Convenience Translation

SCHAEFFLER

Invitation
to the Annual General Meeting of
Schaeffler AG on April 25, 2024

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 of December 31, 2023, and the combined management report for the company and the group, as well as the report of the Supervisory Board for the financial year 2023

2. Resolution on the appropriation of the retained earnings available for distribution for the financial year 2023

3. Resolution on the approval of the acts of the members of the Board of Managing Directors for the financial year 2023

4. Resolution on the approval of the acts of the members of the Supervisory Board for the financial year 2023

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 approval of the remuneration report for the financial year 2023

7. Resolution on the approval of the amended remuneration system for the Board of Managing Directors

8. Resolution on the approval of the merger agreement dated March 13, 2024 between Schaeffler AG as acquiring entity and Vitesco Technologies Group Aktiengesellschaft as transferring entity

9. Resolution on the capital increase for the purpose of implementing the merger of Vitesco Technologies Group Aktiengesellschaft into Schaeffler AG

10. Resolution on the creation of authorized capital with exclusion of subscription rights and corresponding amendment to the Articles of Association

11. Confirmation of the resolution of the extraordinary general meeting on February 2, 2024 on the conversion of non-voting common shares into voting common shares by canceling the preferential right to profits and corresponding amendments of the Articles of Association as well as instructions to the Board of Managing Directors

12. Confirmation of the resolution of the extraordinary general meeting on February 2, 2024 on the special resolution of the voting common shareholders on the resolution of the extraordinary general meeting on February 2, 2024 under agenda item 1 on the approval of the conversion of non-voting common shares into voting common shares by canceling the preferential right to profits and corresponding amendments of the Articles of Association as well as instructions to the Board of Managing Directors

13. New Elections to the Supervisory Board

14. Resolution on the amendment of section 17.4 sentence 3 of the Articles of Association

15. Resolution on the approval of the conclusion of the domination and profit and loss transfer agreement between Schaeffler AG and Schaeffler Verwaltungsholding Vier GmbH

Schaeffler AG
Herzogenaurach

Unique identifier of the event: e2ee5d9952cbee11b52f00505696f23c

ISIN (common shares): DE000SHA0019 (WKN SHA001)
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We hereby invite our shareholders to the annual general meeting on

Thursday, April 25, 2024, 10:00 (CEST)

to be held as virtual event without physical presence of the shareholders or their proxies at www.schaeffler.com/agm ("**Virtual Annual General Meeting**"). The 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 general meeting

The Board of Managing Directors of the company has resolved to hold the annual general meeting of the company as a virtual general meeting without the physical presence of the company´s shareholders or their proxies.

These resolutions were made based on the authorization in section 17.7 of the Articles of Association and section 118a para. 1 sentence 1 AktG.

The members of the Board of Managing Directors, the members of the Supervisory Board, the proxies designated by the company and the notary public taking the minutes of the general meeting will be present at the location of the chairman of the meeting.

I. Agenda

1. Presentation of the adopted separate financial statements and the approved consolidated financial statements as at December 31, 2023, and the combined management report for the company and the group, as well as the report of the Supervisory Board for the financial year 2023

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 general meeting therefore does not need to adopt a resolution on this agenda item 1. The abovementioned documents are available on the company's website at www.schaeffler.com/agm. In addition, the documents will be available and explained in detail at the general meeting.

2. Resolution on the appropriation of the retained earnings available for distribution for the financial year 2023

The Board of Managing Directors and the Supervisory Board propose to appropriate the retained earnings for financial year 2023 of EUR 425,592,764.88 reported in the separate financial statements of Schaeffler AG as follows:

Distribution of a dividend of EUR 0.45 per non-voting common share entitled to a dividend, at 166,000,000 non-voting common shares this comes to:	EUR	74,700,000.00
Distribution of a dividend of EUR 0.44 per voting common share entitled to a dividend, at 500,000.00 voting common shares this comes to:	EUR	220,000,000.00
Transfer to the revenue reserves:	EUR	130,892,764.88

In case of a corresponding resolution of the 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 general meeting, i.e., on April 30, 2024.

3. Resolution on the approval of the acts of the members of the Board of Managing Directors for the financial year 2023

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 financial year 2023 for this period.

4. Resolution on the approval of the acts of the members of the Supervisory Board for the financial year 2023

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 financial year 2023 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 2024;

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 2024; 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 2024 and/or for the first quarter of the financial year 2025.

6. Resolution on the approval of the remuneration report for the financial year 2023

Pursuant to section 162 AktG, the Board of Managing Directors and the Supervisory Board of a listed company must prepare an annual remuneration report on the remuneration of the board members.

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.

According to section 120a para. 4 sentence 1 AktG the general meeting of a listed company has to resolve on the approval of the remuneration report for the previous financial year prepared and audited in accordance with section 162 AktG.

The remuneration report for the financial year 2023 is sited after the agenda in section II. "Reports and further information on items on the agenda" and can be accessed online at www.schaeffler.com/agm from the convening of the general meeting onwards.

The Board of Managing Directors and the Supervisory Board propose to the general meeting to approve the remuneration report for the financial year 2023 sited after the agenda in section II. "Reports and further information on items on the agenda".

7. Resolution on the approval of the amended remuneration system for the Board of Managing Directors

Pursuant to section 120a para. 1 AktG, listed companies must pass a resolution at the general meeting to approve the remuneration system for members of the Board of Managing Directors presented by the Supervisory Board everytime a material change is made, but at least every four years.

The Supervisory Board of Schaeffler AG has resolved to amend the remuneration system approved by the general meeting on April 21, 2022.

Subject to the approval of Schaeffler AG's general meeting, the remuneration system is to apply retroactively from January 1, 2024, 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. In view of the planned merger with Vitesco Technologies Group Aktiengesellschaft, which is aimed to be completed in the financial year 2024, certain adjustments to the remuneration system shall apply from January 1, 2025. Moreover, the adjusted remuneration system provides for a transitional arrangement for the year 2024 in relation to former members of the Board of Managing Directors of Vitesco Technologies Group Aktiengesellschaft who are appointed as members of the Board of Managing Directors of Schaeffler AG, in the event that the planned merger of Vitesco Technologies Group Aktiengesellschaft into Schaeffler AG is completed in 2024. The Supervisory Board of Schaeffler AG has decided to adjust the remuneration system for the members of the Board of Managing Directors of Schaeffler AG with respect to the size and economic significance of Schaeffler AG after the merger. Furthermore, the new remuneration system reflects the expanded responsibilities of the members of the Board of Managing Directors and is more precisely tailored to the expanded roles associated with the merger. This includes adjusting the maximum remuneration and limitations on the payout amounts of short-term and long-term variable remuneration to a market-standard level. The long-term variable remuneration can be granted, in the future, at the Supervisory Board's discretion, entirely or partially in actual shares. Additionally, in the event of extraordinary circumstances or developments, the Supervisory Board is granted the ability to adjust the short-term and long-term variable remuneration. It is also clarified that the merger of Vitesco Technologies Group Aktiengesellschaft into Schaeffler AG entitles the adjustment of these parameters. It also clarifies the offsetting of any income after termination of the employment relationship against a waiting period allowance.

The amended remuneration system is sited after the agenda in section II "Reports and further information regarding the agenda items" and can be accessed online at www.schaeffler.com/agm from the convening of the general meeting onwards.

The Supervisory Board proposes – based on the recommendation of its Presidial – to approve the remuneration system for the members of the Board of Managing Directors resolved by the Supervisory Board with effect from January 1, 2024 and, with regard to certain amendments, with effect from January 1, 2025.

8. Resolution on the approval of the merger agreement dated March 13, 2024 between Schaeffler AG as acquiring entity and Vitesco Technologies Group Aktiengesellschaft as transferring entity

The Boards of Managing Directors of the company and Vitesco Technologies Group Aktiengesellschaft, with its registered office in Regensburg, entered into a merger agreement on March 13, 2024 (UVZ-No. 236/2024 F by notary Dr. Sabine Funke, officiating in Frankfurt a.M.), pursuant to which Vitesco Technologies Group Aktiengesellschaft is merged into the company by transferring its entire assets to the company in exchange for the issuance of shares of the company to the shareholders of Vitesco Technologies Group Aktiengesellschaft ("Merger Agreement").

Pursuant to section 13 of the German Transformation Act (*Umwandlungsgesetz* – "UmwG"), the Merger Agreement becomes effective only if the shareholders of the participating legal entities approve it by resolution ("Merger Resolution").

The Merger Agreement primarily governs the following:

Vitesco Technologies Group Aktiengesellschaft transfers its entire assets, with all rights and obligations, to Schaeffler AG by dissolution without liquidation in exchange for the issuance of shares of Schaeffler AG to the shareholders of Vitesco Technologies Group Aktiengesellschaft who are not parties to the Merger Agreement. The effective date of the merger is January 1, 2024, 00:00 hours (subject to a possible adjustment of the effective date of the merger as described below). The merger will be based on the audited balance sheet of Vitesco Technologies Group Aktiengesellschaft as of December 31, 2023 (subject to a possible adjustment of the effective date of the merger as described below). The specific provisions related to this are found in section 1 of the Merger Agreement.

Upon the effectiveness of the merger, Schaeffler AG will grant the shareholders of Vitesco Technologies Group Aktiengesellschaft, as consideration for the transfer of the assets of Vitesco Technologies Group Aktiengesellschaft free of charge, 57 no-par value bearer shares (voting common shares) of Schaeffler AG with a notional interest in the share capital of EUR 1.00 each for each five (5) registered no-par value shares (voting common shares) of Vitesco Technologies Group Aktiengesellschaft with a notional interest in the share capital of EUR 2.50 each. No consideration other than in the form of shares in Schaeffler AG will be granted unless an additional cash payment is legally mandatory pursuant to sections 72a, 72b UmwG. Insofar as shares of Vitesco Technologies Group Aktiengesellschaft are held by or for the account of Schaeffler AG, no new shares shall be issued to Schaeffler AG. The specific provisions regarding the consideration and exchange are found in section 2 of the Merger Agreement.

For the implementation of the merger, Schaeffler AG will increase its share capital from EUR 666,000,000.00 to date by EUR 278,884,641.00 to EUR 944,884,641.00 through the issuance of 278,884,641 new no-par value bearer shares (voting common shares) of Schaeffler AG, each with a notional interest in the share capital of EUR 1.00 and entitled to profits from January 1, 2024 (subject to a possible adjustment of the profit entitlement as described below), which shall be received by the shareholders of Vitesco Technologies Group Aktiengesellschaft as part of the merger. Schaeffler AG will apply for the admission of all voting common shares to the regulated market (*Prime Standard*) of the Frankfurter Stock Exchange.

In the event that it is judicially determined with finality or recognized by Schaeffler AG through a judicial or extrajudicial settlement or otherwise, that the exchange ratio is not appropriate or the membership in the acquiring entity is not an adequate consideration for the share or for the membership in the transferring entity, the parties declare that, to the extent permissible, additional shares of the acquiring company will be granted instead of a cash payment pursuant to the specific provisions of sections 72a, 72b UmwG. For the execution of the exchange of shares in Vitesco Technologies Group Aktiengesellschaft for shares in Schaeffler AG, Vitesco Technologies Group Aktiengesellschaft appoints BNP Paribas S.A. as trustee. The specific provisions for this are found in sections 2 and 3 of the Merger Agreement.

No special rights within the meaning of section 5 para. 1 no. 7 UmwG are granted to individual shareholders or holders of special rights, and no measures for these persons are envisaged under the aforementioned provision. Subject to (i) the intended appointment of Thomas Stierle as a member of the Board of Managing Directors of Schaeffler AG, (ii) the adjustment of the remuneration system, and (iii) the settlement of existing remuneration for members of the Board of Managing Directors with the members of the Board of Managing Directors of Vitesco Technologies Group Aktiengesellschaft, no special benefits under section 5 para. 1 no. 8 UmwG will be granted to the members of the Board of Managing Directors, members of the Supervisory

Board, managing partners, partners, auditors of a party, or the merger auditor. A detailed description can be found in section 4 of the Merger Agreement.

Regarding individual and collective employment law consequences within the meaning of section 5 para. 1 no. 8 UmwG, it is clarified in particular that the employment relationships from Vitesco Technologies Group Aktiengesellschaft – insofar as such exist at the time the merger takes effect – will be transferred to Schaeffler AG, Schaeffler AG will assume the rights and obligations arising from such employment relationships recognizing the length of employment and continue such employment relationships, and all rights and obligations based on accrued company tenure will continue in relation to Schaeffler AG. Furthermore, it is noted that the merger has no effects on the employment relationships of the employees of Schaeffler AG. The detailed provisions can be found in section 5 of the Merger Agreement.

If the merger is not registered in the commercial register of Schaeffler AG by the end of February 28, 2025, the audited balance sheet of Vitesco Technologies Group Aktiengesellschaft as of December 31, 2024 will be used as closing balance sheet and the merger date will be postponed to January 1, 2025. In the event of a further delay beyond February 28 of the following year, the reference dates each will be postponed accordingly by a further year in accordance with the aforementioned. If the merger is registered in the commercial register of Schaeffler AG only after the annual general meeting of Schaeffler AG in 2025, which decides on the allocation of the balance sheet profits for the financial year 2024, the shares of Schaeffler AG granted as consideration will be entitled to profits only for the financial year starting from January 1, 2025. In the event of a further delay in registration beyond the next annual general meeting of Schaeffler AG, which decides on the allocation of the balance sheet profits for the financial year 2025, the entitlement to profits shall be postponed by an additional year. The exchange ratio remains unaffected by any shift in profit entitlement Provisions for the change of the effective date are found in section 7 of the Merger Agreement.

Furthermore, the Merger Agreement contains provisions regarding suspensive conditions and a right of withdrawal. Particularly, the Merger Agreement is conditional upon the approval of the merger by the general meetings of both Schaeffler AG and Vitesco Technologies Group Aktiengesellschaft. The parties may withdraw if the merger has not become effective through registration in the commercial register of Schaeffler AG by the end of December 31, 2025. The relevant provisions are located in sections 6 and 8 of the Merger Agreement.

The costs associated with the conclusion and execution of the Merger Agreement, except for the costs for the general meeting of Vitesco Technologies Group Aktiengesellschaft deciding on the merger, shall be borne by Schaeffler AG. Otherwise, each party shall bear its own costs for the preparation of the Merger Agreement. Furthermore, from the start of the day on which the merger is registered into the commercial register responsible for Vitesco Technologies Group Aktiengesellschaft, Vitesco Technologies Group Aktiengesellschaft hereby grants Schaeffler AG a power of attorney to make all declarations that may be necessary or expedient in connection with the transfer of the assets of Vitesco Technologies Group Aktiengesellschaft to Schaeffler AG at the time the merger takes effect, or for the correction of public registers or other directories. Finally, the contract contains final provisions for dealing with null and void or ineffective contractual provisions. For further details, reference is made to section 10 of the Merger Agreement.

The full text of the Merger Agreement is sited after the agenda in section II "Reports and further information regarding the agenda items" and can be accessed online at www.schaeffler.com/agm from the convening of the general meeting onwards.

The joint merger report of the Boards of Managing Directors of Schaeffler AG and Vitesco Technologies Group Aktiengesellschaft provides detailed explanations of the individual provisions of the Merger Agreement and is available at the website www.schaeffler.com/agm from the convening of the general meeting onwards. These explanations are hereby incorporated by reference.

The following documents will be available on the website www.schaeffler.com/agm from the convening of the general meeting onwards and during the general meeting:

- the Merger Agreement dated March 13, 2024;
- the annual financial statements and consolidated group financial statements of Schaeffler AG for the financial years 2021, 2022, and 2023, as well as the consolidated management reports of Schaeffler AG and the consolidated group for the financial years 2021, 2022, and 2023;
- the annual financial statements and consolidated group financial statements of Vitesco Technologies Group Aktiengesellschaft for the financial years 2021, 2022, and 2023, as well as the consolidated management reports of Vitesco Technologies Group Aktiengesellschaft and the consolidated group for the financial years 2021, 2022, and 2023;
- the joint merger report of the Boards of Managing Directors of Schaeffler AG and Vitesco Technologies Group Aktiengesellschaft; and
- the audit report prepared pursuant to section 60 in conjunction with section 12 UmwG by the court-appointed joint merger auditor, ADKL AG Wirtschaftsprüfungsgesellschaft, Düsseldorf, dated March 12, 2024.

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

The Merger Agreement between Schaeffler AG, with its registered seat in Herzogenaurach, as the acquiring entity, and Vitesco Technologies Group Aktiengesellschaft, with its registered seat in Regensburg, as the transferring entity, dated March 13, 2024 (UVZ-No. 236/2024 F of notary Dr. Sabine Funke, officiating in Frankfurt a.M.) is approved.

9. Resolution on the capital increase for the purpose of implementing the merger of Vitesco Technologies Group Aktiengesellschaft into Schaeffler AG

Under agenda item 8, the Board of Managing Directors and the Supervisory Board propose to approve the conclusion of the Merger Agreement with Vitesco Technologies Group Aktiengesellschaft dated March 13, 2024 (UVZ-No. 236/2024 F of notary Dr. Sabine Funke, officiating in Frankfurt a.M.). In section 2 of the Merger Agreement, Schaeffler AG undertakes to increase its share capital from EUR 666,000,000.00 to date by EUR 278,884,641.00 to EUR 944,884,641.00 for the purpose of implementing the merger by issuing 278,884,641 new no-par value bearer shares (voting common shares) of Schaeffler AG with a notional interest in the share capital of EUR 1.00 each and entitled to profits from January 1, 2024 (subject to a postponement of profit entitlement in accordance with section 7 of the Merger Agreement). The shares to be granted to the shareholders of Vitesco Technologies Group Aktiengesellschaft not participating in the Merger Agreement as part of the merger are to be created by means of a capital increase against contributions in kind. Insofar as Schaeffler AG holds shares in Vitesco Technologies Group Aktiengesellschaft and insofar as third parties hold shares in Vitesco Technologies Group Aktiengesellschaft for the account of Schaeffler AG, the share capital will not be increased pursuant to section 68 para. 1 sentence 1 no. 1 UmwG.

