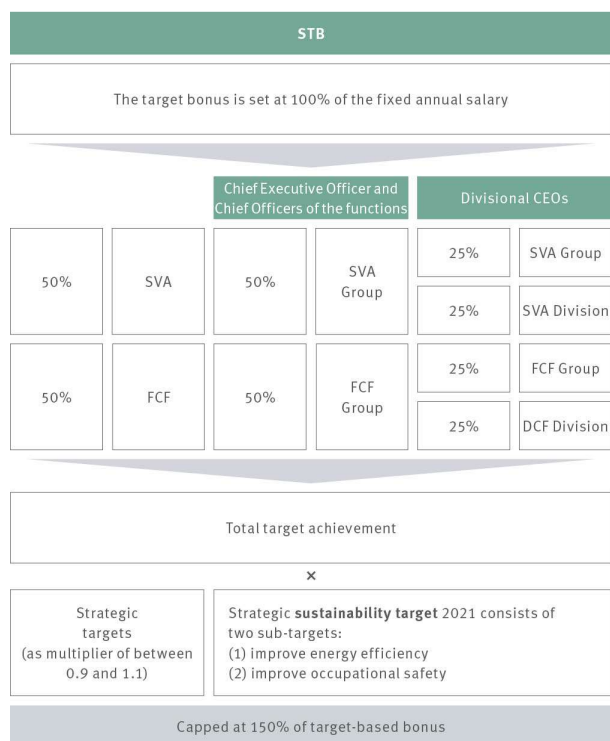
For the divisional CEOs, the target achievement rate is determined based on the FCF Group, SVA Group, divisional Schaeffler Value Added (SVA Division), and divisional cash flow (DCF Division) performance targets, again weighted equally.

FCF Group is calculated based on the sum of (1) cash flows from operating activities and (2) cash flows from investing activities as well as (3) principal repayments on lease liabilities (4) adjusted for cash in- and outflows for M&A activities. SVA Group is generally determined as the Schaeffler Group's EBIT before special items for the relevant period less its cost of capital for the relevant period. Cost of capital is calculated by applying the cost of capital set by the Supervisory Board (10% for 2021) to the Schaeffler Group's average capital employed. SVA Division is determined in the same manner as SVA Group based on measures segmented in accordance with IFRS 8. The DCF Division performance criterion is derived from Schaeffler's standard internal divisional management reports for the relevant year and follows the same logic as that of the FCF Group (excluding payments of tax and interest).

The Supervisory Board has availed itself of the option provided by the remuneration system to set a strategic target for 2021 in addition to the FCF, SVA, and DCF performance targets. Thus, a sustainability target was set that acts as an additional performance criterion.

This sustainability target is applied to the target achievement rate of each Managing Director in the form of a multiplier ranging from 0.9 to 1.1. However, the maximum payout is capped at 150% of the individual target bonus.

## Features of the short-term bonus (STB)



## Actual target achievement for the STB 2021

The target values (100%) for the various performance targets were derived from internal budgets. The following summary sets out the financial performance targets for 2021 and the related target achievement rates:

Actual target achievement for the STB 2021 – Schaeffler Group					
Schaeffler Group (in € millions)	Performance scale			Target achievement rate for 2021	
	0%	100%	150%	absolute (in € millions)	relative (in %)
Free cash flow	≤ -324	100	≥ 312	512	150.0
Schaeffler Value Added	≤ -229	141	≥ 326	467	150.0

The financial indicators underlying the performance targets have been adjusted for certain items in order to ensure that these financial indicators reflect operating performance. These items include, inter alia, the impact of acquisitions and disposals and the impact of certain restructuring programs.

The performance scales for DCF Division and SVA Division for 2021 were set in a similar manner. The performance scales relevant to 2021 and the resulting target achievement rates for the three divisions can be summarized as follows:

Actual target achievement for the STB 2021 – divisions					
Automotive Technologies (in € millions)	Performance scale			Target achievement rate for 2021	
	0%	100%	150%	absolute (in € millions)	relative (in %)
Divisional cash flow	≤ 0	430	≥ 645	869	150.0
Schaeffler Value Added	≤ -241	-73	≥ 11	91	150.0
Automotive Aftermarket (in € millions)	Performance scale			Target achievement rate for 2021	
	0%	100%	150%	absolute (in € millions)	relative (in %)
Divisional cash flow	≤ 0	173	≥ 260	93	53.8
Schaeffler Value Added	≤ 58	142	≥ 184	177	141.7
Industrial (in € millions)	Performance scale			Target achievement rate for 2021	
	0%	100%	150%	absolute (in € millions)	relative (in %)
Divisional cash flow	≤ 0	173	≥ 260	242	139.7
Schaeffler Value Added	≤ -46	72	≥ 131	198	150.0

In order to continue to embed the sustainability strategy and the related company initiatives in remuneration, the Supervisory Board has again set a sustainability target for 2021.

The sustainability target consists of the following equally-weighted sub-targets that can be either achieved or not achieved:

- “Improve energy efficiency” by implementing measures to increase energy efficiency which, together with the measures implemented in 2020, result in cumulative energy savings of at least 45 GWh per year, and
- “Improve occupational safety” by reducing the occupational accident rate defined as a reduction in the lost-time injury rate (LTIR) to at least 4.1.

Similar to the prior year, the sub-target “Improve energy efficiency” calls for the Board of Managing Directors to implement energy efficiency measures that, in combination with the measures implemented in the prior year, increase energy efficiency by at least 45 GWh<sup>1</sup> annually on a cumulative basis. These measures prioritize promoting the energy efficiency of buildings and plants as well as machinery and equipment. The energy efficiency measures and their implementation were reviewed by an external and independent expert. For the second sub-target, “Improve occupational safety”, the Supervisory Board established a reduction in the Schaeffler Group’s occupational accident rate to a lost-time injury rate (LTIR) of 4.1 or less in 2021. The focus of implementation was on consistently raising awareness of safety issues across all hierarchical levels and holding workshops on occupational safety specifically at plants with high accident rates. Occupational accidents include accidents of employees, temporary staff, apprentices, or trainees (total workforce excluding leased workers) resulting in the loss of at least one working day that occur while working at one of the plant locations or while traveling on business. Please refer to the sustainability report for further details.

104 measures aimed at increasing energy efficiency were taken worldwide, contributing a total of 19.39 GWh. In combination with the measures taken in 2020, which contributed 27.4 GWh, a total contribution of 46.82 GWh was achieved and the target of 45 GWh met as a result. Along with retrofitting further intelligent LED-based lighting systems, measures were also taken, for instance, to improve production equipment and central supply systems as well as heating, cooling, and compressed air systems.

<sup>1</sup> Estimated impact

With respect to improving occupational safety, the year 2021 closed with a group-level LTIR of 3.9. Hence, the second sub-target was met as well. In Germany alone, 47 workshops on occupational safety were held and 4 comprehensive safety assessments were performed at plants with high accident rates.

As a result, the target achievement multiplier for the sustainability target amounts to 1.1 in 2021.

Additionally, the Supervisory Board is entitled to adjust, using equitable discretion, any specific Managing Director's total STB target achievement rate by applying a multiplier ranging from 0.8 to 1.2 to reflect that Managing Director's individual performance. In exercising its equitable discretion, the Supervisory Board particularly takes into account whether the Managing Director has temporarily assumed additional responsibilities.

The Supervisory Board has set the individual performance factor for 2021 to 1.0.



## Final target achievement rates for the STB 2021

Total target achievement rates by performance target and final target achievement rates for the STB 2021 can be summarized by individual Managing Director as follows:

Final target achievement rates for the STB 2021								
	Performance criteria	Weight	Target achievement rate	Strategic target multiplier	Final target achievement rate	Individual target amount, in € thousands	Time factor <sup>1)</sup>	Payout amount 2021, in € thousands
<b>Rosenfeld, Klaus</b> (Chief Executive Officer)	FCF	50%						
	SVA	50%	150.0%	1.1	150.0%	1,200	1	1,800
<b>Zink, Matthias</b> (CEO Automotive Technologies)	FCF	25%						
	SVA	25%						
	DCF	25%						
	DSVA	25%	150.0%	1.1	150.0%	600	1	900
<b>Söding, Michael</b> (CEO Automotive Aftermarket) <sup>2)</sup>	FCF	25%						
	SVA	25%						
	DCF	25%						
	DSVA	25%	123.9%	1.1	136.3%	600	1	818
<b>Spindler, Stefan Dr.</b> (CEO Industrial)	FCF	25%						
	SVA	25%						
	DCF	25%						
	DSVA	25%	147.4%	1.1	150.0%	750	1	1,125
<b>Bauer, Claus</b> (Chief Financial Officer)	FCF	50%						
	SVA	50%	150.0%	1.1	150.0%	600	4/12	300
<b>Schick, Andreas</b> (Chief Operating Officer)	FCF	50%						
	SVA	50%	150.0%	1.1	150.0%	600	1	900
<b>Schittenhelm, Corinna</b> (Chief Human Resources Officer)	FCF	50%						
	SVA	50%	150.0%	1.1	150.0%	600	1	900
<b>Wagner, Uwe</b> (Chief Technology Officer)	FCF	50%						
	SVA	50%	150.0%	1.1	150.0%	600	1	900
<b>Patzak, Klaus Dr.</b> (former Chief Financial Officer) <sup>3)</sup>	FCF	50%						
	SVA	50%	150.0%	1.1	150.0%	600	1	900

1) Represents the portion of the year relevant to achieving the bonus (e.g., 1.0 if the Managing Director concerned held the relevant position throughout the year).  
2) Michael Söding left the Board of Managing Directors as at December 31, 2021.  
3) Dr. Klaus Patzak left the Board of Managing Directors as at July 31, 2021. No proration of STB pursuant to the termination agreement.