The share capital of Vitesco Technologies Group Aktiengesellschaft amounts to EUR 100,052,990.00 and is divided into 40,021,196 registered no-par value shares with a nominal value of EUR 2.50.

The shareholders of Schaeffler AG have no subscription rights to the shares to be issued as part of this capital increase (section 69 para. 1 UmwG in conjunction with section 186 AktG).

The Board of Managing Directors and the Supervisory Board propose to the general meeting to resolve as follows:

a) In order to implement the merger of Vitesco Technologies Group Aktiengesellschaft into Schaeffler AG referred to in agenda item 8, the share capital of the company will be increased from EUR 666,000,000.00 to date, divided into 666,000,000 no-par value shares, by EUR 278,884,641.00 against contributions in kind by issuing 278,884,641 new no-par value bearer shares (voting common shares) with a notional interest in the share capital of EUR 1.00 each to EUR 944,884,641.00. The new shares will be issued as consideration for the transfer of the assets of Vitesco Technologies Group Aktiengesellschaft, Regensburg, the share capital of which amounts to EUR 100,052,990.00 and is divided into 40,021,196 registered no-par value shares with a nominal value of EUR 2.50, by way of merger to the shareholders of Vitesco Technologies Group Aktiengesellschaft not participating in the Merger Agreement, in the ratio of five (5) shares of Vitesco Technologies Group Aktiengesellschaft to fifty-seven (57) new shares of Schaeffler AG to be issued.

b) The new shares to be granted as consideration are entitled to profits from January 1, 2024. If the merger is only registered in the commercial register of Schaeffler AG after the annual general meeting of Schaeffler AG in 2025, which resolves on the appropriation of the balance sheet profit for the financial year 2024, the new shares will only be entitled to profits for the financial year from January 1, 2025. In the event of a further delay in registration beyond the following annual general meeting of Schaeffler AG, which resolves on the appropriation of the balance sheet profit for the financial year 2025, the entitlement to profits is postponed by a further year.

c) The issue price (*Ausgabebetrag*) of the new shares is EUR 1.00. The difference between the issue price of the new shares and the contribution value of the respective shares in Vitesco Technologies Group Aktiengesellschaft shall be allocated to the capital reserve in accordance with section 272 para. 2 no. 4 of the German Commercial Code (*Handelsgesetzbuch* – HGB).

d) The Board of Managing Directors is authorized, with the approval of the Supervisory Board, to determine the further details of the capital increase and its implementation.

e) The Supervisory Board is authorized to amend section 6.2 of the Articles of Association of Schaeffler AG in accordance with the capital increase and - insofar as a simultaneous registration can take place - in accordance with the amendment to section 6.2 of the Articles of Association resolved by the extraordinary general meeting on February 2, 2024 under agenda item 1 sub-item 2.

10. **Resolution on the creation of authorized capital with exclusion of subscription rights and corresponding amendment to the Articles of Association**

On February 2, 2024, the extraordinary general meeting of the company resolved on the conversion of the existing non-voting common shares in voting common shares and, in this context, to cancel the authorized capital contained in section 6.3 of the company‘s Articles of Association, which only allows the issuance of non-voting common shares while maintaining shareholders‘ subscription rights. The registration of the amendments to the Articles of Association resolved on in the extraordinary general meeting on February 2, 2024 is to be conditional on the prior or simultaneous entry of the merger of Vitesco Technologies Group Aktiengesellschaft into the company in the company’s commercial register. The resolution of the extraordinary general meeting dated February 2, 2024 is to be confirmed by the general meeting on April 25, 2024 under agenda item 11 as a precautionary measure.

It is now intended to enable the company, through the creation of new authorized capital, in accordance with the company‘s obligation under the Merger Agreement with Vitesco Technologies Group Aktiengesellschaft dated March 13, 2024, to issue voting common shares in exchange for contributions in kind of claims of eligible shareholders for the granting of additional shares that have been established by court decision (section 11 para. 1 of the German Act on Appraisal Proceedings (*Spruchverfahrensgesetz* – SpruchG)) or court settlement (section 11 paras. 2-4 SpruchG) or recognized by the company by out-of-court settlement (*außergerichtlicher Vergleich*) to avoid or terminate appraisal proceedings.

In this context, the Board of Managing Directors and Supervisory Board propose to resolve as follows:

a) The Board of Managing Directors is authorized, with the approval of the Supervisory Board, to increase the company‘s share capital by a total of up to EUR 125,000,000.00 on one or more occasions until April 24, 2029 by issuing up to 125,000,000 new no-par value bearer shares in return for contributions in kind from claims of eligible shareholders for the granting of additional shares that have been established by a court decision (section 11 para. 1 SpruchG) or a court settlement (section 11 paras. 2-4 SpruchG) or recognized by the company in an out-of-court settlement (*außergerichtlicher Vergleich*) to avoid or end appraisal proceedings (Authorized Capital 2024).

   The shareholders‘ subscription rights are excluded.

   The Board of Managing Directors is further authorized to determine the further content of the share rights (including a profit participation of the new shares deviating from section 60 para. 2 sentence 3 AktG) and the conditions of the share issue with the approval of the Supervisory Board. The Supervisory Board is authorized to amend the company‘s Articles of Association accordingly if the Authorized Capital 2024 is utilized or after the deadline for utilizing the Authorized Capital 2024 has expired.

b) Section 6.3 of the Articles of Association shall be reworded as follows:

   “The Board of Managing Directors is authorized, with the approval of the Supervisory Board, to increase the company‘s share capital by a total of up to EUR 125,000,000.00 on one or more occasions until April 24, 2029 by issuing up to 125,000,000 new no-par value bearer shares in return for contributions in kind of claims of eligible shareholders for the granting of additional shares that have been established by a court decision (section 11 para. 1 SpruchG) or a court settlement (section 11 paras. 2-4 SpruchG) or recognized by the company in an out-of-court settlement (*außergerichtlicher Vergleich*) to avoid or end appraisal proceedings (Authorized Capital 2024). The shareholders' subscription rights are excluded. The Board of Managing Directors is further authorized to determine the further content of the share rights (including a profit participation of the new shares deviating from section 60 para. 2 sentence 3 AktG) and the conditions of the share issue with the approval of the Supervisory Board. The Supervisory Board is authorized to amend the company's Articles of Association accordingly if the Authorized Capital 2024 is utilized or after the deadline for utilizing the Authorized Capital 2024 has expired."

c) Application for registration in the commercial register

The Board of Managing Directors is instructed not to submit the authorized capital and the amendment to the Articles of Association resolved under agenda item 10 for registration in the commercial register until the general meeting of the company has approved the Merger Agreement of the company with Vitesco Technologies Group Aktiengesellschaft as the transferring entity, as proposed for voting under agenda item 8 of the annual general meeting on April 25, 2024. The registration of the amendments to the Articles of Association resolved under agenda item 10 shall be conditional on the prior or simultaneous entry of the merger of Vitesco Technologies Group Aktiengesellschaft into the company in the company's commercial register.

The Board of Managing Directors submits a written report to the general meeting on the reason for the exclusion of subscription rights, which is sited after the agenda in section II "Reports and further information regarding the agenda items" and can be accessed online at www.schaeffler.com/agm from the convening of the general meeting onwards.

11. Confirmation of the resolution of the extraordinary general meeting on February 2, 2024 on the conversion of non-voting common shares into voting common shares by canceling the preferential right to profits and corresponding amendments of the Articles of Association as well as instructions to the Board of Managing Directors

On February 2, 2024, the extraordinary general meeting of the company resolved on the conversion of the non-voting common shares into voting common shares by canceling the preferential right to profits and corresponding amendments to the Articles of Association as well as issuing instructions to the Board of Managing Directors and instructed the Board of Managing Directors not to submit the resolved amendments to the Articles of Association for registration in the commercial register until a separate general meeting of the company has approved the Merger Agreement to be concluded between the company and Vitesco Technologies Group Aktiengesellschaft as the transferring entity in accordance with section 7 of the resolution of the extraordinary general meeting on February 2, 2024. The registration of the amendments to the Articles of Association resolved under agenda item 1 of the extraordinary general meeting on February 2, 2024 is to be conditional on the prior or simultaneous entry of the merger of Vitesco Technologies Group Aktiengesellschaft into the company in the company's commercial register.

It is intended to have this resolution confirmed by the annual general meeting on April 25, 2024 as a precautionary measure in order to document the corresponding continuing will of the general meeting. The resolution of the extraordinary general meeting of February 2, 2024 on agenda item 1 remains unchanged.

The Board of Managing Directors and Supervisory Board propose to the annual general meeting to resolve as follows:

The resolution

"1. The no-par value non-voting common shares will be converted into no-par value voting common shares by canceling the preferential right to profits.

2. Section 6.2 of the Articles of Association shall be reworded as follows:

   "The share capital is divided into 666,000,000 no-par value common shares. The notional interest in the share capital attributable to each no-par value share is EUR 1.00. The share capital of EUR 500,000,000.00 was provided by way of a change in the legal form of INA Beteiligungsgesellschaft mit beschränkter Haftung, Herzogenaurach, to a stock corporation."

3. Section 6.3 of the Articles of Association shall be deleted without replacement.

4. Section 7.2 of the Articles of Association shall be deleted without replacement and is provisionally subject to change.

5. Section 19.1 of the Articles of Association shall be reworded as follows:

   "Each share of Schaeffler confers one voting right."

6. Section 22.2 of the Articles of Association shall be deleted without replacement and is provisionally subject to change.

7. The Board of Managing Directors is instructed to prepare the conclusion of a merger agreement with Vitesco Technologies Group Aktiengesellschaft and to negotiate and conclude a merger agreement with Vitesco Technologies Group Aktiengesellschaft for this purpose and to submit it to the company's general meeting for approval.

8. The Board of Managing Directors is instructed not to file the amendments to the Articles of Association resolved under agenda item 1 for entry in the commercial register until a separate general meeting of the company has approved a merger agreement between the company and Vitesco Technologies Group Aktiengesellschaft as the transferring legal entity in accordance with item 7 of this resolution. The registration of the amendments to the Articles of Association resolved under agenda item 1 shall be conditional on the prior or simultaneous entry of the merger of Vitesco Technologies Group Aktiengesellschaft into the company in the commercial register of the company."

adopted under agenda item 1 of the extraordinary general meeting of the company on February 2, 2024 is confirmed.

12. Confirmation of the resolution of the extraordinary general meeting on February 2, 2024 on the special resolution of the voting common shareholders on the resolution of the extraordinary general meeting on February 2, 2024 under agenda item 1 on the approval of the conversion of non-voting common shares into voting common shares by canceling the preferential right to profits and corresponding amendments of the Articles of Association as well as instructions to the Board of Managing Directors

At the extraordinary general meeting of the company on February 2, 2024, the voting common shareholders approved by special resolution the resolution to be approved under agenda item 11 under agenda item 1 of the extraordinary general meeting on February 2, 2024 regarding the approval of the conversion of non-voting common shares into voting common shares by canceling the preferential right to profits and corresponding amendments to the Articles of Association as well as instructions to the Board of Managing Directors.

It is intended to also have this resolution confirmed at the annual general meeting on April 25, 2024 as a precautionary measure in order to document the corresponding continued will of the voting common shareholders. The special resolution of the voting common shareholders at the extraordinary general meeting on February 2, 2024 on agenda item 2 remains unchanged.

The Board of Managing Directors and Supervisory Board propose to the annual general meeting to resolve as follows:

The resolution

> "The voting common shareholders approve the resolution of the general meeting on February 2, 2024 on the conversion of non-voting common shares into voting common shares by canceling the preferential right to profits and the associated amendments of the Articles of Association and instructions to the Board of Managing Directors according to agenda item 1."

adopted under agenda item 2 at the extraordinary general meeting of the company on February 2, 2024 is confirmed.

13. New Elections to the Supervisory Board

The current term of office of the shareholder representatives on the Supervisory Board ends at the close of the general meeting on April 25, 2024, meaning that a new election of all shareholder representatives on the Supervisory Board is required.

Pursuant to sections 96 paras. 1 and 2, 101 para. 1 AktG in conjunction with section 7 para. 1 sentence 1 no. 3 Co-determination law from 1976 (*Mitbestimmungsgesetz von 1976*), the Supervisory Board of Schaeffler AG is composed of ten shareholder representatives and ten employee representatives.

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

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

On the recommendation of its Nomination Committee, the Supervisory Board proposes that the following candidates be elected to the Supervisory Board as a shareholder representative for the period until the end of the general meeting resolving on the formal approval of the acts of the Supervisory Board for the financial year 2024:

1) Georg F.W. Schaeffler, resident in Dallas/USA and Herzogenaurach
   Partner of INA-Holding Schaeffler GmbH & Co. KG and Managing Director of IHO Verwaltungs GmbH

2) Sabine Bendiek, resident in Frankfurt am Main
   Manager

3) Prof. Dr.-Ing. habil Prof. E.h. mult. Dr. h.c. mult. Hans-Jörg Bullinger, resident in Stuttgart
   Professor of Technology Management

4) Dr. Holger Engelmann, resident in Gräfelfing
   Chairman of the Board of Managing Directors of Webasto SE

5) Prof. Dr. Bernd Gottschalk, resident in Esslingen
   Managing shareholder of Auto Value GmbH

6) Ulrike Hasbargen, resident in Munich
   Tax Consultant/Auditor

7) Katherina Reiche, resident in Essen
   Chairwoman of the Board of Managing Directors of Westenergie AG

8) Robin Stalker, resident in Oberreichenbach
   Chartered Accountant

9) Prof. KR Ing. Siegfried Wolf, resident in Weikersdorf/Austria
   Entrepreneur

10) Prof. Dr. Ing. Tong Zhang, resident in Shanghai/People's Republic of China and Pulheim
    Director of the Institute of Fuel Vehicle Technology at Tongji University Shanghai, People's Republic of China

In the event of his re-election, Mr. Georg F.W. Schaeffler is to be proposed as a candidate for chairman of the Supervisory Board.

The Supervisory Board has ascertained that all candidates are able to devote the time required to serve on the Supervisory Board.

The proposed candidates are already current members of the supervisory board of Schaeffler AG and Mr. Georg F. W. Schaeffler is moreover chairman of the board. Mr. Georg F.W. Schaeffler indirectly holds, together with his mother, Ms. Maria-Elisabeth Schaeffler-Thumann, all voting common shares in Schaeffler AG. Furthermore, Mr. Georg F. W. Schaeffler, Mr. Prof. Dr.-Ing. habil Prof. E.h. mult. Dr. h.c. mult. Hans-Jörg Bullinger and Mr. Prof. KR Ing. Siegfried Wolf are members of the Supervisory Board of Vitesco Technologies Group Aktiengesellschaft. Mr. Prof. KR Ing. Siegfried Wolf is also chairman of the Supervisory Board of Vitesco Technologies Group Aktiengesellschaft, in which Schaeffler AG holds an interest. Moreover, in the opinion of the

Supervisory Board, there are no personal or business relationships between any of the proposed candidates and Schaeffler Group companies, the executive bodies of Schaeffler AG, or a shareholder directly or indirectly holding more than 10% of the voting shares of Schaeffler AG.

Further information on the candidates proposed for election, in particular the candidates‘ curricula vitae and the information pursuant to section 125 para. 1 sentence 5 AktG, can be found at the end of the agenda.

14. Resolution on the amendment of section 17.4 sentence 3 of the Articles of Association

Section 123 para. 4 sentence 2 AktG was amended by the Act on the Financing of Future-Proof Investments (*Gesetz zur Finanzierung von zukunftssichernden Investitionen*) (Federal Law Gazette I No. 354 2023) and the record date for proof share ownership for bearer shares in listed companies was set as the close of business on the 22nd day prior to the general meeting instead of the beginning of the 21st day prior to the general meeting.

The Board of Managing Directors and Supervisory Board propose to the general meeting to resolve as follows:

Section 17.4 sentence 3 of the Articles of Association shall be reworded as follows:

> “The proof of shareholding shall refer to the close of business on the 22nd day prior to the annual general meeting (record date) and must be received by the company at the address provided for this purpose in the notice convening the annual general meeting at least six days prior to the annual general meeting.“

The currently applicable Articles of Association are available on the website at www.schaeffler.com/agm. They will also be available there during the general meeting.

15. Resolution on the approval of the conclusion of the domination and profit and loss transfer agreement between Schaeffler AG and Schaeffler Verwaltungsholding Vier GmbH

Schaeffler AG and Schaeffler Verwaltungsholding Vier GmbH, Herzogenaurach, intend to enter into a domination and profit and loss transfer agreement. Schaeffler AG is the sole shareholder of Schaeffler Verwaltungsholding Vier GmbH.

The main content of the domination and profit and loss transfer agreement is as follows:

Under the domination and profit and loss transfer agreement, Schaeffler Verwaltungsholding Vier GmbH is subject to the management of Schaeffler AG and Schaeffler AG is accordingly entitled to issue instructions to the management of Schaeffler Verwaltungsholding Vier GmbH. Furthermore, the domination and profit and loss transfer agreement primarily requires Schaeffler Verwaltungsholding Vier GmbH as the dominated company to transfer the entire profit of Schaeffler Verwaltungsholding Vier GmbH to Schaeffler AG as the dominating company and requires Schaeffler AG to absorb any net loss otherwise incurred by Schaeffler Verwaltungsholding Vier GmbH during the term of the agreement. The main purpose of the domination and profit and loss transfer agreement is to establish consolidated tax groups (*steuerliche Organschaft*).