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

The long-term bonus in the form of a performance share unit plan (PSUP) is a share-based remuneration instrument that contributes to the alignment of interests between the Board of Managing Directors and the shareholders and promotes the sustainable development of the Schaeffler Group. The PSUP has been enhanced with the help of an external remuneration consultant and the enhancement was implemented as part of the new remuneration system in 2020.

### Features of the long-term bonus (LTB)



The service contracts of the Managing Directors set out a grant amount in euros that is based on each Managing Director's duties and responsibilities. To reflect the requirement that the remuneration structure be largely oriented toward the long term, this grant amount exceeds the individual target bonus under the variable short-term remuneration. The grant amount is calculated in performance share units (PSUs) at the average price of Schaeffler's common non-voting shares of the last 60 trading days before the beginning of the performance period (share price at grant date). For Managing Directors appointed during the year, PSUs are granted on a pro-rata basis.

Each PSUP tranche has a performance period of four years beginning on January 1 of the year it is granted. Vesting of PSUs granted in 2021 is linked to the three conditions below. Percentages of PSUs shown are based on an assumed target achievement rate of 100%:

- 50% of PSUs (base number) granted are subject to a service condition. The base number is only paid out if the Managing Director remains a Managing Director of Schaeffler AG and is not under notice of termination at the end of the performance period.<sup>2</sup>
- 25% of PSUs granted are subject to a performance target based on TSR (total shareholder return) outperformance. TSR represents the share price performance of Schaeffler AG common non-voting shares including dividends. Vesting is based on the extent to which the TSR for Schaeffler AG's common non-voting shares exceeds or falls short of the TSR of companies in the benchmark group over the performance period. In order to reflect the company's sector-specific market environment – Automotive Technologies, Automotive Aftermarket, and Industrial – the peer group consists of a sector basket. This sector basket replicates the performance of the STOXX Europe 600 Automobiles and Parts Gross Return (SXAGR) and STOXX Europe 600 Industrial Goods and Services Gross Return (SXNGR), weighted 75% and 25%, respectively. These weights represent the revenue structure of the various business areas within the Schaeffler Group.
- 25% of PSUs granted are subject to a long-term EPS-based performance target based on average annual growth in earnings per share during the four-year performance period.

<sup>2</sup> Taking into account the rules applicable to leavers

<b>PSUP performance targets 2021–2024 – TSR outperformance</b>	
TSR outperformance over the performance period	Number of TSR PSUs vested
> 25%	200%
5% < TSR Outperformance ≤ 25%	150%
-5% < TSR Outperformance ≤ 5%	100%
-25% < TSR Outperformance ≤ -5%	50%
≤ -25%	0%
<b>PSUP performance targets – EPS growth</b>	
EPS growth over the performance period	Number of EPS-growth PSUs vested
$EPS_{\text{growth}} \geq 0.488$	200%
$0.438 \leq EPS_{\text{growth}} < 0.488$	150%
$0.388 \leq EPS_{\text{growth}} < 0.438$	100%
$0.338 \leq EPS_{\text{growth}} < 0.388$	50%
$EPS_{\text{growth}} < 0.338$	0%

Target achievement for the TSR performance target is calculated as the absolute difference between the TSR of Schaeffler AG and the TSR of the sector basket. Target achievement for the EPS growth target is calculated as the arithmetic mean<sup>3</sup> over the four-year performance period.

Embedding the targets set out above in the remuneration system ensures that the interests of the Managing Directors are congruent with those of the shareholders and that the Managing Directors support the company’s long-term growth strategy. Additionally, it incentivizes the Managing Directors to commit to the company on a long-term basis, which provides planning reliability. Implementing a relative performance measure creates an additional incentive to remain competitive in the market environment and compared to relevant competitors in the long term through sustainable organic growth.

PSUs vested are calculated in EUR at the end of the performance period at the average price of Schaeffler AG’s common non-voting shares of the last 60 trading days of the performance period. Payout per PSU is capped at twice the share price at the grant date. Starting with the PSUP’s 2020–2023 tranche, payout of the LTB is conditional on providing proof of compliance with the obligation to hold shares at the end of the relevant performance period (see “Obligation to hold shares” below for a detailed description).

<sup>3</sup>  $EPS_{\text{growth}} = (EPS_{\text{year 4}} - EPS_{\text{year 0}})/4$ , with  $EPS_{\text{year 0}}$  equaling EPS for the year immediately preceding the relevant performance period and  $EPS_{\text{year 4}}$  equaling EPS for the final year of the relevant performance period.

## LTB 2018–2021 – target achievement

The LTB 2018–2021 is based on the previous LTB plan. Vesting of PSUs is subject to the following three conditions: 50% of PSUs granted (base number) are subject to a service condition (identical to the 2021 plan), 25% of PSUs granted are subject to a long-term FCF-based performance target, and 25% of PSUs granted are subject to a performance target based on TSR outperformance compared to the MDAX. The performance scales relevant to the 2018–2021 tranche are as follows:

PSUP performance targets 2018–2021 – Cumulative FCF	
Cumulative FCF for the performance period	Number of FCF PSUs vested
Cumulative FCF compared to target FCF >= 6.01%	100%
2.01% < cumulative FCF compared to target FCF <= 6.00%	75%
-2.00% < cumulative FCF compared to target FCF <= 2.00%	50%
-6.00% < cumulative FCF compared to target FCF <= -2.01%	25%

PSUP performance targets 2018–2021 – TSR outperformance	
TSR outperformance over the performance period	Number of TSR PSUs vested
> 25%	100%
5% < TSR outperformance ≤ 25%	75%
-5% < TSR outperformance ≤ 5%	50%
-25% < TSR outperformance ≤ -5%	25%
≤ -25%	0%

The only PSUs that vested upon the end of the performance period 2018–2021 were the PSUs tied to meeting a service condition. Payout of the 2018–2021 tranche will be received in March 2022. The payout amount is calculated by multiplying the number of PSUs vested by the average share price of the last 60 trading days before the end of the performance period, which amounted to EUR 7.23.

## One-off PSU grant 2020

In 2020, additional PSUs were granted on a one-off basis as compensation for the reduction in retirement benefits. The amount determined based on the PSUs granted is payable in three equal tranches after one, two, and three years. The third tranche will be paid out in March 2023.

The payout amount depends on the trend in the price of Schaeffler AG common non-voting shares, further strengthening the focus of the remuneration of Managing Directors on the company's sustainable and long-term development. The share price at the time of payout is capped at twice the share price at the grant date. Further, cash settlement of a given tranche is conditional on the service condition being met.

## 1.4 Share-based payment – overview

The table shows all current tranches of share-based remuneration instruments granted (representing a target achievement rate of 100%) to current and former Managing Directors.

Share-based payment – current Managing Directors						
	<b>Rosenfeld, Klaus</b> (Chief Executive Officer)					
	Long-term bonus				One-off PSU grant 2020	
Remuneration instrument and tranche	2018/2021 <sup>3)</sup>	2019/2022	2020/2023	2021/2024 <sup>4)</sup>	Tranche 2 <sup>3)</sup>	Tranche 3
Performance period	01/01/18– 12/31/21	01/01/19– 12/31/22	01/01/20– 12/31/23	01/01/21– 12/31/24	01/01/20– 12/31/21	01/01/20– 12/31/22
Number of PSUs granted as at January 1, 2021	92,725	152,941	144,766	-	22,272	22,272
Grant date	January 1, 2018	January 1, 2019	February 4, 2020	February 26, 2021	February 4, 2020	February 4, 2020
Target value (pro rata), € thousands	1,300	1,300	1,300	1,300	200	200
Number of PSUs granted in 2021	-	-	-	214,168	-	-
Grant date fair value of PSUs granted in 2021, € thousands	-	-	-	1,418	-	-
Payout amount for 2021 <sup>1)</sup> , € thousands	335	-	-	-	161	-
PSUs forfeited in 2021 <sup>2)</sup>	46,362	-	-	-	-	-
Number of PSUs granted but unvested as at December 31, 2021	-	152,941	144,766	214,168	-	22,272
	<b>Zink, Matthias</b> (CEO Automotive Technologies)					
	Long-term bonus				One-off PSU grant 2020	
Remuneration instrument and tranche	2018/2021 <sup>3)</sup>	2019/2022	2020/2023	2021/2024 <sup>4)</sup>	Tranche 2 <sup>3)</sup>	Tranche 3
Performance period	01/01/18– 12/31/21	01/01/19– 12/31/22	01/01/20– 12/31/23	01/01/21– 12/31/24	01/01/20– 12/31/21	01/01/20– 12/31/22
Number of PSUs granted as at January 1, 2021	46,362	76,471	72,383	-	11,136	11,136
Grant date	January 1, 2018	January 1, 2019	February 4, 2020	February 26, 2021	February 4, 2020	February 4, 2020
Target value (pro rata), € thousands	650	650	650	650	100	100
Number of PSUs granted in 2021	-	-	-	107,084	-	-
Grant date fair value of PSUs granted in 2021, € thousands	-	-	-	709	-	-
Payout amount for 2021 <sup>1)</sup> , € thousands	168	-	-	-	81	-
PSUs forfeited in 2021 <sup>2)</sup>	23,182	-	-	-	-	-
Number of PSUs granted but unvested as at December 31, 2021	-	76,471	72,383	107,084	-	11,136

	<b>Söding, Michael</b> (CEO Automotive Aftermarket)					
	Long-term bonus				One-off PSU grant 2020	
Remuneration instrument and tranche	2018/2021 <sup>3)</sup>	2019/2022 <sup>5)</sup>	2020/2023 <sup>5)</sup>	2021/2024 <sup>4) 5)</sup>	Tranche 2 <sup>3)</sup>	Tranche 3 <sup>5)</sup>
Performance period	01/01/18– 12/31/21	01/01/19– 12/31/22	01/01/20– 12/31/23	01/01/21– 12/31/24	01/01/20– 12/31/21	01/01/20– 12/31/22
Number of PSUs granted as at January 1, 2021	46,362	76,471	72,383	-	11,136	11,136
Grant date	January 1, 2018	January 1, 2019	February 4, 2020	February 26, 2021	February 4, 2020	February 4, 2020
Target value (pro rata), € thousands	650	650	650	650	100	100
Number of PSUs granted in 2021	-	-	-	107,084	-	-
Grant date fair value of PSUs granted in 2021, € thousands	-	-	-	709	-	-
Payout amount for 2021 <sup>1)</sup> , € thousands	168	-	-	-	81	-
PSUs forfeited in 2021 <sup>2)</sup>	23,182	19,118	36,191	80,313	-	11,136
Number of PSUs granted but unvested as at December 31, 2021	-	57,353	36,192	26,771	-	-
	<b>Spindler, Stefan Dr.</b> (CEO Industrial)					
	Long-term bonus				One-off PSU grant 2020	
Remuneration instrument and tranche	2018/2021 <sup>3)</sup>	2019/2022	2020/2023	2021/2024 <sup>4)</sup>	Tranche 2 <sup>3)</sup>	Tranche 3
Performance period	01/01/18– 12/31/21	01/01/19– 12/31/22	01/01/20– 12/31/23	01/01/21– 12/31/24	01/01/20– 12/31/21	01/01/20– 12/31/22
Number of PSUs granted as at January 1, 2021	57,061	94,118	89,087	-	11,136	11,136
Grant date	January 1, 2018	January 1, 2019	February 4, 2020	February 26, 2021	February 4, 2020	February 4, 2020
Target value (pro rata), € thousands	800	800	800	800	100	100
Number of PSUs granted in 2021	-	-	-	131,796	-	-
Grant date fair value of PSUs granted in 2021, € thousands	-	-	-	873	-	-
Payout amount for 2021 <sup>1)</sup> , € thousands	206	-	-	-	81	-
PSUs forfeited in 2021 <sup>2)</sup>	28,530	-	-	-	-	-
Number of PSUs granted but unvested as at December 31, 2021	-	94,118	89,087	131,796	-	11,136

	<b>Bauer, Claus</b> (Chief Financial Officer)					
	Long-term bonus				One-off PSU grant 2020	
Remuneration instrument and tranche				2021/2024 <sup>4)</sup>		
Performance period				01/01/21– 12/31/24		
Number of PSUs granted as at January 1, 2021						
Grant date				September 1, 2021		
Target value (pro rata), € thousands				217		
Number of PSUs granted in 2021				35,695		
Grant date fair value of PSUs granted in 2021, € thousands				224		
Payout amount for 2021 <sup>1)</sup> , € thousands						
PSUs forfeited in 2021 <sup>2)</sup>						
Number of PSUs granted but unvested as at December 31, 2021				35,695		
	<b>Schick, Andreas</b> (Chief Operating Officer)					
	Long-term bonus				One-off PSU grant 2020	
Remuneration instrument and tranche	2018/2021 <sup>3)</sup>	2019/2022	2020/2023	2021/2024 <sup>4)</sup>	Tranche 2 <sup>3)</sup>	Tranche 3
Performance period	01/01/18– 12/31/21	01/01/19– 12/31/22	01/01/20– 12/31/23	01/01/21– 12/31/24	01/01/20– 12/31/21	01/01/20– 12/31/22
Number of PSUs granted as at January 1, 2021	34,772	76,471	72,383	-	11,136	11,136
Grant date	April 1, 2018	January 1, 2019	February 4, 2020	February 26, 2021	February 4, 2020	February 4, 2020
Target value (pro rata), € thousands	488	650	650	650	100	100
Number of PSUs granted in 2021	-	-	-	107,084	-	-
Grant date fair value of PSUs granted in 2021, € thousands	-	-	-	709	-	-
Payout amount for 2021 <sup>1)</sup> , € thousands	126	-	-	-	81	-
PSUs forfeited in 2021 <sup>2)</sup>	17,386	-	-	-	-	-
Number of PSUs granted but unvested as at December 31, 2021		76,471	72,383	107,084		11,136

	Schittenhelm, Corinna (Chief Human Resources Officer)					
	Long-term bonus				One-off PSU grant 2020	
Remuneration instrument and tranche	2018/2021 <sup>3)</sup>	2019/2022	2020/2023	2021/2024 <sup>4)</sup>	Tranche 2 <sup>3)</sup>	Tranche 3
Performance period	01/01/18– 12/31/21	01/01/19– 12/31/22	01/01/20– 12/31/23	01/01/21– 12/31/24	01/01/20– 12/31/21	01/01/20– 12/31/22
Number of PSUs granted as at January 1, 2021	46,362	76,471	72,383	-	11,136	11,136
Grant date	January 1, 2018	January 1, 2019	February 4, 2020	February 26, 2021	February 4, 2020	February 4, 2020
Target value (pro rata), € thousands	650	650	650	650	100	100
Number of PSUs granted in 2021	-	-	-	107,084	-	-
Grant date fair value of PSUs granted in 2021, € thousands	-	-	-	709	-	-
Payout amount for 2021 <sup>1)</sup> , € thousands	168	-	-	-	81	-
PSUs forfeited in 2021 <sup>2)</sup>	23,182	-	-	-	-	-
Number of PSUs granted but unvested as at December 31, 2021	-	76,471	72,383	107,084	-	11,136
	Wagner, Uwe (Chief Technology Officer)					
	Long-term bonus				One-off PSU grant 2020	
Remuneration instrument and tranche	-	2019/2022	2020/2023	2021/2024 <sup>4)</sup>	Tranche 2 <sup>3)</sup>	Tranche 3
Performance period	-	01/01/19– 12/31/22	01/01/20– 12/31/23	01/01/21– 12/31/24	01/01/20– 12/31/21	01/01/20– 12/31/22
Number of PSUs granted as at January 1, 2021	-	19,118	72,383	-	11,136	11,136
Grant date	-	October 1, 2019	February 4, 2020	February 26, 2021	February 4, 2020	February 4, 2020
Target value (pro rata), € thousands	-	163	650	650	100	100
Number of PSUs granted in 2021	-	-	-	107,084	-	-
Grant date fair value of PSUs granted in 2021, € thousands	-	-	-	709	-	-
Payout amount for 2021 <sup>1)</sup> , € thousands	-	-	-	-	81	-
PSUs forfeited in 2021 <sup>2)</sup>	-	-	-	-	-	-
Number of PSUs granted but unvested as at December 31, 2021	-	-	72,383	107,084	-	11,136
<p>1) Payout in March 2022.</p> <p>2) PSUs for which targets were not achieved and PSUs forfeited due to holder leaving the Board of Managing Directors.</p> <p>3) Share price at payout is EUR 7.23 (60-day average as at December 31, 2021).</p> <p>4) Share price at grant date is EUR 6.07 (60-day average as at January 1, 2021).</p> <p>5) PSUs granted but unvested reduced on a pro-rata basis based on rules applicable to leavers. Leaving date is December 31, 2021.</p>						