The domination and profit and loss transfer agreement requires the approval of the shareholders’ meeting of Schaeffler Verwaltungsholding Vier GmbH. In addition, the domination and profit and loss transfer agreement also requires the approval of the general meeting of Schaeffler AG and entry in the commercial register of Schaeffler Verwaltungsholding Vier GmbH in order to be effective. The domination and profit and loss transfer agreement can be terminated with six months' notice to the end of a financial year, but no earlier than the end of the financial year after the end of which the period prescribed in section 14 para. 1 no. 3 of the German Corporation Tax Act (*Körperschaftsteuergesetz*), the minimum tax term of a profit and loss transfer agreement required for the recognition of a consolidated tax group for corporation tax and trade tax purposes (currently five years), i.e. no earlier than December 31, 2028. The right to terminate the domination agreement for good cause without observing a notice period remains unaffected.

With regard to the further content, reference is made to the full text of the final draft version of the domination and profit and loss transfer agreement, which is sited after the agenda in section II "Reports and further information regarding the agenda items" and which be accessed online at www.schaeffler.com/agm from the convening of the general meeting onwards.

In addition to the draft of the domination and profit and loss transfer agreement, the following documents will be available on the website at www.schaeffler.com/agm from the convening of the general meeting onwards and during the general meeting:

- The annual financial statements and consolidated financial statements of Schaeffler AG for the financial years 2020, 2021, 2022 and 2023 as well as the consolidated management reports of Schaeffler AG and the consolidated group for the financial years 2020, 2021, 2022 and 2023;

- The annual financial statements of Schaeffler Verwaltungsholding Vier GmbH for the financial years 2020, 2021, 2022 (the annual financial statements for the financial year 2023 are not yet available and will be made available at www.schaeffler.com/agm as soon as they are available) as well as the management report of Schaeffler Verwaltungsholding Vier GmbH for the financial year 2022 (the management report for the financial year 2023 is not yet available and will be made available at www.schaeffler.com/agm as soon as they are available); and

- the joint report of the Board of Managing Directors of Schaeffler AG and the management of Schaeffler Verwaltungsholding Vier GmbH prepared in accordance with section 293a AktG.

The Board of Managing Directors and the Supervisory Board propose to approve the conclusion of the domination and profit and loss transfer agreement.

II. Reports and further information regarding items of the agenda

1. Remuneration report for the financial year 2023
(concerning item 6 of the agenda)

Remuneration report 2023

Contents

1. REMUNERATION OF MANAGING DIRECTORS

1.1 Review of 2023
1.2 Remuneration principles
1.3 Remuneration for 2023
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
1.9 Cap on remuneration 2020

2. REMUNERATION OF SUPERVISORY BOARD MEMBERS

2.1 Overview of remuneration of the Supervisory Board in 2023
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 Supervisory Board members of Schaeffler AG in 2023. It also describes the specific application to and features of the remuneration for 2023, which is in line with the main features and guidelines stipulated in the current remuneration systems for the Managing Directors and the Supervisory Board and approved by the annual general meeting on April 21, 2022.
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 April 28, 2022 (published in the Federal Gazette on June 27, 2022). This remuneration report will be submitted to the annual general meeting for approval on Apr 25, 2024. The 2022 remuneration report was submitted to the annual general meeting for approval in accordance with section 120a (4) AktG and approved on April 20, 2023.
The detailed descriptions of the remuneration systems for the Managing Directors and Supervisory Board members of Schaeffler AG are available from the website.

1. Remuneration of Managing Directors

1.1 Review of 2023

Financial performance

The Schaeffler Group did well overall in 2023. In a market environment characterized by challenging geopolitical and economic conditions, the company has once again demonstrated competitive ability in 2023 as well. Revenue growth of 5.8%, excluding the impact of currency translation, exceeded that of the prior year and met the guidance.

The increase in revenue, excluding the impact of currency translation, during the year was primarily attributable to the impact of volumes. A favorable impact from sales prices further bolstered the revenue trend. Revenue growth in the Automotive Technologies division of 5.4%, excluding the impact of currency translation, resulted from a market-driven increase in volumes at the Engine & Transmission Systems, Bearings, and Chassis Systems BDs, especially in the Europe region. The 11.8% in additional revenue of the Automotive Aftermarket division, excluding the impact of currency translation, was primarily influenced by the Europe region, with most of the impetus stemming from the performance of the Independent Aftermarket business in Central & Eastern Europe. The 3.9% increase in Industrial division revenue, excluding the impact of currency translation, was due to the contribution made by the Ewellix Group acquired early in the year. The weak market environment in the Greater China region had a considerable adverse impact on the revenue trend of the Industrial division.

The company's EBIT margin before special items of 7.3% exceeded that of the prior year and met the guidance as well, despite the challenging market environment, with the company once again benefiting from its diversified stature. Especially the Automotive Technologies and Automotive Aftermarket divisions improved their earnings considerably and contributed significantly to the group's EBIT before special items.

Changes to the Board of Managing Directors

Corinna Schittenhelm left the Board of Managing Directors on December 31, 2023, the contractually agreed end of her term of office. The Supervisory Board of Schaeffler AG appointed Dr. Astrid Fontaine to the Board of Managing Directors of Schaeffler AG as an ordinary member and as Chief Human Resources Officer effective January 1, 2024.

Additionally, at its meeting on May 26, 2023, the Supervisory Board of Schaeffler AG appointed Sascha Zaps to the Board of Managing Directors of Schaeffler AG as CEO of the Industrial division effective May 1, 2024. He will succeed Dr. Stefan Spindler, who will leave the Board of Managing Directors of Schaeffler AG when his term of office ends on April 30, 2024. Further, at its meeting on December 15, 2023, the Supervisory Board decided to extend the contract with Klaus Rosenfeld until June 30, 2029. The extension of the contract with Klaus Rosenfeld does not impact the amount of his current remuneration.

Remuneration system

The current remuneration system for Managing Directors was approved by the annual general meeting of Schaeffler AG on April 21, 2022, and is effective retroactively from January 1, 2022, for Managing Directors currently appointed and for all Managing Directors whose service contracts are newly entered into or renewed.

1.2 Remuneration principles

The entire Supervisory Board determines the system and amount of remuneration of individual Managing Directors including the cap on remuneration. The presidential 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:

Linking performance and remuneration:
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.
Value creation and free cash flow:
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.
Variable remuneration focused on long-term and sustainable appreciation of shareholder value:
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, ESG targets should be addressed in variable remuneration.
Strengthening orientation toward the capital markets and more extensively aligning interests with those of shareholders:
Managing Directors are required to purchase a set amount of Schaeffler AG's common non-voting shares and to own them until the end of their term of service with Schaeffler AG (share purchase and ownership requirement).

Overview of remuneration of Managing Directors for 2023

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.

Along with financial targets, the short-term variable remuneration – the short-term bonus (STB) – is also based on non-financial targets. A maximum of two ESG targets are defined as non-financial targets each year; 20% of the STB is subject to achievement of these targets. Additionally, a climate neutrality target with a weighting of 25% was embedded in the long-term variable remuneration – the long-term bonus (LTB)– starting with the 2022–2025 tranche.

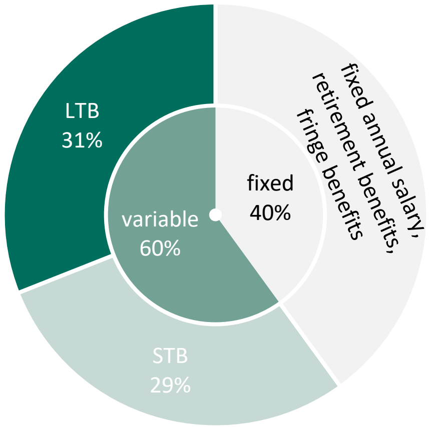
Overview of remuneration system			
Component	**Objective**	**Structure 2023**	
Non-performance-based components		**Target amount (in € thousands)**	**Description**
Fixed annual salary	• Reflects the role and area of responsibility within the Board of Managing Directors • Secures an appropriate basic income and prevents inappropriate risk-taking	CEO: 1,200 Managing Director: 600	• Annual base remuneration • Payout in twelve monthly installments
Fringe benefits		CEO/Managing Director: up to 42	• Company car (including for private use) • Insurance benefits incl. pecuniary damage liability insurance (D&O insurance)
Retirement benefits	Ensure adequate retirement benefits	CEO: 390 Managing Director: 195	• Defined contribution model
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 [1]	• Financial targets (80%) – CEO and Chief Officers of the functions (1) SVA Group (vs. target value) (40%) (2) FCF Group (vs. target value) (40%) – Divisional CEOs (1) SVA Group (vs. target value) (20%) (2) SVA Division (vs. target value) (20%)

			(3) FCF Group (vs. target value) (20%) (4) DCF Division (vs. target value) (20%) • Non-financial targets (20%) (1) Reduce fresh water withdrawal (vs. target value) (10%) (2) Improve occupational safety (vs. target value) (10%) – Individual performance (multiplier 0.8–1.2) • Capped at 150% of target bonus
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 [2]	• Share-based remuneration instrument • Individual grant amount is converted to PSUs at the average closing price of Schaeffler shares on the last 60 trading days (1) Service condition (40% PSUs) (target achievement rate 0–100%) (2) TSR outperformance (17.5% PSUs) (target achievement rate 0–200%) (3) EPS growth (17.5% PSUs) (target achievement rate 0–200%) (4) CO_2 reduction (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
Further remuneration arrangements			
Share ownership requirements	Promote an equity culture and ensure close alignment of the interests of the Managing Directors with shareholders' interests	CEO: 2,400 Managing Director: 600	• Requirement to invest in Schaeffler common non-voting shares – CEO: 200% of annual fixed remuneration – Ordinary Managing Director: 100% of annual fixed remuneration • Requirement to own throughout period of service as Managing Director • Prerequisite for payout of LTB starting with 2020–2023 tranche
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

[1] Individual contractual commitment for Dr. Spindler: EUR 750 thousand.
[2] Individual contractual commitment for Dr. Spindler: EUR 800 thousand.

Remuneration structure

The diagram illustrates the general structure of the total target remuneration. The share represented by the fixed remuneration component comprises the fixed annual salary as well as retirement benefits and additional fringe benefits granted. 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 vary between individuals.



The relative share of the target remuneration represented by each component was within the defined ranges for all Managing Directors in 2023. The relative share each remuneration component represents of the benefits awarded and due can differ as a result of actual target achievement for the variable remuneration in 2023.

Appropriateness of the remuneration

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

To ensure that the total remuneration is appropriate, the Supervisory Board takes into account customary levels and structures of remuneration both at 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 an independent remuneration expert, Ernst & Young Wirtschaftsprüfungsgesellschaft (EY), to review the appropriateness of the remuneration of the Board of Managing Directors. In a report issued in 2022, EY confirmed that the 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. The Supervisory Board continues to consider the remuneration of the Managing Directors to be commensurate with their duties and performance and the situation of the company. The Supervisory Board reviews the accuracy of this assessment at regular intervals using expert opinions.

For the horizontal comparison, the amount and structure of the total target remuneration of the CEO and the ordinary Managing Directors as well as their individual components were compared to remuneration market data of peer companies. For the comparison performed in 2022, appropriateness of the remuneration of the CEO and the ordinary Managing Directors was assessed based on companies included in the MDAX and SDAX as at December 31, 2021, as well as an individually defined peer group. The individual peer group comprised the following publicly listed international companies: BorgWarner Inc., Continental AG, Cummins Inc., Deutz AG, Dürr AG, Faurecia SE, Gestamp Automoción S.A., Knorr-Bremse AG, Leoni AG, Magna International Inc., Norma Group SE, Plastic Omnium S.A., RBC Bearings Inc., Siemens AG, Stabilus SE, The Timken Company, Valeo S.A., and Vitesco Technologies Group AG.

The vertical comparison was based on the average remuneration of the Schaeffler Group's employees (total workforce) over time, 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 and SDAX companies.

Cap on remuneration

In accordance with the legal requirements of section 87a AktG, the Supervisory Board caps the total remuneration per year per Managing Director (cap on remuneration). The total amount of remuneration that can be granted to Managing Directors for a given year (sum of all amounts of remuneration incurred for the relevant year including fixed annual salary, variable components of remuneration, benefit contributions, fringe benefits, as well as payments and other benefits) – regardless of whether it is paid out during that year or at a later date – is capped at a maximum amount for each Managing Director ("cap on remuneration").

The cap on remuneration amounts to EUR 7,650 thousand for the Chief Executive Officer and, in principle, EUR 3,875 thousand for each ordinary Managing Director. In deviation from this principle, the remuneration for Dr. Spindler is capped at EUR 4,580 thousand as a result of individual contractual commitments. 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 2023–2026 tranche of the long-term bonus will not be determined until the end of 2026. Compliance with the cap on remuneration for 2023 will be finally reported on in the 2026 remuneration report.

Malus clause and claw-back provision

With a view to the requirements of the German Corporate Governance Code, the company 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, withhold, 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 2023, this clause has not been applied.

1.3 Remuneration for 2023

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.

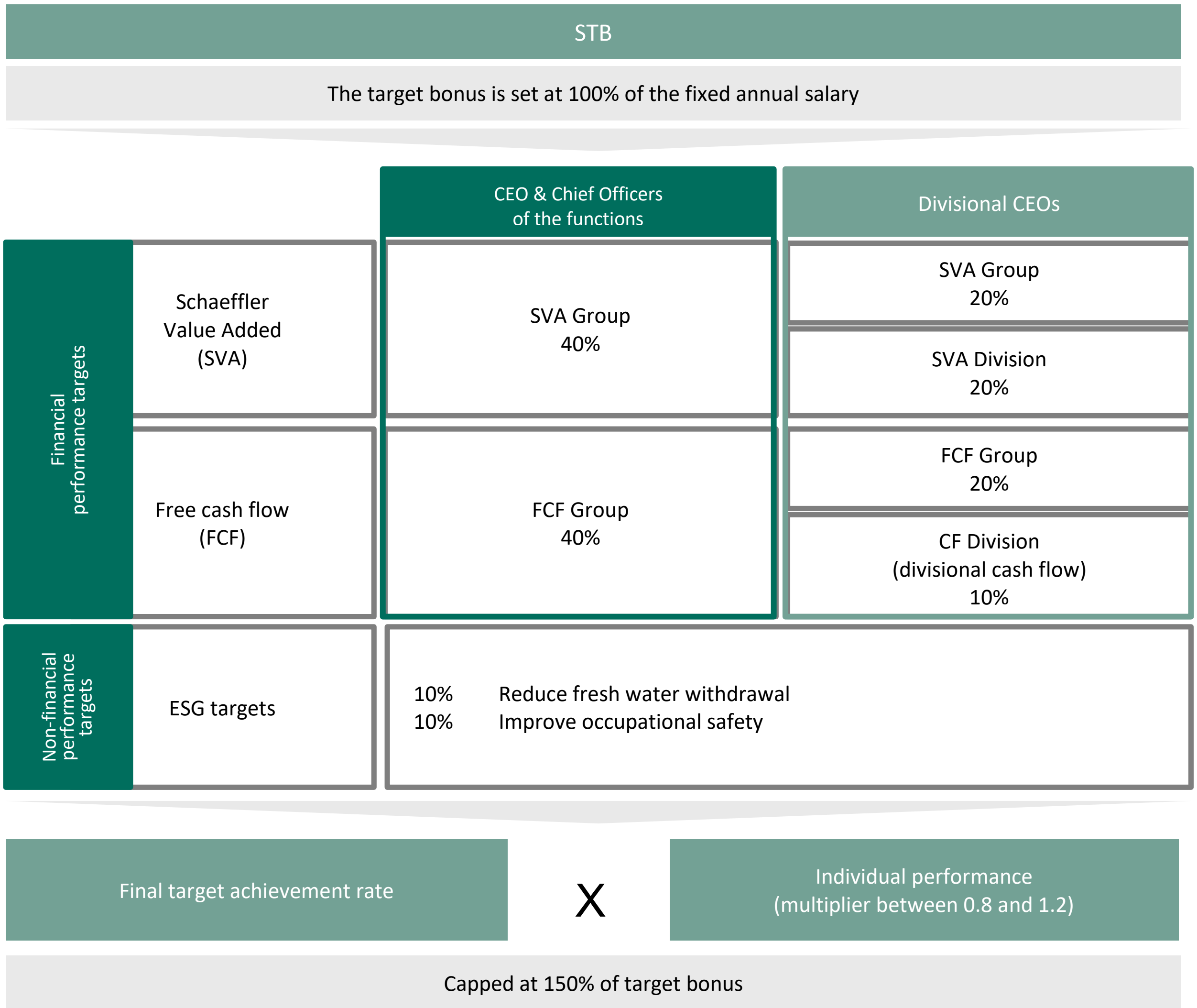
Fringe benefits

Fringe benefits granted in 2023 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. Additionally, Managing Directors receive a contribution to their health and long-term care insurance and an allowance to be contributed to their personal retirement plan, as well as coverage under the company's group personal accident insurance. 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 2023.