Share-based payment – former Managing Directors				
	<b>Patzak, Klaus Dr.</b>			
	Long-term bonus		One-off PSU grant 2020	
Remuneration instrument and tranche	2020/2023 <sup>3)</sup>	2021/2024 <sup>3) 4)</sup>	Tranche 2 <sup>5)</sup>	Tranche 3 <sup>5)</sup>
Performance period	01/01/20– 12/31/23	01/01/21– 12/31/24	01/01/20– 12/31/21	01/01/20– 12/31/22
Number of PSUs granted as at January 1, 2021	30,160	-	4,640	4,640
Grant date	August 1, 2020	February 26, 2021	August 1, 2020	August 1, 2020
Target value (pro rata), € thousands	271	650	42	42
Number of PSUs granted in 2021	-	107,084	-	-
Grant date fair value of PSUs granted in 2021, € thousands	-	709	-	-
Payout amount for 2021 <sup>1)</sup> , € thousands	-	-	34	-
PSUs forfeited in 2021 <sup>2)</sup>	12,567	71,389	-	-
Number of PSUs granted but unvested as at December 31, 2021	-	35,695	-	4,640
	<b>Heinrich, Dietmar</b>			<b>Pleus, Peter Prof. Dr.</b>
	Long-term bonus		Long-term bonus	
Remuneration instrument and tranche	2018/2021 <sup>6)</sup>	2019/2022	2020/2023	2018/2021 <sup>6)</sup>
Performance period	01/01/18– 12/31/21	01/01/19– 12/31/22	01/01/20– 12/31/23	01/01/18– 12/31/21
Number of PSUs granted as at January 1, 2021	29,942	30,270	6,158	67,760
Grant date	January 1, 2018	January 1, 2019	February 4, 2020	January 1, 2018
Target value (pro rata), € thousands	650	650	379	950
Number of PSUs granted in 2021	-	-	-	-
Grant date fair value of PSUs granted in 2021, € thousands	-	-	-	-
Payout amount for 2021 <sup>1)</sup> , € thousands	108	-	-	245
PSUs forfeited in 2021 <sup>2)</sup>	14,972	-	-	33,880
Number of PSUs granted but unvested as at December 31, 2021	-	30,270	6,158	-

	Gutzmer, Peter Prof. Dr.-Ing.		Jung, Oliver	Hauck, Ulrich Dr.
	Long-term bonus		Long-term bonus	Long-term bonus
Remuneration instrument and tranche	2018/2021 <sup>6) 7)</sup>	2019/2022	2018/2021 <sup>6) 8)</sup>	2018/2021 <sup>6)</sup>
Performance period	01/01/18– 12/31/21	01/01/19– 12/31/22	01/01/18– 12/31/21	01/01/18– 12/31/21
Number of PSUs granted as at January 1, 2021	67,760	111,765	50,820	14,265
Grant date	January 1, 2018	January 1, 2019	January 1, 2018	January 1, 2018
Target value (pro rata), € thousands	950	950	713	200
Number of PSUs granted in 2021	-	-	-	-
Grant date fair value of PSUs granted in 2021, € thousands	-	-	-	-
Payout amount for 2021 <sup>1)</sup> , € thousands	245	-	184	52
PSUs forfeited in 2021 <sup>2)</sup>	33,880	-	25,410	7,132
Number of PSUs granted but unvested as at December 31, 2021	-	111,765	-	-

1) Payout in March 2022.  
2) PSUs for which targets were not achieved and PSUs forfeited due to holder leaving the Board of Managing Directors.  
3) PSUs granted but unvested reduced on a pro-rata basis based on rules applicable to leavers.  
4) Share price at grant date is EUR 6.07 (60-day average as at January 1, 2021).  
5) Based on an individual agreement with Dr. Patzak, the service condition of the one-off PSU grant 2020 is deemed met in full.  
6) Share price at payout is EUR 7.23 (60-day average as at December 31, 2021).  
7) The payout amount calculated is offset against the EUR 300 thousand advance paid in 2018.  
8) The payout amount calculated is offset against the EUR 225 thousand advance paid in 2018.

## 1.5 Share ownership requirements

To increase orientation toward the capital markets and to more extensively align the interests of the Board of Managing Directors and the shareholders of Schaeffler AG, Managing Directors are obligated to acquire common non-voting shares in the company and to hold them throughout the term of their service. These share ownership requirements are also aligned with the wide-spread practice of implementing shareholding guidelines for managing directors among international peers.

The number of shares Managing Directors are obligated to hold is based on their annual fixed remuneration and will be initially built up over the period to December 31, 2023 (or, for new Managing Directors, over the first four-year performance period of the LTB); common non-voting shares of the company already owned by a Managing Director count toward fulfillment of the requirement. Ordinary Managing Directors are obligated to hold an amount equivalent to their current annual fixed remuneration at any given time. The obligation of the CEO is equivalent to twice the current annual fixed remuneration at any given time. Meeting the obligation to hold shares is a prerequisite for payout of the 2020–2023 LTB tranche and of future LTB tranches.

## 1.6 Retirement benefits

### Retirement benefit commitment for 2020 and subsequent years

All current Managing Directors hold retirement benefit commitments. Until 2019, retirement benefits were granted to Managing Directors in the form of final-pay-based defined benefit commitments. These defined benefit commitments were replaced with defined contribution commitments effective January 1, 2020. The defined benefits earned by each Managing Director as at December 31, 2019, were fixed and deemed vested. Effective January 1, 2020, a fixed contribution (benefit contribution) will be credited to a benefit account for each Managing Director each year and paid toward a reimbursement insurance policy<sup>4</sup> for the life of the Managing Director. The benefit contributions amount to EUR 195,000 per year for ordinary Managing Directors and EUR 390,000 for the CEO.

The Managing Director is then entitled to retirement or disability benefits in the form of a lump-sum payment in the amount of the balance in the benefit account, floored at no less than the sum of the benefit contributions made. Retirement benefits are paid if the service ends upon attainment of the age of 65. Disability benefits are paid if the service ends due to disability. Beneficiaries are entitled to claim retirement benefits early upon termination of their service starting at age 62. Managing Directors can opt to receive their retirement benefits – rather than in a lump sum – in installments or in the form of a life annuity with monthly payments (annuity option).

In the event that a Managing Director passes away before becoming eligible to receive benefits due to age or disability, his or her survivors including children eligible for family allowance are entitled to the balance on hand in the benefit account. If the Managing Director passes away while receiving an annuity, the survivor receives a life annuity of 60% of the most recent annuity payments, provided the Managing Director had chosen the annuity option including cover for surviving dependents. If cover for surviving dependents has been chosen, such cover is subject to a minimum 15-year period of receiving retirement benefits. If both the Managing Director and the survivor who is the beneficiary of the cover for surviving dependents pass away earlier, any **children** of the Managing Director that are eligible for family allowance receive a lump-sum payment of 15 times the annual amount of the annuity, less total annuity payments already paid.

Installment payments and life annuities are increased by 1.0% each year beginning at retirement.

### Retirement benefit commitment for years until 2019

Under the system in place until 2019, the pension was calculated as a percentage of pensionable remuneration based on the duration of the individual's service as a Managing Director. This percentage amounts to 2.5% per year of serving on the Board of Managing Directors, and, for one Managing Director, between 1.5% and 3%, gradually increasing over time. Pension commitments were tailored individually for each Managing Director.

Under the previous system, pension payments commenced in the form of retirement benefits if the Managing Director's service ended before or upon attainment of the age of 65, and in the form of disability benefits if service ended due to disability. Beneficiaries were entitled to claim a reduced pension early as a retirement benefit beginning at age 60. Upon the death of the Managing Director, the spouse was entitled to between 50% and 60% of the pension as a surviving dependents' pension. Surviving dependent children were entitled to 10% or 20% of the pension as a half- or full-orphan's pension, respectively.