Short-term variable component – short-term bonus

The short-term bonus is linked to the key financial and non-financial performance targets for the Schaeffler Group's value creation. The financial performance targets are free cash flow of the Schaeffler Group (FCF Group) and Schaeffler Value Added of the Schaeffler Group (SVA Group). The non-financial performance targets comprise up to two targets reflecting indicators relevant to the Schaeffler Group that relate to the fields of environment, social, or governance (ESG targets). As a result, remuneration contributes significantly to successfully executing the strategy and investing in growth areas while maintaining the focus on profitability, cash flow generation, and sustainability. The financial targets are weighted at 80% and the non-financial targets at 20%. The maximum payout of the STB is capped at 150% of the individual target bonus.

Features of the Short-Term Bonus (STB)



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 equally-weighted financial performance targets – FCF Group and SVA Group – and on target achievement for the non-financial targets.

For the divisional CEOs, the target achievement rate is determined based on the equally-weighted financial performance targets – FCF Group, SVA Group, divisional Schaeffler Value Added (SVA Division), and divisional cash flow (DCF Division) – as well as target achievement for the non-financial targets.

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 2023) 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).

In order to continue embedding the sustainability strategy and the related company initiatives in remuneration, the Supervisory Board has set a non-financial target in the form of an ESG target for 2023. The ESG target 2023 is derived from the Schaeffler Group's sustainability targets. The ESG target 2023 is weighted at 20% within the short-term bonus and comprises the following two equally-weighted sub-targets:

- "Reduce fresh water withdrawal" by implementing water-related measures in 2023 that result in an annual reduction of fresh water withdrawal by 150,000 m^3, and

- “Improve occupational safety” by reducing the occupational accident rate, measured as a reduction in the lost-time injury rate (LTIR) to at most 2.6 per one million man hours worked.

Achievement of the ESG targets is reviewed by an external independent expert.

Actual target achievement for the STB 2023

The target values (100%) for the various performance targets were derived from internal budgets. The following summary sets out the financial performance targets for 2023 and the related target achievement rates:

Actual target achievement for the STB 2023 – Schaeffler Group

Schaeffler Group (in € millions)	Performance scale			Target achievement rate for 2023	
	0%	100%	150%	absolute (in € millions)	relative (in %)
Free cash flow	≤ 0	270	≥ 405	453	150.0
Schaeffler Value Added	≤ -274	168	≥ 389	237	115.6

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, special impact arising from acquisitions and disposals and the impact of certain restructuring programs.

The performance scales for DCF Division and SVA Division for 2023 were set in a similar manner. The performance scales relevant to 2023 and the resulting target achievement rates for the three divisions can be summarized as follows:

Actual target achievement for the STB 2023 – divisions

Automotive Technologies (in € millions)	Performance scale			Target achievement rate for 2023	
	0%	100%	150%	absolute (in € millions)	relative (in %)
Divisional cash flow	≤ 0	385	≥ 578	554	143.8
Divisional Schaeffler Value Added	≤ -317	-194	≥ -133	-67	150.0
Automotive Aftermarket (in € millions)	Performance scale			Target achievement rate for 2023	
	0%	100%	150%	absolute (in € millions)	relative (in %)
Divisional cash flow	≤ 0	210	≥ 315	298	141.9
Divisional Schaeffler Value Added	≤ 82	191	≥ 246	291	150.0
Industrial (in € millions)	Performance scale			Target achievement rate for 2023	

	0%	100%	150%	absolute (in € millions)	relative (in %)
Divisional cash flow	≤ 0	448	≥ 672	247	55.1
Divisional Schaeffler Value Added	≤ -17	206	≥ 318	16	14.8

The non-financial performance targets are measured using a binary logic (achieved/not achieved). For 2023, the following sub-targets of the ESG target were achieved:

Actual target achievement for the STB 2023 – Schaeffler Group

Schaeffler Group	Performance scale		Target achievement for 2023	
	not achieved	achieved	absolute	Target achieve-ment
Reduce fresh water withdrawal	< 150,000m³	≥ 150,000 m³	265,441 m³	achieved
Improve occupational safety	LTIR > 2.6	LTIR ≤ 2.6	2.7	not achieved

The sub-target "Reduce fresh water withdrawal" calls for the Schaeffler Group to implement water conservation measures in 2023 that result in saving at least 150,000 m³ annually. The 27 measures implemented in 2023 lead to a reduction in fresh water withdrawal by 265,441 m³ annually. The water conservation measures were reviewed by an external independent expert. Thus, the first sub-target was achieved.

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 2.6 or less in 2023. The relevant measures were developed and implemented as part of the "Safe Work@Schaeffler" project. The project is designed to increase the necessary awareness of occupational safety on the part of all employees and managers. The group-level accident rate was reduced to an LTIR of 2.7 in 2023, not meeting the target relevant to remuneration by 0.1. However, this number continues the positive trend of reducing the accident rate by at least 10% p.a. since 2018. Occupational accidents include accidents of employees, temporary staff, apprentices, or trainees (total workforce excluding leased workers, contractors, and commuting accidents) 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 combined separate group non-financial report in accordance with sections 289b (3) and 315b (3) HGB within the sustainability report at www.schaeffler-sustainability-report.com/2023 for further details.

ESG targets 2023 – target achievement logic

		Improve occupational safety	
		achieved	not achieved
Reduce fresh water withdrawal	achieved	150%	75%
	not achieved	75%	0%

As a result, the target achievement rate for the ESG target amounts to 75% in 2023.

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. Additional special targets can be agreed for Managing Directors. The Supervisory Board has chosen not to apply any individual performance factors or special individual targets in 2023.

Therefore, the Supervisory Board has set the individual performance factor for 2023 to 1.0.

Final target achievement rates for the STB 2023

Final target achievement rates for the STB 2023 can be summarized by individual Managing Director as follows:

Final target achievement rates for the STB 2023

	Performance criteria	Weight	Target achievement rate	Final target achievement rate	Individual target amount, in € thousands	Performance factor	Payout amount 2023, in € thousands
	FCF	40%	150.0%				
	SVA	40%	115.6%				
Rosenfeld, Klaus (Chief Executive Officer)	ESG targets	20%	75.0%	121.2%	1,200	1	1,455
	FCF	20%	150.0%				
	SVA	20%	115.6%				
	DCF	20%	143.9%				
	DSVA	20%	150.0%				
Zink, Matthias (CEO Automotive Technologies)	ESG targets	20%	75.0%	126.9%	600	1	761
	FCF	20%	150.0%				
	SVA	20%	115.6%				
	DCF	20%	141.9%				
	DSVA	20%	150.0%				
Schüler, Jens (CEO Automotive Aftermarket)	ESG targets	20%	75.0%	126.5%	600	1	759
	FCF	20%	150.0%				
	SVA	20%	115.6%				
	DCF	20%	55.1%				
	DSVA	20%	14.8%				
Spindler, Stefan, Dr. (CEO Industrial)	ESG targets	20%	75.0%	82.1%	750	1	616
	FCF	40%	150.0%				
	SVA	40%	115.6%				
Bauer, Claus (Chief Financial Officer)	ESG targets	20%	75.0%	121.2%	600	1	727
	FCF	40%	150.0%				
Schick, Andreas (Chief Operating Officer)	SVA	40%	115.6%	121.2%	600	1	727

	ESG targets	20%	75.0%				
	FCF	40%	150.0%				
	SVA	40%	115.6%				
Schittenhelm, Corinna (Chief Human Resources Officer)	ESG targets	20%	75.0%	121.2%	600	1	727
	FCF	40%	150.0%				
	SVA	40%	115.6%				
Wagner, Uwe (Chief Technology Officer)	ESG targets	20%	75.0%	121.2%	600	1	727

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 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 the common non-voting shares of Schaeffler AG on 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.

Features of the Long-Term Bonus (LTB)

LTB

The individual grant amount in euros is converted to PSUs at the average closing price of Schaeffler's common non-voting shares on the last 60 trading days prior to the grant date.

40% PSUs	Service condition	Target achievement rate: 0%–100%	**Condition:** existing contract for serving as Managing Director
17,5% PSUs	TSR outperformance	Target achievement rate: 0%–200%	**Condition:** TSR outperformance vs. sector basket (SXAGR/SXNGR)
17,5% PSUs	EPS growth	Target achievement rate: 0%–200%	**Condition:** average annual growth in earnings per share (EPS growth)
25% PSUs	Climate neutrality	Target achievement rate: 0%–200%	**Condition:** a certain level of CO_2 emissions and, if applicable, implementation of relevant measures

Payout after a four-year performance period

No. of PSUs X Share price at payout (capped at 200% of share price at grant date)

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 2023 is linked to the four conditions below. Percentages of PSUs shown are based on an assumed target achievement rate of 100%:

- 40% 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. [1]

- 17.5% of PSUs granted are subject to a performance target based on TSR outperformance. TSR represents the share price performance of Schaeffler AG's 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.
- 17.5% 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.
- 25% of PSUs granted are subject to a CO_2 reduction target designed to contribute to the Schaeffler Group's long-term climate neutrality. For the 2023–2026 tranche, Scope 1 + 2 [2] emissions are measured and compared to the base year, 2019. Achievement of this target is then measured in terms of levels set out in the performance scale. The milestone target in the 2023–2026 LTB tranche is a reduction of emissions by 78%. This represents an essential contribution to achieving the Schaeffler Group's long-term sustainability target – climate neutrality by 2040.

[1] Taking into account the rules applicable to leavers.

[2] Reduction scope 1 + 2 emissions compared to 2019. Scope 1 comprises emissions from main sources of emissions: natural gas, fuel oil, and propane. Scope 2 comprises indirect emissions from purchased electricity and district heating. Emissions at the end of the performance period and emissions for the base year (2019) are calculated using the methodology in effect as of the measurement date.

PSUP performance targets 2023–2026 – TSR outperformance

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%

PSUP performance targets 2023–2026 – EPS growth

Average EPS growth p.a. (in €) over the performance period	Number of EPS growth PSUs vested
$EPS_{growth} \geq 0.213$	200%
$0.148 \leq EPS_{growth} < 0.213$	150%
$0.083 \leq EPS_{growth} < 0.148$	100%
$0.018 \leq EPS_{growth} < 0.083$	50%
$EPS_{growth} < 0.018$	0%

Climate neutrality component 2023–2026	
Reduction Scope 1 + 2 emissions [1)] (2023–2026)	Number of climate neutrality PSUs vested
Scope 1 + 2 [1)] ≥ 84%	200%
81% ≤ Scope 1 + 2 [1)] < 84%	150%
78% ≤ Scope 1 + 2 [1)] < 81%	100%
75% ≤ Scope 1 + 2 [1)] < 78%	50%
Scope 1 + 2 [1)] < 75%	0%

[1)] Reduction Scope 1 + 2 emissions compared to 2019. Scope 1 comprises emissions from main sources of emissions: natural gas, fuel oil, and propane. Scope 2 comprises indirect emissions from purchased electricity and district heating. Emissions at the end of the performance period and emissions for the base year (2019) are calculated using the methodology in effect as of the measurement date.

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 [3] over the four-year performance period. Target achievement for the climate neutrality component is determined as the difference between the base amount and the actual amount at the end of the performance period and is measured in terms of levels set out in the performance scale.

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 euros at the end of the performance period at the average price of Schaeffler AG's common non-voting shares on 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 share ownership requirements at the end of the relevant performance period (see "Share ownership requirements" for a detailed description).

LTB 2020–2023 – target achievement

The LTB 2020–2023 is based on the LTB plan with the 2020 plan terms. Vesting of PSUs is subject to the following three conditions: 50% of PSUs granted (base number) are subject to a service condition, 25% of PSUs granted are subject to a long-term EPS-based performance target, and 25% of PSUs granted are subject to a performance target based on TSR outperformance compared to the sector basket. This sector basket replicates the performance of the STOXX Europe 600 Automobiles and Parts Gross Return (SXAGR) and STOXX Europe Industrial Goods and Services Gross Return (SXNGR), weighted 75% and 25%, respectively. The performance scales relevant to the 2020–2023 tranche are as follows:

PSUP performance targets 2020–2023 – EPS growth [1)]	
EPS growth over the performance period	Number of EPS PSUs vested
CAGR EPS ≥ +7.5%	200%
+5% ≤ CAGR EPS < +7.5%	150%
+2.5% ≤ CAGR EPS < +5%	100%
+0% ≤ CAGR EPS < +2.5%	50%

CAGR EPS < 0%	0%

1) Compound annual growth rate (CAGR) EPS = $(EPS_{year\ 4} - EPS_{year\ 0})^{(1/years)}$-1, with $EPS_{year\ 0}$ equaling EPS for the year immediately preceding the relevant performance period and $EPS_{year\ 4}$ equaling EPS for the final year of the relevant performance period.

PSUP performance targets 2020–2023 – TSR outperformance

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%

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

Dietmar Heinrich, who left the Board of Managing Directors effective July 31, 2020, was granted PSUs under the plan terms of the previous LTB (2015). As a result, along with the service condition weighted at 50%, the relevant targets for Dietmar Heinrich are an FCF-based performance target (weighted at 25%) and a performance target based on TSR outperformance compared to the MDAX (weighted at 25%). The performance scales relevant to the 2020–2023 tranche are as follows:

PSUP performance targets 2020–2023 – cumulative FCF

Deviation from target amount	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%
Cumulative FCF compared to target FCF < -6.01%	0%

PSUP performance targets 2020–2023 – 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 2020–2023 were tied to meeting a service condition. Payout of the 2020–2023 tranche will be received in March 2024. The payout amount is calculated by multiplying the number of PSUs vested by the average share price of the common non-voting shares of Schaeffler AG on the last 60 trading days before the end of the performance period, which amounted to EUR 5.20.

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				
	Rosenfeld, Klaus (Chief Executive Officer)			
	Long-term bonus			
Remuneration instrument and tranche	2020/2023 [3]	2021/2024	2022/2025	2023/2026 [4]
Performance period	01/01/2020–12/31/2023	01/01/2021–12/31/2024	01/01/2022–12/31/2025	01/01/2023–12/31/2026
Number of PSUs granted as at January 1, 2023	144,766	214,168	179,806	-
Grant date	Feb. 4, 2020	Feb. 26, 2021	Feb. 25, 2022	March 3, 2023
Target value (pro rata), € thousands	1,300	1,300	1,300	1,300
Number of PSUs granted in 2023	-	-	-	219,224
Grant date fair value of PSUs granted in 2023, € thousands	-	-	-	1,005
Payout amount for 2023 [1], € thousands	376	-	-	-
PSUs forfeited in 2023 [2]	72,384	-	-	-
Number of PSUs granted but unvested as at December 31, 2023	-	214,168	179,806	219,224

	Zink, Matthias (CEO Automotive Technologies)			
	Long-term bonus			
Remuneration instrument and tranche	2020/2023 3)	2021/2024	2022/2025	2023/2026 4)
Performance period	01/01/2020–12/31/2023	01/01/2021–12/31/2024	01/01/2022–12/31/2025	01/01/2023–12/31/2026
Number of PSUs granted as at January 1, 2023	72,383	107,084	89,903	-
Grant date	Feb. 4, 2020	Feb. 26, 2021	Feb. 25, 2022	March 3, 2023
Target value (pro rata), € thousands	650	650	650	650
Number of PSUs granted in 2023	-	-	-	109,612
Grant date fair value of PSUs granted in 2023, € thousands	-	-	-	503
Payout amount for 2023 1), € thousands	188	-	-	-
PSUs forfeited in 2023 2)	36,192	-	-	-
Number of PSUs granted but unvested as at December 31, 2023	-	107,084	89,903	109,612

1) Payout in March 2024.
2) PSUs for which targets were not achieved and PSUs forfeited due to holder leaving the Board of Managing Directors.
3) The share price at payout is EUR 5.20 (60-day average as at December 31, 2023).
4) The share price at grant date is EUR 5.93 (60-day average as at January 1, 2023).

	Schüler, Jens (CEO Automotive Aftermarket)			
	Long-term bonus			
Remuneration instrument and tranche	-	-	2022/2025	2023/2026 4)
Performance period	-	-	01/01/2022–12/31/2025	01/01/2023–12/31/2026
Number of PSUs granted as at January 1, 2023	-	-	89,903	-
Grant date	-	-	Feb. 25, 2022	March 3, 2023
Target value (pro rata), € thousands	-	-	650	650
Number of PSUs granted in 2023	-	-	-	109,612
Grant date fair value of PSUs granted in 2023, € thousands	-	-	-	503
Payout amount for 2023 1), € thousands	-	-	-	-
PSUs forfeited in 2023 2)	-	-	-	-
Number of PSUs granted but unvested as at December 31, 2023	-	-	89,903	109,612

	Spindler, Stefan, Dr. (CEO Industrial)			
	Long-term bonus			
Remuneration instrument and tranche	2020/2023 [3]	2021/2024	2022/2025	2023/2026 [4]
Performance period	01/01/2020–12/31/2023	01/01/2021–12/31/2024	01/01/2022–12/31/2025	01/01/2023–12/31/2026
Number of PSUs granted as at January 1, 2023	89,087	131,796	110,650	-
Grant date	Feb. 4, 2020	Feb. 26, 2021	Feb. 25, 2022	March 3, 2023
Target value (pro rata), € thousands	800	800	800	800
Number of PSUs granted in 2023	-	-	-	134,907
Grant date fair value of PSUs granted in 2023, € thousands	-	-	-	619
Payout amount for 2023 [1], € thousands	232	-	-	-
PSUs forfeited in 2023 [2]	44,544	-	-	-
Number of PSUs granted but unvested as at December 31, 2023	-	131,796	110,650	134,907

	Bauer, Claus (Chief Financial Officer)			
	Long-term bonus			
Remuneration instrument and tranche	-	2021/2024	2022/2025	2023/2026 [4]
Performance period	-	01/01/2021–12/31/2024	01/01/2022–12/31/2025	01/01/2023–12/31/2026
Number of PSUs granted as at January 1, 2023	-	35,695	89,903	-
Grant date	-	Sept. 1, 2021	Feb. 25, 2022	March 3, 2023
Target value (pro rata), € thousands	-	217	650	650
Number of PSUs granted in 2023	-	-	-	109,612
Grant date fair value of PSUs granted in 2023, € thousands	-	-	-	503
Payout amount for 2023 [1], € thousands	-	-	-	-
PSUs forfeited in 2023 [2]	-	-	-	-
Number of PSUs granted but unvested as at December 31, 2023	-	35,695	89,903	109,612

1) Payout in March 2024.
2) PSUs for which targets were not achieved and PSUs forfeited due to holder leaving the Board of Managing Directors.
3) The share price at payout is EUR 5.20 (60-day average as at December 31, 2023).
4) The share price at grant date is EUR 5.93 (60-day average as at January 1, 2023).

	Schick, Andreas (Chief Operating Officer)			
	Long-term bonus			
Remuneration instrument and tranche	2020/2023 [3]	2021/2024	2022/2025	2023/2026 [4]

Performance period	01/01/2020–12/31/2023	01/01/2021–12/31/2024	01/01/2022–12/31/2025	01/01/2023–12/31/2026
Number of PSUs granted as at January 1, 2023	72,383	107,084	89,903	-
Grant date	Feb. 4, 2020	Feb. 26, 2021	Feb. 25, 2022	March 3, 2023
Target value (pro rata), € thousands	650	650	650	650
Number of PSUs granted in 2023	-	-	-	109,612
Grant date fair value of PSUs granted in 2023, € thousands	-	-	-	503
Payout amount for 2023 [1], € thousands	188	-	-	-
PSUs forfeited in 2023 [2]	36,192	-	-	-
Number of PSUs granted but unvested as at December 31, 2023	-	107,084	89,903	109,612

	Schittenhelm, Corinna (Chief Human Resources Officer)			
	Long-term bonus			
Remuneration instrument and tranche	2020/2023 [3]	2021/2024	2022/2025	2023/2026 [4]
Performance period	01/01/2020–12/31/2023	01/01/2021–12/31/2024	01/01/2022–12/31/2025	01/01/2023–12/31/2026
Number of PSUs granted as at January 1, 2023	72,383	107,084	89,903	-
Grant date	Feb. 4, 2020	Feb. 26, 2021	Feb. 25, 2022	March 3, 2023
Target value (pro rata), € thousands	650	650	650	650
Number of PSUs granted in 2023	-	-	-	109,612
Grant date fair value of PSUs granted in 2023, € thousands	-	-	-	503
Payout amount for 2023 [1], € thousands	188	-	-	-
PSUs forfeited in 2023 [2]	36,192	-	-	-
Number of PSUs granted but unvested as at December 31, 2023	-	107,084	89,903	109,612

	Wagner, Uwe (Chief Technology Officer)			
	Long-term bonus			
Remuneration instrument and tranche	2020/2023 [3]	2021/2024	2022/2025	2023/2026 [4]
Performance period	01/01/2020–12/31/2023	01/01/2021–12/31/2024	01/01/2022–12/31/2025	01/01/2023–12/31/2026
Number of PSUs granted as at January 1, 2023	72,383	107,084	89,903	-
Grant date	Feb. 4, 2020	Feb. 26, 2021	Feb. 25, 2022	March 3, 2023
Target value (pro rata), € thousands	650	650	650	650
Number of PSUs granted in 2023	-	-	-	109,612
Grant date fair value of PSUs granted in 2023, € thousands	-	-	-	503

Payout amount for 2023 1), € thousands	188	-	-	-
PSUs forfeited in 2023 2)	36,192	-	-	-
Number of PSUs granted but unvested as at December 31, 2023	-	107,084	89,903	109,612

1) Payout in March 2024.
2) PSUs for which targets were not achieved and PSUs forfeited due to holder leaving the Board of Managing Directors.
3) The share price at payout is EUR 5.20 (60-day average as at December 31, 2023).
4) The share price at grant date is EUR 5.93 (60-day average as at January 1, 2023).

Share-based payment – former Managing Directors

	Söding, Michael	
	Long-term bonus	
Remuneration instrument and tranche	2020/2023 3)	2021/2024 3)
Performance period	01/01/2020–12/31/2023	01/01/2021–12/31/2024
Number of PSUs granted as at January 1, 2023	36,192	26,771
Grant date	Feb. 4, 2020	Feb. 26, 2021
Target value (pro rata), € thousands	650	650
Number of PSUs granted in 2023	-	-
Grant date fair value of PSUs granted in 2023, € thousands	-	-
Payout amount for 2023 1), € thousands	94 4)	-
PSUs forfeited in 2023 2)	18,096	-
Number of PSUs granted but unvested as at December 31, 2023	-	26,771

	Patzak, Klaus, Dr.	
	Long-term bonus	
Remuneration instrument and tranche	2020/2023 3)	2021/2024 3)
Performance period	01/01/2020–12/31/2023	01/01/2021–12/31/2024
Number of PSUs granted as at January 1, 2023	20,735	46,849
Grant date	Aug. 1, 2020	Feb. 26, 2021
Target value (pro rata), € thousands	271	650
Number of PSUs granted in 2023	-	-
Grant date fair value of PSUs granted in 2023, € thousands	-	-
Payout amount for 2023 1), € thousands	54 4)	-
PSUs forfeited in 2023 2)	10,367	-
Number of PSUs granted but unvested as at December 31, 2023	-	46,849

	Heinrich, Dietmar
	Long-term bonus
Remuneration instrument and tranche	2020/2023 [3]
Performance period	01/01/2020–12/31/2023
Number of PSUs granted as at January 1, 2023	6,158
Grant date	Feb. 4, 2020
Target value (pro rata), € thousands	379
Number of PSUs granted in 2023	-
Grant date fair value of PSUs granted in 2023, € thousands	-
Payout amount for 2023 [1], € thousands	16 [4]
PSUs forfeited in 2023 [2]	3,079
Number of PSUs granted but unvested as at December 31, 2023	-

1) Payout in March 2024.
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 pro rata temporis based on rules applicable to leavers.
4) The share price at payout is EUR 5.20 (60-day average as at December 31, 2023).

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 required to purchase common non-voting shares in the company and to own them throughout the term of their service. These share ownership requirements are also aligned with the wide-spread practice of implementing share ownership requirements for managing directors among international peers.

The number of shares Managing Directors are required to own is based on their annual fixed remuneration and Managing Directors in office on January 1, 2020, have to first meet the requirement by December 31, 2023; common non-voting shares of the company already owned by a Managing Director count toward meeting the requirement. All other Managing Directors are required to meet the requirement by the end of the first LTB performance period. Where the term of office commences during the year, the requirement needs to be met by the end of the first four-year LTB performance period starting in the calendar year following the beginning of the service contract. Ordinary Managing Directors are required to own an amount equivalent to their current annual fixed remuneration at any given time. The requirement for the CEO is equivalent to twice the current annual fixed remuneration at any given time based on the share price of the common non-voting shares at acquisition. Payout of the LTB is conditional on proof of compliance with the share purchase and ownership requirement, and such proof is first required to be supplied for the payout of the 2020–2023 LTB tranche. If a Managing Director's service contract ends before the end of the first performance period, the share ownership requirement is reduced pro rata temporis based on the duration of the service contract in proportion to the four-year LTB performance period.

The shares held by each Managing Director as at December 31, 2023, are summarized below. All Managing Directors subject to proof of compliance with the share ownership requirement fully comply with the requirement. As a result, these Managing Directors are entitled to full payout of the 2020–2023 LTB tranche based on the target achievement rate. Managing Directors that have left during the performance period are required to meet the requirement on a pro rata temporis basis.

Managing Directors: Share ownership requirements					
Managing Director	Shares required to be held in € thousands	Number of shares held as at December 31, 2023	Average acquisition price in €	Shares held at acquisition cost in € thousands	Compliance with share ownership requirements in %
Rosenfeld, Klaus (CEO)	2,400 [2)]	300,000 [3)]	8.31	2,493	104
Zink, Matthias	600 [2)]	113,790 [3)]	6.17	702	117
Spindler, Stefan, Dr.	600 [2)]	105,000 [3)]	5.83	612	102
Schick, Andreas	600 [2)]	88,016 [3)]	6.84	602	100
Schittenhelm, Corinna	600 [2)]	96,150 [3)]	6.27	603	100
Wagner, Uwe	600 [2)]	103,700 [3)]	5.81	603	100
Söding, Michael [1)]	300 [2)]	53,500 [4)]	5.62	301	100

1) Reduced pro rata temporis (24/48).
2) Proof is first required to be supplied for the payout of the 2020–2023 LTB tranche (as at December 31, 2023).
3) Based on information from "Managers' Transactions".
4) Proof supplied in the form of a securities account statement.

1.6 Retirement benefits

Retirement benefit commitment since 2020

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. Since January 1, 2020, a fixed contribution (benefit contribution) is credited to a benefit account for each Managing Director each year and paid toward a reimbursement insurance policy for the life of the Managing Director. In the case of Jens Schüler, the benefit contribution is contributed to the trust for the retirement benefit scheme for Schaeffler AG employees. 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 amount of the balance in the benefit account. This benefit balance represents the balance in the benefit account, floored at no less than the sum of the benefit contributions made or, in the case of Jens Schüler, at no less than 80% of 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 after termination of their service starting at age 62. Managing Directors can opt to receive their retirement benefits 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, the relevant 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. These percentages amount 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.

Managing Directors: Service cost for 2023 and defined benefit obligations as at December 31, 2023, in accordance with HGB

in € thousands	Year	Annual contributions/service cost	Defined benefit obligation
Rosenfeld, Klaus (CEO)	2023	390	12,457
Zink, Matthias	2023	195	754
Schüler, Jens	2023	195	0
Spindler, Stefan, Dr.	2023	195	1,051
Bauer, Claus	2023	195	0
Schick, Andreas	2023	195	436
Schittenhelm, Corinna	2023	195	1,169
Wagner, Uwe	2023	195	66
Total		**1,690**	**15,936**

1.7 Other information on the remuneration of Managing Directors

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 twelve 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. Peter Gutzmer left the Board of Managing Directors of Schaeffler AG effective December 31, 2019, and was entitled to non-compete-related compensation amounting to 50% of his remuneration for the last twelve months prior to his departure. The final calculation of the compensation was performed in 2023 (EUR 942,327) and resulted in a shortfall compared to the advances paid for 2020 and 2021 and, hence, in a refund of EUR 363,960 (after deducting the payout of the LTB 2019–2022) payable to Schaeffler AG by Dr. Gutzmer.

Dietmar Heinrich left the Board of Managing Directors of Schaeffler AG effective July 31, 2020. The preliminary annual non-compete-related compensation payment calculated based on the most recently agreed fixed remuneration and the last STB paid out amounted to EUR 613,500. The final non-compete-related compensation was calculated for the period from August 1, 2020, to December 31, 2020, reflecting the payout of the LTB 2020–2023 and a reduction for income from other employment or service in accordance with section 74c HGB during this period. The non-compete-related compensation amounts to EUR 225,875.05.

Corinna Schittenhelm left the Board of Managing Directors of Schaeffler AG effective December 31, 2023. She is entitled to payment of non-compete-related compensation. The same applies to Dr. Spindler who is leaving the Board of Managing Directors of Schaeffler AG effective April 30, 2024.

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 presidential 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 of the Corporate Governance report, "Governing bodies of the company".

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 2022 and 2023. Under the vesting-oriented interpretation of section 162 AktG, benefits awarded are interpreted as those benefits for which the underlying service (over one or more years) has been rendered in full by the end of the year, regardless of when the benefits are actually received by the Managing Directors. Benefits due are interpreted as those benefits that are due, but have in fact not yet been received by the Managing Directors. The remuneration of the Board of Managing Directors for 2023 is in line with the main features and guidelines stipulated in the current remuneration system for the Managing Directors and approved by the annual general meeting on April 21, 2022.

Benefits awarded and due – 2023 and 2022: Managing Directors

	Rosenfeld, Klaus (Chief Executive Officer)		**Zink, Matthias** (CEO Automotive Technologies)		**Schüler, Jens** (CEO Automotive Aftermarket)		**Spindler, Stefan, Dr.** (CEO Industrial)		**Bauer, Claus** (Chief Financial Officer)	
	since October 24, 2014		since January 1, 2017		since January 1, 2022		since May 1, 2015		since September 1, 2021	
in € thousands	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Fixed remuneration										
Fixed remuneration	1,200	1,200	600	600	600	600	600	600	600	600
• in % of total remuneration	35%	35%	34%	36%	38%	40%	36%	30%	39%	42%
Fringe benefits	22	19	38	28	41	33	29	26	21	20
• in % of total remuneration	1%	1%	2%	2%	3%	2%	2%	1%	1%	1%
Pensions [1)]	390	390	195	195	195	195	195	195	195	217

• in % of total remuneration	11%	11%	11%	12%	12%	13%	12%	10%	13%	15%
Variable remuneration										
Short-term variable remuneration (STB)	1,455	1,215	761	529	759	654	616	822	727	607
• in % of total remuneration	42%	36%	43%	32%	48%	44%	37%	41%	47%	42%
Long-term variable remuneration (LTB)	376	453	188	227	-	-	232	279	-	-
• in % of total remuneration	11%	13%	11%	14%	-	-	14%	14%	-	-
One-off PSU grant 2020	-	132	-	66	-	-	-	66	-	-
• in % of total remuneration	-	4%	-	4%	-	-	-	3%	-	-
Total remuneration (including benefit contributions)	**3,444**	**3,409**	**1,783**	**1,645**	**1,595**	**1,483**	**1,672**	**1,988**	**1,543**	**1,445**

	Schick, Andreas (Chief Operating Officer)		**Schittenhelm, Corinna** (Chief Human Resources Officer)		**Wagner, Uwe** (Chief Technology Officer)		**Total**	
	since April 1, 2018		since January 1, 2022		since October 1, 2019			
in € thousands	2023	2022	2023	2022	2023	2022	2023	2022
Fixed remuneration								
Fixed remuneration	600	600	600	600	600	600	5,400	5,400
• in % of total remuneration	35%	35%	35%	35%	35%	39%	35%	36%
Fringe benefits	21	20	26	24	18	17	217	188
• in % of total remuneration	1%	1%	2%	1%	1%	1%	1%	1%
Pensions [1]	195	195	195	195	195	195	1,755	1,777
• in % of total remuneration	11%	11%	11%	11%	11%	13%	12%	12%
Variable remuneration								
Short-term variable remuneration (STB)	727	607	727	607	727	607	6,501	5,649
• in % of total remuneration	42%	35%	42%	35%	42%	39%	43%	38%
Long-term variable remuneration (LTB)	188	227	188	227	188	57	1,361	1,469
• in % of total remuneration	11%	13%	11%	13%	11%	4%	9%	10%
One-off PSU grant 2020	-	66	-	66	-	66	-	462
• in % of total remuneration	-	4%	-	4%	-	4%	-	3%
Total remuneration (including benefit contributions)	**1,732**	**1,715**	**1,737**	**1,719**	**1,728**	**1,542**	**15,234**	**14,946**

[1] Pension benefits paid in the relevant year for former Managing Directors. Benefit contributions for current Managing Directors (voluntary disclosure).

Benefits awarded and due – 2023 and 2022: Former Managing Directors

	Söding, Michael		Patzak, Klaus, Dr.		Heinrich, Dietmar		Pleus, Peter, Prof. Dr.	
in € thousands	2023	2022	2023	2022 [3]	2023	2022	2023	2022
Fixed remuneration								
Fixed remuneration	-	-	-	450	-	-	-	-
• in % of total remuneration	-	-	-	50%	-	-	-	-
Fringe benefits	-	-	-	16	-	-	-	-
• in % of total remuneration	-	-	-	2%	-	-	-	-
Pensions [1]	-	-	-	-	-	-	293	290
• in % of total remuneration	-	-	-	-	-	-	100%	100%
Compensation payment	614	614	-	-	226	-	-	-
• in % of total remuneration	87%	78%	-	-	93%	-	-	-
Variable remuneration								
Short-term variable remuneration (STB)	-	-	-	401	-	-	-	-
• in % of total remuneration	-	-	-	45%	-	-	-	-
Long-term variable remuneration (LTB)	94	170	54	-	16	90	-	-
• in % of total remuneration	13%	22%	100%	-	7%	100%	-	-
One-off PSU grant 2020	-	-	-	28	-	-	-	-
• in % of total remuneration	-	-	-	3%	-	-	-	-
Total remuneration	**708**	**784**	**54**	**894**	**242**	**90**	**293**	**290**

	Gutzmer, Peter, Prof. Dr.-Ing.		Hauck, Ulrich, Dr.		Mirlach, Kurt		Schuff, Gerhard, Dr.	
in € thousands	2023	2022	2023	2022	2023	2022	2023	2022
Fixed remuneration								
Fixed remuneration	-	-	-	-	-	-	-	-
• in % of total remuneration	-	-	-	-	-	-	-	-
Fringe benefits	-	-	-	-	-	-	-	-
• in % of total remuneration	-	-	-	-	-	-	-	-
Pensions [1]	212	249	-	-	230	228	48	47
• in % of total remuneration	-139%	89%	-	-	100%	100%	100%	100%
Compensation payment	-364	-	-	-67 [4]	-	-	-	-
• in % of total remuneration	239%	-	-	100%	-	-	-	-

Variable remuneration								
Short-term variable remuneration (STB)	-	-	-	-	-	-	-	-
• in % of total remuneration	-	-	-	-	-	-	-	-
Long-term variable remuneration (LTB)	-	31 [2)]	-	-	-	-	-	-
• in % of total remuneration	-	11%	-	-	-	-	-	-
One-off PSU grant 2020	-	-	-	-	-	-	-	-
• in % of total remuneration	-	-	-	-	-	-	-	-
Total remuneration	**-152**	**281**	-	**-67**	**230**	**228**	**48**	**47**

[1)] Pension benefits paid in the relevant year for former Managing Directors. Benefit contributions for current Managing Directors (voluntary disclosure).
[2)] The LTB payout amount calculated is offset against the EUR 300 thousand advance paid in 2019.
[3)] The appointment of Dr. Patzak as an ordinary Managing Director of the company ended on July 31, 2021, the date Dr. Patzak stepped down from his position. His contract for serving as a Managing Director ended on September 30, 2022 (termination date) and, hence, so did both parties' obligations under the contract for serving as a Managing Director. Under the service agreement, he receives the STB 2022 granted, but on a pro-rata basis until the termination date. The STB 2022 was calculated based on the performance targets stipulated in the contract for serving as a Managing Director, 50% SVA and 50% FCF. The Supervisory Board has determined the following target achievement rates for 2022: SVA: 93.3% and FCF: 84.8%. The multiplier for individual performance for Dr. Patzak was set to 1.0. The LTB tranches granted in 2020 and 2021 were treated on a pro-rata basis up to the termination date in accordance with the good leaver conditions. Dr. Patzak is not entitled to any (pro rata) LTB for 2022. The service condition of the third tranche of the one-off PSU grant 2020 is deemed met.
[4)] Final calculation of the compensation payment paid in advance, which led to a refund to Schaeffler AG.