The pension increased by 1.0% each year beginning at retirement. This also applied to disability, widows', and orphans' pensions.

As a result of the change in the company's retirement benefits for the Managing Directors with a term of office extending beyond July 31, 2020, the benefits earned by each Managing Director under the pension commitments in effect until 2019 were fixed as at December 31, 2019, and deemed vested. No further benefits will be earned in relation to any service period beyond December 31, 2019.

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<sup>4</sup> The reimbursement insurance policy covers 80% of benefit contributions paid

Managing Directors: Service cost for 2021 and defined benefit obligations as at December 31, 2021, in accordance with HGB			
in € thousands	Year	Annual contributions / service cost	Defined benefit obligation
Rosenfeld, Klaus (CEO)	2021	390	11,993
Zink, Matthias	2021	195	722
Söding, Michael	2021	195	526
Spindler, Stefan Dr.	2021	195	1,006
Bauer, Claus <sup>1)</sup>	2021	43	0
Schick, Andreas	2021	195	417
Schittenhelm, Corinna	2021	195	940
Wagner, Uwe	2021	195	63
Managing Directors who left the company in 2021			
Patzak, Klaus Dr. <sup>2)</sup>	2021	0	0
<b>Total</b>		<b>1,603</b>	<b>15,668</b>

1) Claus Bauer has been a Managing Director of Schaeffler AG since September 1, 2021.  
2) Dr. Klaus Patzak left the Board of Managing Directors of Schaeffler AG as at July 31, 2021.

## 1.7 Other information on the remuneration of Managing Directors

### Payments by third parties in view of service as a Managing Director of Schaeffler AG

Upon joining the Board of Managing Directors, Dr. Klaus Patzak was granted a sign-on bonus of EUR 775 thousand by INA-Holding Schaeffler GmbH & Co. KG, payable in two equal tranches, to offset financial disadvantages he incurred as a result of joining Schaeffler AG. The two tranches were paid on August 31, 2020, and March 31, 2021.

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

Payments made to a Managing Director upon early termination of his or her service contract without due cause are limited to two years' remuneration (severance cap) and must not represent compensation for more than the remaining term of the service contract. The severance cap is generally calculated based on the total remuneration for the last full financial year and, where applicable, also on the expected total remuneration for the current year.

In the event the service contract is terminated for due cause, no severance benefits are paid to the Managing Director.

Once their service ends, Managing Directors are generally subject to a non-competition clause for the two-year period following termination of their service contract. During this period, they are entitled to compensation in the amount of 50% of the fixed annual salary most recently agreed plus 50% of the last STB paid out before termination of the service contract. The amount for certain Managing Directors differs due to existing contractual commitments. These Managing Directors receive compensation in the amount of 50% of the average contractual remuneration granted to the relevant Managing Director for the last 12 months before their departure. Such contractual remuneration includes both performance-based and non-performance-based remuneration components. Income from other employment or service of the Managing Director is deducted from the compensation payment in accordance with section 74c German Commercial Code (*Handelsgesetzbuch* – HGB).

Dr. Patzak left the Board of Managing Directors of Schaeffler AG effective July 31, 2021. His service contract remains in effect until September 30, 2022 (termination date).

Until the termination date, Dr. Patzak receives the following benefits: 1) continued payment of his fixed remuneration, 2) the short-term bonus 2021 granted as well as a pro-rata share of the short-term bonus 2022 up to the termination date, 3) the

long-term bonus granted for 2020 and 2021 which will be paid out on a pro-rata basis up to the termination date and in accordance with the “good leaver” conditions, and 4) tranches 2 and 3 of the one-off PSU grant 2020 for which the service condition is deemed met. All variable components of remuneration are paid out at the regular date. Additionally, Dr. Patzak is entitled to continue to use the company car provided to him until the termination date. The company waives any post-contract non-competition clause for the period starting after the termination date. Dr. Patzak is not entitled to payment of any non-compete clause-related compensation.

Michael Söding stepped down from his position as Managing Director of Schaeffler AG effective December 31, 2021. His compensation payment is based on his fixed annual salary and short-term bonus as described above. The monthly compensation of EUR 51 thousand is expected to be paid until the end of December 2023.

The service contract of Claus Bauer, who was appointed to the Board of Managing Directors in 2021, includes a post-contract non-competition-clause-calling for corresponding compensation.

## External activities of Managing Directors

The Managing Directors have agreed to work exclusively for the company. External activities, whether paid or unpaid, require prior approval by the executive committee of the Supervisory Board. This ensures that neither the time commitment involved nor the related remuneration conflict with the individual’s responsibilities toward Schaeffler AG. External activities representing a position on legally required supervisory boards or similar supervisory bodies of commercial enterprises are listed in section 4 “Governing bodies of the company” of the “Corporate Governance” chapter in the annual report 2021.

## 1.8 Amounts of remuneration of the Board of Managing Directors

The following tables show the benefits awarded and due for the Managing Directors in accordance with section 162 AktG for 2020 and 2021.

Benefits awarded and due – 2021 and 2020: Managing Directors										
	Rosenfeld, Klaus (Chief Executive Officer)		Zink, Matthias (CEO Automotive -Technologies)		Söding, Michael (CEO Automotive Aftermarket)		Spindler, Stefan Dr. (CEO Industrial)		Bauer, Claus (Chief Financial Officer)	
	since October 24, 2014		since January 1, 2017		from January 1, 2018 to December 31, 2021		since May 1, 2015		since September 1, 2021	
in € thousands	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
<b>Fixed remuneration</b>										
Fixed remuneration	1,200	1,200	600	600	600	600	600	600	160 <sup>5)</sup>	-
in % of total remuneration	31%	37%	30%	40%	32%	38%	27%	34%	31%	-
Fringe benefits	20	29	42	31	30	30	27	27	7	-
in % of total remuneration	1%	1%	2%	2%	2%	2%	1%	2%	1%	-
Pensions <sup>1)</sup>	390	390	195	195	195	195	195	195	43	-
in % of total remuneration	10%	12%	10%	13%	10%	12%	9%	11%	9%	-
<b>Variable remuneration</b>										
Short-term variable remuneration (STB) <sup>2)</sup>	1,800	1,220	900	459	818	680	1,125	695	300	-
in % of total remuneration	46%	37%	45%	31%	43%	43%	50%	39%	59%	-
Long-term variable remuneration (LTB) <sup>3)</sup>	335	299	168	150	168	-	206	184	-	-
in % of total remuneration	9%	9%	8%	10%	9%	-	9%	10%	-	-
One-off PSU grant 2020 <sup>4)</sup>	161	135	81	68	81	68	81	68	-	-

in % of total remuneration	4%	4%	4%	4%	4%	4%	4%	4%		
<b>Total remuneration</b>	<b>3,906</b>	<b>3,273</b>	<b>1,985</b>	<b>1,503</b>	<b>1,891</b>	<b>1,573</b>	<b>2,234</b>	<b>1,768</b>	<b>510</b>	
	<b>Schick, Andreas</b> (Chief Operating Officer)		<b>Schittenhelm, Corinna</b> (Chief Human Resources Officer)		<b>Wagner, Uwe</b> (Chief Technology Officer)		<b>Patzak, Klaus Dr.</b> (former Chief Financial Officer)		<b>Total</b>	
	since May 1, 2018		since January 1, 2016		since October 1, 2019		from August 1, 2020 to July 31, 2021			
in € thousands	2021	2020	2021	2020	2021	2020	2021 <sup>6)</sup>	2020	2021	2020
<b>Fixed remuneration</b>										
Fixed remuneration	600	600	600	600	600	600	600	250	5,560	5,050
in % of total remuneration	31%	40%	31%	36%	33%	40%	39%	40%	31%	38%
Fringe benefits	20	29	24	24	19	22	22	9	212	201
in % of total remuneration	1%	2%	1%	1%	1%	2%	1%	1%	1%	2%
Pensions <sup>1)</sup>	195	195	195	195	195	195	-	81	1,603	1,641
in % of total remuneration	10%	13%	10%	12%	11%	13%	-	13%	9%	12%
<b>Variable remuneration</b>										
Short-term variable remuneration (STB) <sup>2)</sup>	900	610	900	610	900	610	900	254	8,543	5,137
in % of total remuneration	47%	41%	46%	37%	50%	41%	58%	41%	48%	38%
Long-term variable remuneration (LTB) <sup>3)</sup>	126	-	168	150	-	-	-	-	1,170	783
in % of total remuneration	7%	-	9%	9%	-	-	-	-	7%	6%
One-off PSU grant 2020 <sup>4)</sup>	81	68	81	68	81	68	34	28	678	569
in % of total remuneration	4%	5%	4%	4%	4%	5%	2%	5%	4%	4%
<b>Total remuneration</b>	<b>1,921</b>	<b>1,501</b>	<b>1,967</b>	<b>1,646</b>	<b>1,795</b>	<b>1,495</b>	<b>1,556</b>	<b>622</b>	<b>17,765</b>	<b>13,381</b>

1) Contributions in the relevant year.

2) Benefits awarded in accordance with section 162 AktG: Variable remuneration for 2021 is shown as the variable remuneration paid out in March 2022. Same approach used for prior year.

3) The amount under LTB 2021 represents the payout amount of the LTB tranche 2018–2021. Same approach used for prior year.

4) The one-off PSU grant 2020 for 2021 represents the payout amount of the second tranche of the one-off PSU grant 2020.

5) The pro-rata base remuneration of EUR 200 thousand was reduced by the remuneration for service as CFO Americas.

6) Dr. Patzak left the Board of Managing Directors as at July 31, 2021. His service agreement remains in effect until September 30, 2022. 7/12 of the amounts disclosed represent the active phase of his service as a Managing Director in 2021. The remaining 5/12 represent the remuneration under his termination agreement.

Benefits awarded and due – 2021 and 2020: Former Managing Directors								
	Heinrich, Dietmar		Pleus, Peter Prof. Dr.		Gutzmer, Peter Prof. Dr.-Ing.		Jung, Oliver	
in € thousands EUR	2021	2020	2021	2020	2021	2020	2021	2020
<b>Fixed remuneration</b>								
Fixed remuneration	-	350	-	-	-	-	-	-
in % of total remuneration	-	45%	-	-	-	-	-	-
Fringe benefits	-	16	-	-	-	-	-	-
in % of total remuneration	-	2%	-	-	-	-	-	-
Pensions <sup>1)</sup>	-	-	287	284	247	244	-	-
in % of total remuneration	-	-	54%	56%	n.a.	n.a.	-	-
Compensation payment	-	-	-	-	1,140	1,140	65	-
in % of total remuneration	-	-	-	-	n.a.	n.a.	n.a.	-
<b>Variable remuneration</b>								
Short-term variable remuneration (STB) <sup>2)</sup>	-	356	-	-	-	-	-	-
in % of total remuneration	-	46%	-	-	-	-	-	-
Long-term variable remuneration (LTB) <sup>3)</sup>	108	56	245	219	-55 <sup>5)</sup>	-81 <sup>6)</sup>	-41 <sup>7)</sup>	-81 <sup>6)</sup>
in % of total remuneration	100%	7%	46%	44%	n.a.	n.a.	n.a.	n.a.
One-off PSU grant 2020 <sup>4)</sup>	-	-	-	-	-	-	-	-
in % of total remuneration	-	-	-	-	-	-	-	-
<b>Total remuneration</b>	<b>108</b>	<b>778</b>	<b>532</b>	<b>503</b>	<b>1,332</b>	<b>1,303</b>	<b>24</b>	<b>-81</b>

	Hauck, Ulrich Dr.		Mirlach, Kurt		Schuff, Gerhard Dr.		Total	
in € thousands EUR	2021	2020	2021	2020	2021	2020	2021	2020
<b>Fixed remuneration</b>								
Fixed remuneration	-	-	-	-	-	-	-	350
in % of total remuneration	-	-	-	-	-	-	-	12%
Fringe benefits	-	-	-	-	-	-	-	16
in % of total remuneration	-	-	-	-	-	-	-	1%
Pensions <sup>1)</sup>	-	-	226	224	47	46	806	798
in % of total remuneration	-	-	100%	100%	100%	100%	35%	27%
Compensation payment	-	-	-	-	-	-	1,205	1,140
in % of total remuneration	-	-	-	-	-	-	52%	39%
<b>Variable remuneration</b>								
Short-term variable remuneration (STB) <sup>2)</sup>	-	-	-	-	-	-	-	355.74
in % of total remuneration	-	-	-	-	-	-	-	12%
Long-term variable remuneration (LTB) <sup>3)</sup>	52	184	-	-	-	-	308	296
in % of total remuneration	100%	100%	-	-	-	-	13%	10%
One-off PSU grant 2020 <sup>4)</sup>	-	-	-	-	-	-	-	-
in % of total remuneration	-	-	-	-	-	-	-	-
<b>Total remuneration</b>	<b>52</b>	<b>184</b>	<b>226</b>	<b>224</b>	<b>47</b>	<b>46</b>	<b>2,320</b>	<b>2,956</b>
<p>1) Pension benefits paid in the relevant year.</p> <p>2) Benefits awarded in accordance with section 162 AktG: Variable remuneration for 2021 is shown as the variable remuneration paid out in March 2022. Same approach used for prior year.</p> <p>3) The amount under LTB 2021 represents the payout amount of the LTB tranche 2018-2021. Same approach used for prior year.</p> <p>4) The one-off PSU grant 2020 for 2021 represents the payout amount of the second tranche of the one-off PSU grant 2020.</p> <p>5) The payout amount calculated is offset against the EUR 300 thousand advance paid in 2018.</p> <p>6) The payout amount calculated is offset against the EUR 300 thousand advance paid in 2017.</p> <p>7) The payout amount calculated is offset against the EUR 225 thousand advance paid in 2018.</p>								

## 2. Remuneration of members of the Supervisory Board

The description of the remuneration of the Supervisory Board includes the disclosures required by German stock corporation law and is consistent with the recommendations of the GCGC. The remuneration of the Supervisory Board was reviewed and selectively amended in 2021. The amended remuneration system was approved by the general meeting on April 23, 2021.

### 2.1 Overview of remuneration of the Supervisory Board in 2021

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

- Executive committee: committee remuneration of EUR 20,000 for each ordinary member, twice this amount for the chairman.
- Audit committee: committee remuneration of EUR 20,000 for each ordinary member, twice this amount for the chairman.
- Technology committee: committee remuneration of EUR 10,000 for each ordinary member, twice this amount for the chairman.



## Overview of remuneration of the Supervisory Board

Base remuneration Supervisory Board		
<b>Chairman</b> EUR 100,000	<b>Deputy</b> EUR 75,000	<b>Member</b> EUR 50,000
Additional remuneration for committee membership		
Executive committee	Audit committee	Technology committee
<b>Chairman</b> EUR 40,000	<b>Chairman</b> EUR 40,000	<b>Chairman</b> EUR 20,000
<b>Member</b> EUR 20,000	<b>Member</b> EUR 20,000	<b>Member</b> EUR 10,000
Additional attendance fee for Supervisory Board and committee meetings		
EUR 1,500 per meeting		

Where a member of the Supervisory Board chairs several committees or chairs both the Supervisory Board and one or more committees, no remuneration is paid for the additional chairmanship. Where the term of office of a member of the Supervisory Board or the position entitling the Supervisory Board member to increased remuneration begins or ends during the year, the remuneration or increased remuneration paid to the Supervisory Board member is prorated.

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

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

The company has obtained directors' and officers' liability insurance (D&O insurance) for all members of the Supervisory Board that includes a deductible provision.

No advances or loans were granted to members of the Supervisory Board in 2020 or 2021. The following tables summarize the amount of remuneration of each member of the Supervisory Board.