Benefits awarded and due – 2023 and 2022: Former Managing Directors

	Hundsdörfer, Rainer		**Indlekofer, Norbert**		**Schullan, Robert**		**Total**	
in € thousands	2023	2022	2023	2022	2023	2022	2023	2022 [5)]
Fixed remuneration								
Fixed remuneration	-	-	-	-	-	-	0	450
• in % of total remuneration	-	-	-	-	-	-	0%	18%
Fringe benefits	-	-	-	-	-	-	0	16
• in % of total remuneration	-	-	-	-	-	-	0%	1%
Pensions [1)]	51	13	272	-	178	-	1,284	827
• in % of total remuneration	100%	100%	100%	-	100%	-	67%	32%
Compensation payment	-	-	-	-	-	-	475	547
• in % of total remuneration	-	-	-	-	-	-	25%	21%
Variable remuneration								
Short-term variable remuneration (STB)	-	-	-	-	-	-	0	401
• in % of total remuneration	-	-	-	-	-	-	0%	16%
Long-term variable remuneration (LTB)	-	-	-	-	-	-	164	291
• in % of total remuneration	-	-	-	-	-	-	9%	11%
One-off PSU grant 2020	-	-	-	-	-	-	0	28

• in % of total remuneration	-	-	-	-	-	-	0%	1%
Total remuneration	**51**	13	**272**	-	**178**	-	**1,923**	**2,560**

[5] Changes from prior year are due to Managing Directors that have left in or during 2023.

1.9 Cap on remuneration 2020

In accordance with the legal requirements of section 87a AktG, the Supervisory Board capped the total remuneration per year per Managing Director (cap on remuneration) beginning with the remuneration for 2020. The cap on remuneration for the relevant year is determined as the total of the caps on the individual components of remuneration (annual base remuneration, STB, LTB) as well as benefit contributions and other fringe benefits. The cap on the remuneration of a Managing Director limits the total amount of remuneration granted for the relevant year, regardless of whether it is paid out during that year or at a later date.

The cap on remuneration for 2020 amounted to EUR 8,590 thousand for the Chief Executive Officer and EUR 4,345 thousand for each ordinary Managing Director. The amount for Dr. Spindler differs due to existing contractual commitments: The cap on remuneration for 2020 amounted to EUR 5,020 thousand.

Compliance with the cap on remuneration for 2020 is determined by reviewing the fixed remuneration, fringe benefits, benefit contributions, and the STB for the relevant year, 2020. The payout of the LTB under the 2020–2023 tranche is relevant to determining compliance with the cap on remuneration as well.

The cap on remuneration was fully complied with for 2020. An overview is provided by the following summary:

	Rosenfeld, Klaus (Chief Executive Officer)	**Zink, Matthias** (CEO Automotive Technologies)	**Spindler, Stefan, Dr.** (CEO Industrial)	**Schick, Andreas** (Chief Operating Officer)	**Schittenhelm, Corinna** (Chief Human Resources Officer)
in € thousands					
Fixed remuneration					
Fixed remuneration	1,200	600	600	600	600
Fringe benefits	29	32	27	29	24
Benefit contributions	390	195	195	195	195
Variable remuneration					
Short-term variable remuneration (STB)	1,220	459	695	610	610
Long-term variable remuneration (LTB)	376	188	232	188	188
Total remuneration for 2020	**3,215**	**1,474**	**1,749**	**1,622**	**1,617**
Cap on remuneration 2020	**8,590**	**4,345**	**5,020**	**4,345**	**4,345**

	Wagner, Uwe (Chief Technology Officer)	Söding, Michael (former CEO Automotive Aftermarket)	Patzak, Klaus, Dr. (former Chief Financial Officer)	Heinrich, Dietmar (former Chief Financial Officer)
			since August 1, 2020	until July 31, 2020
in € thousands				
Fixed remuneration				
Fixed remuneration	600	600	250	350
Fringe benefits	22	30	9	16
Benefit contributions	195	195	81	0
Variable remuneration				
Short-term variable remuneration (STB)	610	680	254	356
Long-term variable remuneration (LTB)	188	94	54	16
Total remuneration for 2020	**1,615**	**1,599**	**648**	**738**
Cap on remuneration 2020	**4,345**	**4,345**	**1,810** [1]	**2,535** [1]

[1] Cap on remuneration 2020 reduced pro rata temporis.

2. Remuneration of Supervisory Board members

The description of the remuneration of Supervisory Board members includes the disclosures required by German stock corporation law and is consistent with the recommendations of the German Corporate Governance Code. The remuneration of the Supervisory Board was reviewed and selectively amended in 2022. The amended remuneration system was approved by the annual general meeting on April 21, 2022.

2.1 Overview of remuneration of the Supervisory Board in 2023

The members of the Supervisory Board of Schaeffler AG receive base 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:

- Presidential 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.

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 Supervisory Board member 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.

Supervisory Board members 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 Supervisory Board members (together with the Managing Directors) that includes a deductible provision.

No advances or loans were granted to members of the Supervisory Board in 2022 or 2023. The following tables summarize the amount of remuneration of each Supervisory Board member.

Overview of remuneration of the Supervisory Board

Base remuneration Supervisory Board

Chairman	Deputy	Member
100,000 EUR	75,000 EUR	50,000 EUR

Additional remuneration for committee membership

Presidential committee	Audit committee	Technology committee
Chairman EUR 40,000	**Chairman** EUR 40,000	**Chairman** EUR 20,000
Member EUR 20,000	**Member** EUR 20,000	**Member** EUR 10,000

Additional attendance fee for Supervisory Board and committee meetings

EUR 1,500 per meeting

2.2 Amounts of remuneration of the Supervisory Board

The remuneration of the Supervisory Board for 2023 is in line with the main features and guidelines stipulated in the current remuneration system for the Supervisory Board and approved by the annual general meeting on April 21, 2022.

Benefits awarded and due – 2023 and 2022: Members of the Supervisory Board

in € thousands	Year	Base remuneration	in % of total remuneration	Remuneration for committee membership	in % of total remuneration	Attendance fees	in % of total remuneration	Total remuneration [1)]
Bendiek, Sabine	2023	50	72%	-	-	20	28%	70
	2022	50	85%	-	-	9	15%	59

Bullinger, Hans-Jörg, Prof. Dr.	2023	50	58%	20	23%	17	19%	87
	2022	50	59%	20	24%	15	18%	85
Engelmann, Holger, Dr.	2023	50	61%	20	24%	12	15%	82
	2022	50	60%	20	24%	14	16%	84
Gottschalk, Bernd, Prof. Dr.	2023	50	75%	-	-	17	25%	67
	2022	50	81%	-	-	12	19%	62
Grimm, Andrea 2)	2023	50	54%	20	22%	23	24%	93
	2022	50	57%	20	23%	18	20%	88
Hasbargen, Ulrike	2023	50	75%	-	-	17	25%	67
	2022	50	81%	-	-	12	19%	62
Höhn, Thomas 2)	2023	50	53%	20	21%	24	26%	94
	2022	50	57%	20	23%	18	20%	88
Lau, Susanne 2)	2023	50	75%	-	-	17	25%	67
	2022	50	81%	-	-	12	19%	62
Reiche, Katherina (since April 20, 2023)	2023	35	77%	-	-	11	23%	46
	2022	-	-	-	-	-	-	-
Resch, Barbara 2)	2023	50	55%	20	22%	21	23%	91
	2022	50	54%	20	22%	23	24%	93
Schaeffler, Georg F. W. (Chair SB)	2023	100	55%	50	27%	33	18%	183
	2022	100	54%	50	27%	35	19%	185
Schaeffler-Thumann, Maria-Elisabeth (Dep. Chair SB) (until April 20, 2023)	2023	23	65%	6	17%	6	17%	35
	2022	75	64%	20	17%	23	19%	118
Schenk, Jürgen 2)	2023	50	63%	10	13%	20	25%	80
	2022	50	67%	10	13%	15	20%	75
Putz, Alexander, Dr.	2023	50	75%	-	-	17	25%	67
	2022	13	74%	-	-	5	26%	17
Schönhoff, Helga	2023	50	75%	-	-	17	25%	67
	2022	50	81%	-	-	12	19%	62
Schöpplein, Ulrich (since August 1, 2023)	2023	21	46%	13	28%	12	26%	46
	2022	-	-	-	-	-	-	-
Stalker, Robin	2023	50	45%	40	36%	21	19%	111
	2022	50	47%	40	38%	17	15%	107

Vicari, Salvatore [2] (until July 31, 2023)	2023	29	48%	17	29%	14	23%	60
	2022	50	47%	30	28%	27	25%	107
Wechsler, Jürgen [2] (Dep. Chair SB)	2023	75	47%	50	32%	33	21%	158
	2022	75	48%	50	32%	32	20%	157
Wolf, Siegfried, Prof. TU Graz e.h. KR Ing.	2023	50	49%	30	29%	23	22%	103
	2022	50	49%	30	29%	23	22%	103
Zhang, Tong, Prof. Dr.-Ing.	2023	50	64%	10	13%	18	23%	78
	2022	50	67%	10	13%	15	20%	75
Zirkel, Markus [2]	2023	50	63%	10	13%	20	25%	80
	2022	50	67%	10	13%	15	20%	75
Total	2023	1,083	59%	336	18%	407	22%	1,825
	2022	1,063	60%	350	20%	348	20%	1,761

[1] 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 2023.

[2] These employee representatives – except for Dr. Alexander Putz– 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 Supervisory Board members 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 (including 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 nearly all Managing Directors in 2023 compared to 2022 is primarily attributable to the short-term variable remuneration (STB), which was higher in 2023 than in the prior year due to similarly high target achievement for the Schaeffler Group and the Automotive Technologies and Automotive Aftermarket divisions. Dr. Spindler’s STB as well as his total remuneration represent an exception, as they declined. Employee remuneration decreased slightly compared to the prior year.

The decrease in the remuneration of Supervisory Board members compared to the prior year is attributable to the change in the number of meetings and, therefore, in the amount of attendance fees. Since 2021, attendance fees have been paid for attending meetings of the Supervisory Board or its committees via telephone or remotely as well. Prior to that, no attendance fees were paid where meetings of the Supervisory Board or its committees were attended via telephone or remotely via video conference.

Change in employee remuneration and company performance

	Change 2023 vs. 2022	Change 2022 vs. 2021	Change 2021 vs. 2020
Net income of Schaeffle AG under HGB	2%	-7%	193%
Schaeffler Group EBIT before special items	13%	-17%	59%
FCF before cash in- and outflows for M&A activities	50%	-46%	-3%
Annual change in employee remuneration	-4%	-7%	10%

Change in Managing Directors' remuneration (current Managing Directors)

	Change 2023 vs. 2022	Change 2022 vs. 2021	Change 2021 vs. 2020
Rosenfeld, Klaus (Chief Executive Officer)	1%	-13%	19%
Zink, Matthias (CEO Automotive Technologies)	8%	-17%	32%
Schüler, Jens (CEO Automotive Aftermarket)	8%	- [1]	-
Spindler, Stefan, Dr. (CEO Industrial)	-16%	-11%	26%
Bauer, Claus (Chief Financial Officer)	7%	183% [2]	- [1]
Schick, Andreas (Chief Operating Officer)	1%	-11%	28%
Schittenhelm, Corinna (Chief Human Resources Officer)	1%	-13%	20%
Wagner, Uwe (Chief Technology Officer)	12%	-14%	20%

1) According to mathematical rules, the change cannot be calculated.
2) The change is based on a comparison of the pro-rated total remuneration for 2021 to total remuneration for 2022.

Change in Managing Directors' remuneration (former Managing Directors)

	Change 2023 vs. 2022	Change 2022 vs. 2021	Change 2021 vs. 2020
Söding, Michael	-10%	-59%	20%
Patzak, Klaus, Dr.	-94%	-43%	150%
Heinrich, Dietmar	170%	-17%	-86%

Pleus, Peter, Prof. Dr.	1%	-46%	6%
Gutzmer, Peter, Prof. Dr.-Ing.	-154%	-79%	2%
Jung, Oliver	-	-100%	- [1]
Hauck, Ulrich, Dr.	-100%	-229%	-72%
Mirlach, Kurt	1%	1%	1%
Schuff, Gerhard, Dr.	1%	1%	1%
Hundsdörfer, Rainer	302%	- [1]	-
Indlekofer, Norbert	- [1]	-	-
Schullan, Robert	- [1]	-	-

[1] According to mathematical rules, the change cannot be calculated.

Change in remuneration of Supervisory Board members

	Change 2023 vs. 2022	Change 2022 vs. 2021	Change 2021 vs. 2020
Bendiek, Sabine	18%	-7%	13%
Bullinger, Hans-Jörg, Prof. Dr.	2%	-5%	56%
Engelmann, Holger, Dr.	-2%	-5%	18%
Gottschalk, Bernd, Prof. Dr.	7%	-7%	22%
Grimm, Andrea	5%	-6%	36%
Hasbargen, Ulrike	7%	33%	- [1]
Höhn, Thomas	7%	-5%	85%
Lau, Susanne	7%	-7%	22%
Reiche, Katherina (since April 20, 2023)	- [1]	-	-
Resch, Barbara	-2%	-2%	17%
Putz, Alexander, Dr. (since October 1, 2022)	289% [2]	- [1]	-
Schaeffler, Georg F. W. (Chair SB)	-1%	0%	18%
Schaeffler-Thumann, Maria-Elisabeth (Dep. Chair SB) (until April 20, 2023)	-71%	0%	24%
Schenk, Jürgen	6%	-6%	106%
Schönhoff, Helga	7%	-7%	80%
Schöpplein, Ulrich (since August 1, 2023)	- [1]	-	-

Stalker, Robin	4%	-5%	14%
Vicari, Salvatore (until July 31, 2023)	-44%	4%	23%
Wechsler, Jürgen (Dep. Chair SB)	1%	-2%	31%
Wolf, Siegfried, Prof. TU Graz e.h. KR Ing.	0%	-3%	45%
Zhang, Tong, Prof. Dr.-Ing.	4%	-6%	59%
Zirkel, Markus	6%	-6%	106%

1) According to mathematical rules, the change cannot be calculated.
2) The change is based on a comparison of the pro-rated total remuneration for 2022 to total remuneration for 2023.

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, Herzogenaurach, for the financial year from January 1 to December 31, 2023, prepared to comply with section 162 German Stock Corporations Act (Aktiengesetz – AktG), including the related disclosures. We have not audited the content of the agreed sustainability targets.

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 to December 31, 2023, including the related disclosures, complies, in all material respects, with the requirements of section 162 AktG. Our opinion on the remuneration report does not cover the content of the agreed sustainability targets.

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 1620 (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 (1) and (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 23, 2024

KPMG AG
Wirtschaftsprüfungsgesellschaft
[Original German version signed by:]

Prof. Dr. Grottel	Schieler
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

2. **Amended remuneration system for the Board of Managing Directors**
(concerning item 7 of the agenda)

Remuneration System for the Members of the Board of Managing Directors of Schaeffler AG pursuant to section 87a of the German Stock Corporation Act

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Preamble

The Supervisory Board of Schaeffler AG has reviewed the remuneration system for the members of the Board of Managing Directors (referred to as “Managing Directors” below) of Schaeffler AG in light of the planned merger of Vitesco Technologies Group AG into Schaeffler AG. The Supervisory Board of Schaeffler AG has decided to adapt the remuneration system for the Managing Directors of Schaeffler AG to the size and economic significance of Schaeffler AG following the merger. Further, the new remuneration system reflects the responsibilities of the Managing Directors and is tailored even more closely to the roles expanded as a result of the merger. In particular, this involves adjusting the caps on remuneration and on payouts of short-term and long-term variable remuneration to a level customary in the market. In future, part or all of the long-term variable remuneration can be paid in real shares at the option of the Supervisory Board. This option is designed to further promote the equity culture within Schaeffler AG and strengthen the share price. The adjusted remuneration system will also retain the stronger emphasis on sustainability targets in both short- and long-term variable remuneration created by the remuneration system approved by the annual general meeting on April 21, 2022. This emphasizes the relevance the Schaeffler Group attaches to the issue of sustainability.