## 2.2 Amounts of remuneration of the Supervisory Board

### Benefits awarded and due – 2020 and 2021: Members of the Supervisory Board

in € thousands	Year	Fixed remuneration	In % of total remuneration	Remuneration for committee membership	In % of total remuneration	Attendance fees <sup>1)</sup>	In % of total remuneration	Total remuneration <sup>2)</sup>
<b>Sabine Bendiek</b>	2021	50	79%	-	-	14	21%	64
	2020	50	89%	-	-	6	11%	56
<b>Prof. Dr. Hans-Jörg Bullinger</b>	2021	50	56%	20	22%	20	22%	90
	2020	50	87%	-	-	8	13%	58
<b>Dr. Holger Engelmann</b>	2021	50	57%	20	23%	18	20%	88
	2020	50	67%	20	27%	5	6%	75
<b>Prof. Dr. Bernd Gottschalk</b>	2021	50	75%	-	-	17	25%	67
	2020	50	92%	-	-	5	8%	55
<b>Andrea Grimm <sup>3)</sup></b>	2021	50	53%	20	21%	24	26%	94
	2020	50	72%	13	19%	6	9%	69
<b>Ulrike Hasbargen</b> (since April 23, 2021)	2021	35	74%	-	-	12	26%	47
	2020	-	-	-	-	-	-	0
<b>Thomas Höhn <sup>3)</sup></b>	2021	50	54%	20	22%	23	24%	93
	2020	33	65%	13	26%	5	9%	50
<b>Susanne Lau <sup>3)</sup></b>	2021	50	75%	-	-	17	25%	67
	2020	50	92%	-	-	5	8%	55
<b>Barbara Resch <sup>3)</sup></b>	2021	50	53%	20	21%	24	26%	94
	2020	50	62%	20	25%	11	13%	81
<b>Jutta Rost</b>	2021	50	75%	-	-	17	25%	67
	2020	33	88%	-	-	5	12%	37
<b>Georg F. W. Schaeffler</b> (Chair SB)	2021	100	54%	50	27%	35	19%	185
	2020	100	64%	40	26%	17	11%	157
<b>Maria-Elisabeth Schaeffler-Thumann</b> (Dep. Chair SB)	2021	75	64%	20	17%	23	19%	118
	2020	75	79%	20	21%	-	-	95
<b>Jürgen Schenk <sup>3)</sup></b>	2021	50	63%	10	13%	20	25%	80
	2020	33	84%	-	-	6	16%	39
<b>Helga Schönhoff</b>	2021	50	75%	-	-	17	25%	67
	2020	33	88%	-	-	5	12%	37

in € thousands	Year	Fixed remuneration	In % of total remuneration	Remuneration for committee membership	In % of total remuneration	Attendance fees <sup>1)</sup>	In % of total remuneration	Total remuneration <sup>2)</sup>
<b>Sabrina Soussan</b> (until April 23, 2021)	2021	15	91%	-	-	2	9%	17
	2020	50	92%	-	-	5	8%	55
<b>Robin Stalker</b>	2021	50	44%	40	36%	23	20%	113
	2020	50	51%	40	40%	9	9%	99
<b>Salvatore Vicari <sup>3)</sup></b>	2021	50	49%	30	29%	23	22%	103
	2020	50	60%	20	24%	14	16%	84
<b>Jürgen Wechsler <sup>3)</sup></b> (Dep. Chair SB)	2021	75	47%	50	31%	35	22%	160
	2020	75	62%	33	27%	14	11%	122
<b>Prof. TU Graz e.h. KR Ing. Siegfried Wolf</b>	2021	50	47%	30	28%	26	24%	106
	2020	50	68%	20	27%	3	4%	73
<b>Prof. Dr.-Ing. Tong Zhang</b>	2021	50	63%	10	13%	20	25%	80
	2020	50	100%	-	-	-	-	50
<b>Markus Zirkel <sup>3)</sup></b>	2021	50	63%	10	13%	20	25%	80
	2020	33	84%	-	-	6	16%	39
<b>Norbert Lenhard <sup>3)</sup></b> (until May 8, 2020)	2021	-	-	-	-	-	-	0
	2020	18	64%	7	25%	3	11%	28
<b>Dr. Reinold Mittag <sup>3)</sup></b> (until May 8, 2020)	2021	-	-	-	-	-	-	0
	2020	18	60%	7	24%	5	15%	29
<b>Dirk Spindler</b> (until May 8, 2020)	2021	-	-	-	-	-	-	0
	2020	18	92%	-	-	2	8%	19
<b>Jürgen Stolz <sup>3)</sup></b> (until May 8, 2020)	2021	-	-	-	-	-	-	0
	2020	18	92%	-	-	2	8%	19
<b>Jürgen Worrich <sup>3)</sup></b> (until May 8, 2020)	2021	-	-	-	-	-	-	0
	2020	18	60%	7	24%	5	15%	29
<b>Total</b>	2021	1,100	59%	350	19%	422	23%	1,872
	2020	1,101	73%	260	17%	144	10%	1,505

1) In 2020, no attendance fees were paid where meetings of the Supervisory Board or its committees were attended via telephone/remotely.

2) All amounts shown exclude any value-added tax applicable on remuneration. Positions held by Supervisory Board members are listed in section 4 "Governing bodies of the company" of the "Corporate governance" chapter in the annual report 2021.

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

### 3. Comparative information on remuneration

The following overview compares the relative year-on-year changes in the benefits awarded and due to current and former Managing Directors and members of the Supervisory Board to the relative year-on-year changes in the remuneration of the remaining employees and in selected measures of the Schaeffler Group's earnings.

Please refer to the overview of benefits awarded and due for information on the Managing Directors' remuneration. The company's performance is shown using the following measures: Schaeffler AG's net income in accordance with HGB, the Schaeffler Group's EBIT before special items, and the Schaeffler Group's FCF before cash in- and outflows for M&A activities.

The relative change in average employee remuneration on a full-time equivalents basis is calculated with reference to the employees of Schaeffler AG. The following components of remuneration are included in the calculation of employee remuneration: fixed remuneration, variable remuneration (incl. STB, profit sharing, other bonuses, and LTB), fringe-benefits (including non-cash benefits), allowances under collective agreements, vacation pay, flextime pay.

The increase in the remuneration of the Managing Directors in 2021 compared to 2020 is the result of significantly higher target achievement rates for variable remuneration. The corresponding increase in total remuneration is lower for employees due to a higher proportion of fixed remuneration in their pay structure.

The increases for Supervisory Board members are attributable to the change in the policy regarding attendance fees. Starting in 2021, attendance fees are paid for attending meetings of the Supervisory Board or its committees via telephone/remotely as well. Previously, attendance by telephone/remotely was unpaid.

Change in employee remuneration and company performance	
	Change 2021 vs. 2020
Net income of Schaeffler AG under HGB	193%
Schaeffler Group EBIT before special items	59%
FCF before cash in- and outflows for M&A activities	-3%
Annual change in employee remuneration	10%
<b>Change in Managing Directors' remuneration (current Managing Directors)</b>	
<b>Rosenfeld, Klaus</b> (Chief Executive Officer)	19%
<b>Zink, Matthias</b> (CEO Automotive Technologies)	32%
<b>Söding, Michael</b> (CEO Automotive Aftermarket)	20%
<b>Spindler, Stefan Dr.</b> (CEO Industrial)	26%
<b>Bauer, Claus</b> (Chief Financial Officer)	- 1)
<b>Schick, Andreas</b> (Chief Operating Officer)	28%
<b>Schittenhelm, Corinna</b> (Chief Human Resources Officer)	20%
<b>Wagner, Uwe</b> (Chief Technology Officer)	20%
1) According to mathematical rules, the change cannot be calculated.	

<b>Change in Managing Directors' remuneration (former Managing Directors)</b>	
	Change 2021 vs. 2020
Patzak, Klaus Dr.	150%
Heinrich, Dietmar	-86%
Pleus, Peter Prof. Dr.	6%
Gutzmer, Peter Prof. Dr.-Ing.	2%
Jung, Oliver	- 1)
Hauck, Ulrich Dr.	-72%
Mirlach, Kurt	1%
Schuff, Gerhard Dr.	1%
1) According to mathematical rules, the change cannot be calculated.	

<b>Change in remuneration of Supervisory Board members</b>	
	Change 2021 vs. 2020
Sabine Bendiek	13%
Prof. Dr. Hans-Jörg Bullinger	56%
Dr. Holger Engelmann	18%
Prof. Dr. Bernd Gottschalk	22%
Andrea Grimm	36%
Ulrike Hasbargen	- 1)
Thomas Höhn	85%
Susanne Lau	22%
Barbara Resch	17%
Jutta Rost	80%
Georg F. W. Schaeffler (Chair SB)	18%
Maria-Elisabeth Schaeffler-Thumann (Dep. Chair SB)	24%
Jürgen Schenk	106%
Helga Schönhoff	80%
Sabrina Soussan	-69%
Robin Stalker	14%
Salvatore Vicari	23%

<b>Jürgen Wechsler</b> (Dep. Chair SB)	31%
<b>Prof. TU Graz e.h. KR Ing. Siegfried Wolf</b>	45%
<b>Prof. Dr.-Ing. Tong Zhang</b>	59%
<b>Markus Zirkel</b>	106%
1) According to mathematical rules, the change cannot be calculated.	

For the Board of Managing Directors

Klaus Rosenfeld

Chairman of the Board of Managing Directors  
of Schaeffler AG

For the Supervisory Board

Georg F. W. Schaeffler

Chairman of the Supervisory Board  
of Schaeffler AG

## 4. Auditor's report

To Schaeffler AG, Herzogenaurach

### **Report on the audit of the remuneration report**

We have audited the remuneration report of Schaeffler AG for the financial year from January 1, 2021, to December 31, 2021, prepared to comply with section 162 German Stock Corporations Act -(*Aktiengesetz* – AktG), including the related disclosures.

### **Responsibilities of Management and the Supervisory Board**

Management and the Supervisory Board of Schaeffler AG are responsible for the preparation of the remuneration report, including the related disclosures, that complies with the requirements of section 162 AktG. Management is responsible for such internal controls as they consider necessary to enable the preparation of a remuneration report, including the related disclosures, that is free from materially misstated disclosures, whether due to fraud or error.

### **Auditor's responsibilities**

Our responsibility is to issue an opinion on the remuneration report, including the related disclosures, based on our audit. We conducted our audit in compliance with German generally accepted standards for financial statement audits promulgated by the Institute of Public Auditors in Germany ("Institut der Wirtschaftsprüfer" – IDW). Those standards require that we comply with our professional responsibilities and plan and perform the audit so that we obtain reasonable assurance about whether the remuneration report, including the related disclosures, is free from materially misstated disclosures.

An audit includes performing audit procedures to obtain audit evidence for the amounts included in the remuneration report, including the related disclosures. Selecting audit procedures is subject to the auditor's professional judgment. This includes assessing the risk of materially misstated disclosures in the remuneration report, including the related disclosures, based on our audit.

In assessing these risks, the auditor takes into account the internal control system relevant to the preparation of the remuneration report, including the related disclosures, for the purpose of designing and performing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control system of the Company.

An audit also includes evaluating the appropriateness of accounting policies used, the reasonableness of estimates made by management and the Supervisory Board in financial reporting, as well as evaluating the overall presentation of the remuneration report, including the related disclosures.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Opinion**

In our opinion, on the basis of the knowledge obtained in the audit, the remuneration report for the financial year from January 1, 2021, to December 31, 2021, including the related disclosures, complies, in all material respects, with the requirements of section 162 AktG.

### **Other matter – Audit of whether the remuneration report includes the required disclosures**

The audit of the remuneration report described in this audit report includes the audit – including the issuance of a report on this audit – required by section 162 para. 3 AktG of whether the remuneration report includes the required disclosures. Since we are issuing an unqualified opinion on the audit of the contents of the remuneration report, this opinion applies to the inclusion of the disclosures required by section 162 para. 1 and para. 2 AktG, in all material respects, in the remuneration report.

**Note on limitation of liability**

The engagement in the performance of which we have rendered the above-mentioned services to Schaeffler AG was governed by the General Engagement Terms (GET) for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften (German Public Auditors and Public Audit Firms) as of January 1, 2017. By taking note of and using the information included in this audit report, each recipient confirms that he or she has taken note of the provisions made therein (including the limitation of liability to EUR 4 million for negligence in item 9 of the GET) and acknowledges their validity in his or her relationship with us.

Nuremberg, February 25, 2022

KPMG AG  
Wirtschaftsprüfungsgesellschaft  
[Original German version signed by:]

Koeplin	Schieler
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]



### **III. 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 21, 2022 as a virtual annual general meeting without the physical presence of the company's shareholders or their proxies (with the exception of the designated proxies of the company). These resolutions were made based on the COVID-19 Mitigation Act which entered into force on March 28, 2020, the validity of which was extended until August 31, 2022, by the Act on the Establishment of a Special Fund "Reconstruction Assistance 2021" and on the Temporary Suspension of the Obligation to File an Insolvency Application Due to Heavy Rainfall and Floods in July 2021 and on the Amendment of Other Laws of September 10, 2021 (BGBl I No. 63 2021, p. 4147)

The shareholders' and their proxies' (with the exception of the designated proxies of the company) right to physically participate in the annual general meeting is excluded.

Holding the annual general meeting on April 21, 2022 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) (holders of common shares) 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 (no participation in the general meeting within the meaning of section 118 para. 1 sentence 2 AktG), 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 (no participation in the general meeting within the meaning of section 118 para. 1 sentence 2 AktG) 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 14, 2022 (24:00 CEST)**. 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 (*Bürgerliches Gesetzbuch* – BGB) in German or English; proof in accordance with section 67c para. 3 AktG shall suffice in any case. Proof of shareholding must be as of the beginning of **March 31, 2022 (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 or their proxies. 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 (no participation in the general meeting within the meaning of section 118 para. 1 sentence 2 AktG) 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. Therefore, shareholders who only acquire their shares after 00:00 hours (CEST) on the record date may not exercise voting rights. Shareholders who hold shares on the record date and sell them after the record date but before the Virtual Annual General Meeting are, in relation to the company, nevertheless entitled to exercise their right to vote, provided that they have registered and submitted the proof of share ownership in due time.

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 14, 2022 (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: [anmeldestelle@computershare.de](mailto:anmeldestelle@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: [anmeldestelle@computershare.de](mailto:anmeldestelle@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: [anmeldestelle@computershare.de](mailto:anmeldestelle@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 19, 2022 (24:00 CEST):

Schaeffler AG  
c/o Computershare Operations Center  
80249 München  
Fax: +49 89 30903-74675  
Email: anmeldestelle@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: anmeldestelle@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 21, 2022 (24:00 CET). Motions to supplement the agenda received later will not be taken into account. The shareholders are asked to direct such motions to supplement the agenda to the following address:

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

Persons submitting a motion must prove that they have held the shares for at least 90 days prior to the date the motion is received and that they hold the shares until the Board of Managing Directors decides on the motion, with section 70 AktG being applicable when calculating the time for which the shares have been held. A shift from a Sunday, Saturday or a public holiday to a preceding or subsequent business day shall not be possible. Sections 187 to 193 BGB shall not be applied accordingly.

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

#### **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](http://www.schaeffler.com/agm) if the requirements described below are fulfilled. The publication will include the shareholders' name, the statement of reason and any comment by the administration.

Countermotions so to be made available must oppose a resolution proposal by the Board of Managing Directors and/or Supervisory Board and refer to a specific item on the agenda and be submitted including a statement of reason. Election counterproposals to be made available must refer to the elections included as part of the agenda; the 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 6, 2022, (24:00 CEST):

Schaeffler AG  
Rechtsabteilung  
Industriestr. 1–3  
91074 Herzogenaurach  
Email: [OR-HZA-Legal-Team-DE-HZA@schaeffler.com](mailto: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 [SchaefflerHV2022-Fragen@computershare.de](mailto:SchaefflerHV2022-Fragen@computershare.de) ahead of the general meeting and by no later than **April 19, 2022 (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](http://www.schaeffler.com/agm). The documents to be made available will also be available during the Virtual Annual General Meeting on April 21, 2022.

The convocation of the Virtual Annual General Meeting is published in the Federal Gazette dated March 10, 2022 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 21, 2022, starting 10:00 (CEST) on the internet ([www.schaeffler.com/agm](http://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](http://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:

**[SchaefflerHV2022-Widerspruch-beim-Notar@computershare.de](mailto:SchaefflerHV2022-Widerspruch-beim-Notar@computershare.de)**

Herzogenaurach, March 2022

The Board of Managing Directors





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

**A. Specification of the message**

1. Unique identifier of the event: Virtual Annual General Meeting of Schaeffler AG April 21, 2022  
**(Formal information acc. to EU-IR 2018/1212: SAG\_ovHV\_20220421)**
2. Type of message: Convocation of the Annual General Meeting  
**(Formal information acc. to EU-IR 2018/1212: NEWM)**

**B. Specification of the issuer**

1. ISIN:

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

**C. Specification of the meeting**

1. Date of the General Meeting: April 21, 2022  
**(Formal information acc. to EU-IR 2018/1212: 20220421)**
2. Time of the General Meeting: 10:00 CEST (8:00 UTC)
3. Type of General Meeting: Virtual Annual General Meeting without the without physical presence of the shareholders or their proxies  
**(Formal information acc. to EU-IR 2018/1212: GMET)**
4. Location of the General Meeting: [www.schaeffler.com/hv](http://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 **(Formal information acc. to EU-IR 2018/1212: www.schaeffler.com/hv)**
5. Record Date: March 30, 2022  
**(Formal information acc. to EU-IR 2018/1212: 20220330)**
6. Uniform Resource Locator (URL): [www.schaeffler.com/hv](http://www.schaeffler.com/hv)

### **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  
Tel.: +49 9132 82-1476  
Email: [Datenschutz@schaeffler.com](mailto: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](mailto:poststelle@lda.bayern.de)

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

Schaeffler AG  
Data Protection Officer  
Industriestraße 1-3  
91074 Herzogenaurach