The description of the remuneration system starts with the guiding principles underlying the remuneration system for Managing Directors as well as the process of establishing, implementing, and reviewing the remuneration system. This is followed by a description of individual remuneration components as well as the cap on Managing Directors’ remuneration. The ability to withhold and claw back variable remuneration components (malus and clawback provisions), share ownership guidelines, and provisions regard the term and termination of Managing Director contracts are outlined at the end of the document.

The remuneration system generally becomes effective for all Managing Directors retroactively from January 1, 2024, as well as for Managing Directors with new or renewed Managing Director contracts. In light of the planned merger of Vitesco Technologies Group AG into Schaeffler AG that is scheduled for completion in 2024, certain adjustments to the remuneration system become effective January 1, 2025.

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

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

- **Linking performance and remuneration:** 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.
- **Value creation and free cash flow:** 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 Managing Directors.

- **Variable remuneration focused on long-term and sustainable increase in the value of the company:** Variable remuneration should be largely long-term in nature and linked to changes in the value of the company. Furthermore, sustainability targets should continue to be addressed in the variable remuneration to emphasize the increasing importance of sustainability as a part of the company's strategy.

- **Strengthening orientation toward the capital markets and more extensively aligning interests with those of shareholders:** Managing Directors are required to purchase a set amount of Schaeffler AG shares and to own them until the end of their Managing Director contract with Schaeffler AG (share ownership guidelines).

The remuneration system for 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, dated December 19, 2019) and reflects the recommendations of the German Corporate Governance Code (GCGC) as adopted by the Government Commission German Corporate Governance Code on April 28, 2022. It provides the Supervisory Board with the flexibility required to respond to organizational changes and reflect a variety of market conditions.

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

The Supervisory Board establishes the system and amount of remuneration of Managing Directors, including the cap on remuneration. The Supervisory Board's presidential committee prepares the decisions of the Supervisory Board on the remuneration system as well as the remuneration of individual Managing Directors.

This remuneration system was developed with the assistance of independent external consultants. The Supervisory Board ensures the independence of mandated external consultants.

The procedures in respect of conflicts of interests defined in the rules of procedure for the Supervisory Board also apply to the process of establishing, implementing, and reviewing the remuneration system.

The Supervisory Board submits the remuneration system it has adopted to the annual general meeting for approval. The Supervisory Board regularly reviews the appropriateness of the system and amount of remuneration of Managing Directors. Firstly, this review is based on a horizontal comparison of the structure and amount of remuneration of the various Managing Directors against the market data of comparable companies (peer group) selected by the Supervisory Board. This peer group consists of comparable national as well as sector-specific international companies. Secondly, the Supervisory Board compares the level of remuneration of Managing Directors to the remuneration level of Schaeffler AG's employees when reviewing and evaluating the appropriateness of the Managing Directors' remuneration (vertical comparison). The average remuneration per employee for this vertical comparison is calculated based on the entire global workforce of the Schaeffler Group, reflecting the international character of the company. The ratio of the amount of remuneration of each Managing Director to 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. In the event of significant changes, but at least every four years, the remuneration system is submitted to the annual general meeting for approval again. If the annual general meeting does not approve the remuneration system submitted for voting, the Supervisory Board submits a reviewed remuneration system to the general meeting for approval at the subsequent annual general meeting at the latest.

The Supervisory Board may temporarily deviate from the remuneration system (provisions related to the process and the remuneration structure) and its individual components as well as regarding individual remuneration components of the remuneration system or implement new remuneration components if necessary in the interest of the company's long-term well-being. The Supervisory Board reserves the right to deviate in such manner in exceptional circumstances, for instance in an economic or corporate crisis. Such deviations may temporarily result in a deviation from the cap on the remuneration of the Chief Executive Officer (CEO) or other Managing Directors.

C. DETAILS OF THE REMUNERATION SYSTEM

I. Remuneration components

1. Overview of the remuneration components and their relative proportions of total remuneration

The remuneration 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 comprise the short-term variable remuneration (the short-term bonus – STB) and the long-term variable remuneration (the long-term bonus – LTB). Moreover, the remuneration system also includes share ownership guidelines (SOG) for Managing Directors.

Overview of components of Managing Directors' remuneration

Total target remuneration

Fixed components (35–45%)		Variable components (55-65%)	
Fixed annual salary	Retirement benefits Defined contribution model	Short-term variable remuneration (STB) 24-34%	Long-term variable remuneration (LTB) 26-36%
	Fringe benefits, e.g. company car	• Schaeffler Value Added (SVA)* • Free cash flow (FCF)* • Non-financial (sustainability targets) • Additional special targets • Individual performance	• Service condition • Total shareholder return (TSR) • Earnings per share (EPS) • Climate target (CO_2)
		Capped at 200% of target bonus	Capped at 250% of target amount
Function and responsibility		**Incentivize the contribution to promotion of the business strategy and the long-term development of the company**	
		Subject to malus and clawback (possibility to reclaim variable remuneration)	

Cap on total remuneration per role

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 vary between individuals.

* For divisional CEOs, performance criteria additionally include the division-specific performance indicators Schaeffler Value Added of the CEOs' own division (SVA own division) and divisional cash flow of the CEOs' own division (DCF own division). Starting January 1, 2025, the Supervisory Board can expand the performance criteria for divisional CEOs to include the performance indicators Schaeffler Value Added of another division (SVA other division) and divisional cash flow of another division (DCF other division).

The total target remuneration consists of the fixed annual salary, benefit contributions, fringe benefits, and the variable remuneration components. For the STB and the LTB, total target remuneration includes the target bonus amounts corresponding to a target achievement rate of 100%. The following discussion sets out the fixed and variable remuneration components as a percentage of total target remuneration.

The fixed remuneration of the Chief Executive Officer and the ordinary Managing Directors currently amounts to 35-45% of total target remuneration. Hence, the variable remuneration amounts to 55-65% of total target remuneration. Within the variable remuneration, the STB currently amounts to 24-34% and the LTB to 26-36% of total target remuneration. The Supervisory Board ensures that the long-term variable remuneration exceeds the short-term variable component in terms of their share of the total target remuneration under any circumstances.

For certain Managing Directors, certain remuneration components as a percentage of the total target remuneration may deviate slightly from the percentages set out above.

The remuneration system ensures that the variable remuneration exceeds the fixed remuneration as a percentage of the total target remuneration under any circumstances.

The percentages stated may differ for future fiscal years, e.g. due to payments or other benefits granted for a limited time to new Managing Directors on the occasion of their assuming office in accordance with section 4 or changes in the cost of contractually agreed fringe benefits and for any new appointments.

2. Fixed remuneration components

2.1 Fixed annual salary

Each Managing Director receives a fixed annual salary, which is paid in cash and in twelve equal monthly installments.

2.2 Retirement benefits

The company commits to providing Managing Directors with retirement benefits including retirement, disability, and surviving dependants' benefits. The benefit contributions are capped at EUR 195,000 per year for ordinary Managing Directors and EUR 390,000 per year for the CEO. Benefit contributions for Managing Directors ceases once they have reached the age of 65 – even if their Managing Director contract continues beyond that age.

When the Managing Director becomes eligible to receive benefits due to retirement or disability, the balance on hand in the benefit account as of such date is paid out to the Managing Director in a lump sum. Alternatively, the Managing Director can opt to receive the benefits in ten annual installments or as a life annuity with monthly payments. The amount of the installment or monthly annuity is based on a temporary or life pension insurance policy obtained in this case, to which the balance on hand in the benefit account is then contributed.

2.3 Fringe benefits

As a fringe benefit, Schaeffler AG provides each Managing Director with a company car, including 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. Moreover, Managing Directors receive a contribution to their health and long-term care insurance and an allowance to be contributed to their personal retirement plan, as well as coverage under the company's group personal accident insurance. Further fringe benefits may be contractually agreed with new appointees individually.

2.4 Former Managing Directors of Vitesco Technologies Group AG

If the merger of Vitesco Technologies Group AG into Schaeffler AG is completed in 2024, former Managing Directors of Vitesco Technologies Group AG who are appointed to the Board of Managing Directors of Schaeffler AG in 2024 may be granted a pure fixed remuneration including fringe benefits and retirement benefits as well as a set amount of variable remuneration for the remainder of 2024 only, in deviation from the percentages set out under C.I.1. Starting January 1, 2025, the former Managing Directors of Vitesco Technologies Group

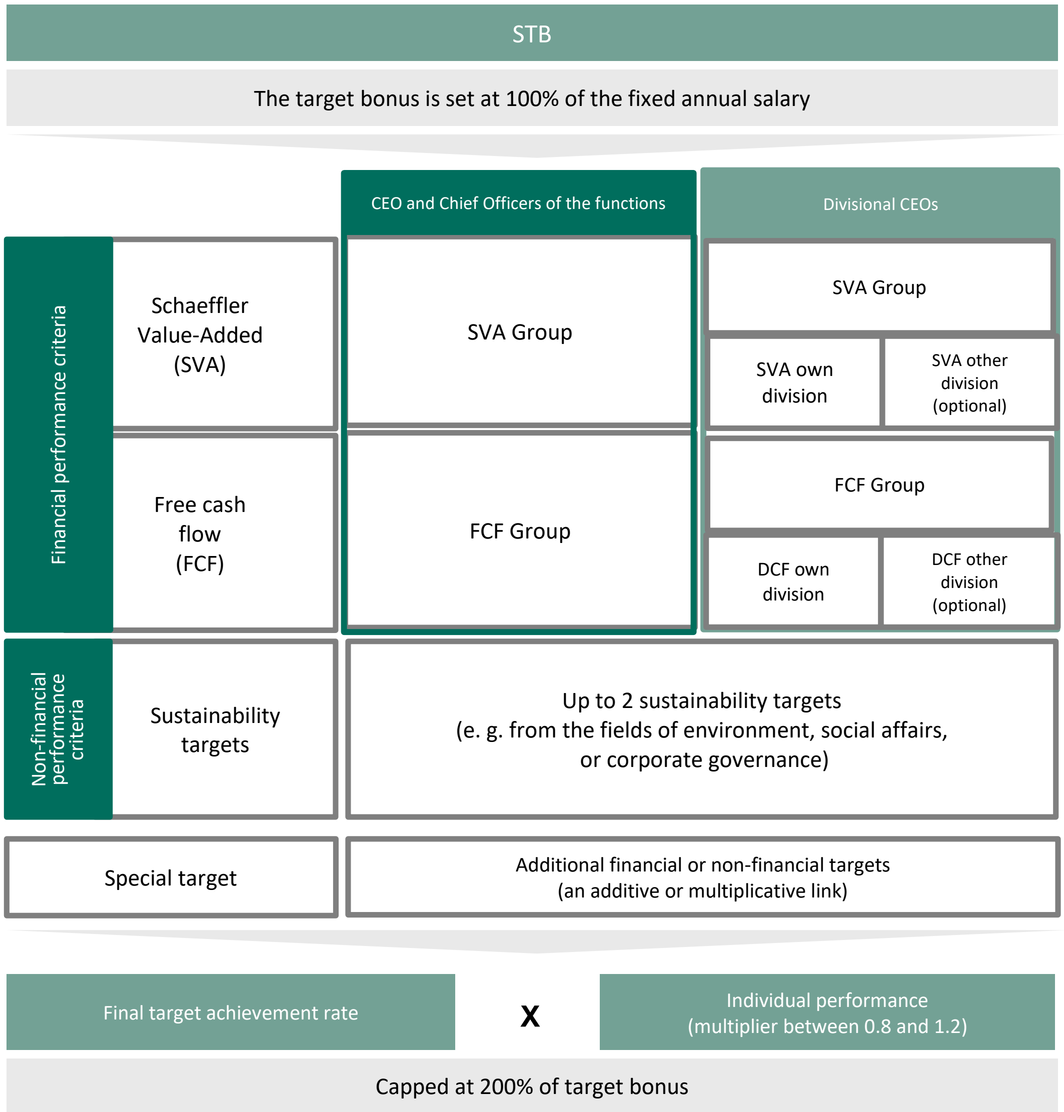
AG appointed to the Board of Managing Directors of Schaeffler AG are remunerated in accordance with the general stipulations of this remuneration system.

3. Variable remuneration components

3.1 Short-term variable remuneration (the 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 development of the company as well as the operational execution of the company's strategy. The payout of the STB is based on achievement of the performance criteria established by the Supervisory Board for each year. Those criteria comprise both the financial targets derived from the company's strategy as well as non-financial targets. Financial targets are weighted at 80% and non-financial targets at 20%. In addition, the Supervisory Board can establish other special targets and, if it does, weight the targets differently. Moreover, the Supervisory Board can reflect Managing Directors' individual performance in the amount of the STB payout.

The target STB is stipulated in the Managing Director contract and amounts to 100% of the fixed annual salary. To the extent any Managing Directors were previously granted a target bonus in a different amount, the Supervisory Board is entitled to maintain this commitment. The STB payout is capped at 150% of the target bonus. Starting with the STB granted for 2025, the STB payout is capped at 200% of the target bonus. Capping the STB at 200% – as is customary in the market – promotes the further alignment of interests between Managing Directors and shareholders. This cap applies to the total STB amount, including adjustments in the form of a multiplier and those due to exceptional circumstances. The STB may be forfeited if the minimum target bonus is not achieved.



3.1.1 Financial performance criteria

Unless defined otherwise, the financial targets for the CEO and the Chief Officers of the functions[1] relate to the performance criteria of Schaeffler Value Added of the Schaeffler Group (SVA Group) and free cash flow of the Schaeffler Group (FCF Group), both weighted equally. The financial performance criteria of the divisional CEOs[2] are measured at the level of both the Group and their own division in order to additionally reflect their responsibility for their own division. For the divisional CEOS, the performance targets SVA Group, Schaeffler Value Added of their own division (SVA own division), FCF Group, and divisional Cash-Flow of their own division (DCF own division) are all weighted equally. Starting January 1, 2025, the Supervisory

[1] Retroactively from January 1, 2024, the Supervisory Board decides which Managing Directors are treated as Chief Officers of the functions; the decision is based on the stipulations of the relevant Managing Director contracts and the roles defined in the Board of Managing Directors’ rules of procedure and assigned to the relevant Managing Director.

[2] Retroactively from January 1, 2024, the Supervisory Board decides which Managing Directors are treated as divisional CEOs; the decision is based on the stipulations of the relevant Managing Director contracts and the roles defined in the Board of Managing Directors’ rules of procedure and assigned to the relevant Managing Director.

Board may stipulate that the performance criteria Schaeffler Value Added and divisional cash flow for the divisional CEOs are measured at the level of another division (SVA other division and DCF other division), in addition to at the level of the Managing Directors' own division, and set the relative weights of the financial performance criteria.

Schaeffler Value Added: Schaeffler Value Added serves as key performance indicator for the contribution to sustainably increasing the value of the company made during the year. In order to grow profitably and create long-term value, earnings should exceed the cost of capital. The SVA Group performance criterion is based on the Schaeffler Group's EBIT before special items less the cost of capital. SVA Division is determined in the same manner but based on parameters segmented in accordance with IFRS 8.

Free cash flow: Free cash flow is the most important operating performance indicator under the company's current strategy and measures the ability to convert operating performance into cash inflows. FCF Group is calculated based on the sum of (1) cash flows from operating activities, (2) cash flows from investing activities, as well as (3) principal repayments on lease liabilities (4) excluding cash in- and outflows for M&A activities for the relevant year. DCF Division is derived from Schaeffler's standard internal divisional management reporting for the relevant year and fundamentally follows the business logic of FCF Group (excl. tax and interest payments).

The Supervisory Board sets the performance scales – including minimum and maximum target values – for the financial performance criteria on an annual basis. Target achievement for the relevant year is determined by comparing the actual value for the year with the target value set.

3.1.2 Non-financial performance criteria

The non-financial targets relate to environmental, social, or governance (ESG targets) performance criteria. The Supervisory Board sets up to two non-financial targets and their weights for the upcoming year. Non-financial targets are based on the Schaeffler Group's sustainability strategy and anchor related measures in the remuneration. The company reports in detail on the targets selected, the performance criteria, as well as achievement of the targets in the relevant remuneration report.

The Supervisory Board sets the performance scales for the non-financial performance criteria on an annual basis, ensuring at all times that these targets are challenging, promote the business strategy, and contribute to the long-term development of the company. Target achievement for the relevant year is determined by comparing the actual value for the year with the target value set.

3.1.3 Special targets

The Supervisory Board is entitled to define additional special targets in the form of further financial or non-financial targets. The Supervisory Board is free to define special targets either as additional performance criteria (leading to a corresponding reduction in the weights of financial and non-financial performance criteria) or as a multiplier. A special target defined as a multiplier can be applied to both the target achievement rate of one or several performance criteria and to the overall target achievement rate of the STB.

3.1.4 Adjustment options

In case of exceptional events or developments during the performance period, the Supervisory Board is entitled to adjust, either in favor or to the detriment of the Managing Director and using equitable discretion, the actual target achievement rates determined for the financial and non-financial performance criteria and the special targets, in order to ensure the performance assessment is appropriate. Examples of exceptional events or developments are an acquisition by a Schaeffler Group company or a disposal of all or part of a company or of equity investments in companies by a Schaeffler Group company, a merger of Schaeffler AG with another company, significant changes in Schaeffler AG's shareholder structure, changes in the legal and/or regulatory environment, economic implications of a significant exogenous shock (e.g. war, pandemic, or natural disasters), or high inflation.

The planned merger of Vitesco Technologies Group AG into Schaeffler AG has a significant impact on the STB performance criteria. As a result, the Supervisory Board is entitled to adjust the actual target achievement rates of the STB for merger-related items in order to ensure the Managing Directors' performance is assessed appropriately.

3.1.5 Individual performance

The Supervisory Board is entitled to adjust, using equitable discretion, any 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.

3.1.6 Payout modalities

The Supervisory Board determines the STB payout within the first three months of the year following the year to which the remuneration relates (remuneration year). The STB payout is payable in cash on March 31 of the year following the relevant remuneration year. If the Managing Director served Schaeffler AG for less than the full 12 months of a year, the STB amount is prorated accordingly and is paid on the regular payout date.

If the Managing Director contract is terminated for good cause, the appointment is revoked for good cause by Schaeffler AG, or the Managing Director resigns without good cause, any STB the Managing Director is entitled to for the relevant year is forfeited. The year of such forfeiture is determined based on the date notice of termination, revocation, or resignation is received.

3.2 Long-term variable remuneration (the LTB)

The LTB is aimed at promoting a long-term increase in the value of the company. Due to the share-based design of the LTB, Managing Directors participate in any long-term increase in the value of the company. The LTB performance criteria are linked to the company's strategy and incentivize sustainable and profitable growth, strengthening of the company's competitive ability, and implementation of the strategic sustainability program "Path to Net Zero". Moreover, the share-based design of the LTB strengthens the alignment of interests between Managing Directors and shareholders.

The LTB is designed as 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 on January 1 of the relevant year. Under the LTB, virtual shares (Performance Share Units, PSUs) are granted to Managing Directors each year. The number of PSUs is determined based on the individual target amount in euros and the share price as at the grant date. The share price at grant date is defined as the average closing price of the common non-voting shares or – if the common non-voting shares are converted – common shares (common non-voting shares and common shares referred to as "shares" below) of Schaeffler AG in the XETRA trading system of the 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 meeting the service and performance conditions. Performance conditions are set by the Supervisory Board and currently comprise total shareholder return outperformance ("TSR outperformance"), EPS growth, as well as CO_2 emissions level ("climate neutrality target").

LTB

The individual target amount in euros is converted to PSUs at the average closing price of Schaeffler shares on the last 60 trading days prior to the grant date (starting share price).

40 % PSUs	Service condition	Target achievement rate: 0% – 100%	**Condition:** existing Managing Director contract
17,5% PSUs	TSR outperformance	Target achievement rate: 0% – 200%	**Condition:** TSR outperformance vs. sector basket (SXAGR/SXNGR) / starting January 1, 2025:
17,5% PSUs	EPS growth	Target achievement rate: 0% – 200%	**Condition:** average annual growth in earnings per share (EPS growth)
25% PSUs	Climate neutrality	Target achievement rate: 0% – 200%	**Condition:** a certain level of CO_2 emissions and, if applicable, implementation of relevant measures

Payout in cash or settlement in real shares after a four-year performance period

Number of PSUs x Share price at end of performance period (ending share price)

Capped at 250% of target amount

The Supervisory Board sets the performance scales for the performance criteria on an annual basis. Performance scales define the levels of total shareholder return outperformance, average annual growth in EPS, and CO_2 emissions that are required for a defined percentage of PSUs to vest. The number of PSUs potentially vesting subject to the performance criteria being met is capped at 200% for each criterion.

3.2.1 Service condition

The payout of PSUs is generally subject to continuous existence of the Managing Director's Managing Director contract with Schaeffler AG during the entire performance period. If a Managing Director joins the Board of Managing Directors during a year, the service condition for the performance period beginning in the year of joining is deemed met if the Managing Director's Managing Director contract is still in place at the end of that performance period. Unless specified otherwise, the service condition is weighted at 40%. The Supervisory Board is entitled to adjust the weight of the service condition for future years using equitable discretion.

3.2.2 TSR outperformance

The TSR outperformance performance criterion measures the total shareholder return (TSR) generated over the respective performance period as compared to a relevant peer group. This relative performance criterion reflects and rewards strengthening of the company's long-term competitive ability.

In order to reflect Schaeffler AG's sector-specific market environment – Automotive Technologies, Vehicle Lifetime Solutions, and Bearings & Industrial Solutions – 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 current revenue structure of the various business areas within Schaeffler AG. Starting with the LTB tranche granted for the 2025 to 2028 performance period, the peer group will be the MDAX, the applicable benchmark index for the national market environment. TSR outperformance is determined as the difference between the TSR of the Schaeffler share and the TSR of the peer group. The Supervisory Board is entitled to unilaterally adjust the peer group for future tranches prior to the beginning of the relevant performance period, particularly in order to achieve a better reflection of the relevant comparable environment.

Unless specified otherwise, TSR outperformance is weighted at 17.5%.

3.2.3 EPS growth

Annual EPS growth measured over the four-year performance period reflects the operating performance of Schaeffler AG and profitable long-term growth. The combination of TSR outperformance and EPS growth ensures balanced performance measurement. EPS growth is measured as average annual growth in earnings per share (EPS) during the performance period. EPS is defined as basic earnings per share from continuing operations as reported in the approved and audited consolidated financial statements of Schaeffler AG.

Unless specified otherwise, EPS growth is weighted at 17.5%.

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 relevant performance period is determined by comparing the relevant actual value to the target value set by the Supervisory Board.

Unless specified otherwise, the climate neutrality target is weighted at 25%.

3.2.5 Adjustment options

In case of exceptional events or developments during the performance period, the Supervisory Board is entitled to adjust, either in favor or to the detriment of the Managing Director and using equitable discretion, the actual target achievement rates determined for the TSR outperformance, EPS growth, and climate neutrality performance criteria, in order to ensure the performance assessment is appropriate. Examples of exceptional events or developments are an acquisition by a Schaeffler Group company or a disposal of all or part of a company or of equity investments in companies by a Schaeffler Group company, a merger of Schaeffler AG with another company, significant changes in Schaeffler AG’s shareholder structure, changes in the legal and/or regulatory environment, economic implications of a significant exogenous shock (e.g. war, pandemic, or natural disasters), or high inflation.

The planned merger of Vitesco Technologies Group AG into Schaeffler AG has a significant impact on the EPS growth and climate neutrality performance criteria. As a result, the Supervisory Board is entitled to fix or adjust for merger-related items the actual target achievement rates of the EPS growth and climate neutrality performance criteria of the 2024 to 2027 PSUP tranche and subsequent tranches in order to ensure the Managing Directors’ performance is assessed appropriately.

3.2.6 Payout modalities

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 shares of Schaeffler AG in the XETRA trading system of the Frankfurt Stock Exchange (or any successor system) for the last 60 trading days of the relevant performance period. This share price is capped at double the share price at grant date for the relevant tranche. The LTB is payable at the next ordinary salary payment date following approval of the consolidated financial statements of Schaeffler AG. Starting with the LTB tranche granted for the 2025 to 2028 performance period, the payout amount is capped at 250% of the individual target amount agreed in the Managing Director contract.

Starting with the LTB granted for the 2025 to 2028 performance period, the Supervisory Board can opt to settle some or all of the PSUs vested in shares. In this case, the Managing Director receives, as at the due date, a number of real shares of Schaeffler AG equal to the final number of PSUs vested. The number of real shares of Schaeffler AG is to be reduced to the extent that any payout that would be payable in the case of cash settlement would have to be reduced due to the share price trend or the caps on the payout and on remuneration.

3.2.7 Other provisions: Leaver rules and capital events

The PSUP plan terms differentiate between “good leavers” and “bad leavers” for cases when a Managing Director leaves Schaeffler AG. In a “good leaver” case (including contract expiration, contract annulment, reaching retirement age), as a matter of principle, the number of performance share units granted vest pro rata temporis on the last day of the performance period and are settled in cash as contractually agreed. In a “bad leaver” case (especially termination for good cause by Schaeffler AG), all performance share units for performance periods not yet expired by the time a termination notice is received are forfeited.

The plan terms of the PSUP also provide for the number of virtual shares granted to be correspondingly adjusted for capital events (including capital increase, change in legal structure of Schaeffler AG). In case of a delisting, all entitlements to a payout of the value of the performance share units lapse and Schaeffler AG provides the Managing Directors with a plan that is in substance equivalent to the LTB.

4. Other benefits

The Supervisory Board is entitled to grant sign-on payments or other sign-on benefits to new Managing Directors in the first and/or second year of appointment. Such payments or other benefits can, for instance, be made to compensate for financial disadvantages from previous employment or service that a Managing Director suffers as a result of joining Schaeffler AG – especially in the form of forfeited variable remuneration – or disadvantages in connection with relocation.

II. Cap on remuneration

The total amount of remuneration that can be granted to Managing Directors for a given year (sum of all amounts of remuneration incurred for the relevant year including fixed annual salary, variable components of remuneration, benefit contributions, fringe benefits, as well as sign-on payments and other sign-on benefits in accordance with section I.4) – regardless of whether it is paid out in that year or at a later date – is capped at a maximum amount for each Managing Director (“**cap on remuneration**”).

Remuneration is capped at EUR 7,650,000 (EUR 10,000,000 starting January 1, 2025) for the Chief Executive Officer and, in principle, EUR 3,875,000 (EUR 5,500,000 starting January 1, 2025) for each ordinary Managing Director. In deviation from this principle, the remuneration for Dr. Spindler is capped at EUR 4,580,000 as a result of existing contractual commitments.

III. Malus clause and claw-back provision

In the event of a severe violation of:

– compliance with the Schaeffler Code of Conduct by a Managing Director,

– the duty of care in managing the company by a Managing Director, or

– compliance with the Schaeffler Code of Conduct by employees of Schaeffler AG or by members of governing bodies or employees of companies affiliated with Schaeffler AG, provided the Managing Director has severely breached the obligation to organize and supervise the company,

during the performance period of a variable remuneration component (for the STB: during the relevant one-year performance period; for the LTB: during the relevant four-year performance period), the Supervisory Board is entitled to withhold up to 100% (malus) of the payout under the STB and the LTB or reclaim (claw back) such payout in full or in part.

The payout of some or all variable remuneration components of the STB and LTB for a performance period during which one of the three violations defined above occurs may be withheld, in full or in part, provided payout has not been made by the time the Supervisory Board decides to withhold the remuneration. If a violation becomes known or is detected at a later date, any variable remuneration components already paid out under the STB and LTB may be clawed back in full or in part provided no more than five years have passed since the payout date.

Such withholding, in full or in part, or claw-back is possible even if the Managing Director contract has ended by the time the decision to withhold or claw back is made.

The Supervisory Board is entitled to decide on withholding or clawing back the payment amount at its own discretion.

IV. Share ownership guidelines

Ordinary Managing Directors are required to purchase shares of the company equivalent to 100% of their gross fixed annual salary and to own them during the term of their Managing Director contract (target number of shares). Existing shareholdings count toward meeting this requirement. The corresponding requirement for the CEO is equivalent to 200% of the gross fixed annual salary. The amount is based on the share price at acquisition. Managing Directors in office on January 1, 2020, had to first meet the requirement by December 31, 2023. All other Managing Directors are required to meet the requirement by the end of the first LTB performance period. Where a Managing Director’s term of office commences during the year, the requirement needs to be met by the end of the first four-year LTB performance period starting in the calendar year following the beginning of the Managing Director contract. Payout of the LTB is conditional on proof of compliance with the share ownership guidelines as at the end of the relevant performance period. If a Managing Director’s Managing Director contract ends before the end of the first performance period, the target number of shares is reduced pro rata temporis based on the duration of the Managing Director contract in proportion to the four-year LTB performance period. If a Managing Director’s Managing Director contract ends after the end of the first performance period and the Managing Director has provided proof of compliance with the share ownership guidelines, LTB payouts for subsequent performance periods are no longer conditional on proof of compliance with the share ownership guidelines.

The share ownership guidelines provide an incentive towards a long-term increase in the value of the company that is additional to the LTB and extends beyond its four-year performance period. Moreover, these guidelines increase orientation toward the capital markets and more extensively align the interests of the Managing Directors and shareholders of Schaeffler AG.

V. Legal transactions related to remuneration

1. Terms of and prerequisites for termination of remuneration-related legal transactions, including relevant notice periods

The term of the Managing Director contracts is the term of Managing Directors' current appointment. As a general rule, Managing Directors are initially appointed for three years. Reappointments are generally made for a term of five years.

Managing Director contracts are renewed for the period for which the Supervisory Board, with the consent of the Managing Director, resolves to reappoint him/her as a Managing Director of the company.

The Managing Director contract ends automatically at the end of the month in which the Managing Director reaches the age of 68. Moreover, the Managing Director contract also ends in case of termination for good cause.

The parties are not entitled to terminate the agreement due to a change of control and there is no commitment to provide termination benefits if the contract is terminated early as a result of a change of control.

2. Termination benefits

Payments that may be agreed if a Managing Director contract is terminated early must not exceed twice the annual remuneration and must not exceed the remuneration for the remaining term of the Managing Director contract (severance cap). If the Managing Director contract is terminated early for good cause for which the Managing Director is responsible, any termination benefits are precluded.

The Supervisory Board can agree with Managing Directors on a non-competition clause for a period of up to two years following the end of their Managing Director contract. During this period, they are entitled to non-compete-related compensation in the amount of 50% of the fixed annual salary most recently agreed plus 50% of the last STB paid prior to the end of the Managing Director contract. The amount for certain Managing Directors differs due to existing contractual commitments. These Managing Directors receive non-compete-related 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. The Supervisory Board is entitled to maintain such existing commitments even when the Managing Director contract is renewed. Any income from activities not covered by the non-competition clause is deducted from the non-compete-related compensation to the extent that the total of such income and the compensation would exceed the contractually agreed remuneration most recently received by the Managing Director from Schaeffler AG by more than one tenth. The Supervisory Board is entitled to agree upon a different deduction provision with Managing Directors.

3. **Merger agreement with Vitesco Technologies Group Aktiengesellschaft**
(concerning item 8 of the agenda)

UVZ-No. 236/2024 F by notary Dr. Sabine Funke, officiating in Frankfurt a.M.

MERGER AGREEMENT

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between

SCHAEFFLER AG

with its registered seat in Herzogenaurach, Industriestraße 1-3, 91074 Herzogenaurach, Germany, registered with the commercial register of the local court (*Amtsgericht*) of Fuerth under HRB 14738, as acquiring company

- hereinafter referred to as "**Schaeffler**" or the "**Acquiring Entity**" -

and

VITESCO TECHNOLOGIES GROUP AKTIENGESELLSCHAFT

with its registered seat in Regensburg, Siemensstraße 12, 93055 Regensburg, Germany, registered with the commercial register of the local court (*Amtsgericht*) of Regensburg under HRB 18842, as transferring company

- hereinafter referred to as "**Vitesco Technologies**" or the "**Transferring Entity**" -

- the Acquiring Entity and the Transferring Entity are also referred to as "**Parties**" and each individually as a "**Party**" -

Preliminary Remarks

(A) Schaeffler (together with its subsidiaries and affiliates, but without Vitesco Technologies and its subsidiaries and affiliates, the "**Schaeffler Group**") is a stock corporation (*Aktiengesellschaft*) with its registered seat in Herzogenaurach and registered with the commercial register of the local court (*Amtsgericht*) of Fuerth under HRB 14738. Schaeffler's share capital amounts to EUR 666,000,000.00 and is divided into 500,000,000 voting common shares (each a "**Schaeffler Voting Common Share**" and together, including all voting common shares to be issued in the future, the "**Schaeffler Voting Common Shares**") and 166,000,000 non-voting common shares (each a "**Schaeffler Non-Voting Common Share**" and together, the "**Schaeffler Non-Voting Common Shares**"). The Schaeffler Non-Voting Common Shares are admitted to trading on the regulated market (*Regulierter Markt*) (Prime Standard) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) (ISIN: DE000SHA0159). Each Schaeffler Voting Common Share and Schaeffler Non-Voting Common Share has a nominal value in the share capital of EUR 1.00 (the Schaeffler Voting Common Shares and the Schaeffler Non-Voting Common Shares together each a "**Schaeffler Share**", and together, the "**Schaeffler Shares**"). At an extraordinary general meeting and a separate meeting of the non-voting common shareholders on February 2, 2024, the shareholders of Schaeffler resolved on the cancellation of the preferential right to profits of Schaeffler's Non-Voting Shares and the related conversion of Schaeffler's Non-Voting Shares into common shares with full voting rights of Schaeffler (the "**Change of Classes of Shares**") and instructed Schaeffler's executive board not to apply for entry in the commercial register of the amendments to the articles of association resolved as part of the Change of Classes of Shares until a separate general meeting of Schaeffler has approved a merger agreement between Vitesco Technologies as the Transferring Entity and Schaeffler as the Acquiring Entity, and to condition the application for entry of the resolved amendments to the articles of association on the prior or simultaneous entry of the merger of Vitesco Technologies into Schaeffler in the commercial register of Schaeffler. The financial year of Schaeffler is the calendar year.

(B) Vitesco Technologies (together with its subsidiaries and affiliates, the "**Vitesco Technologies Group**"), is a stock corporation (*Aktiengesellschaft*) with its registered seat in Regensburg and registered with the commercial register of the local court (*Amtsgericht*) of Regensburg under HRB 18842. Vitesco Technologies' share capital amounts to EUR 100,052,990.00 and is divided into 40,021,196 registered no-par value shares with a nominal value of EUR 2.50 (each a "**Vitesco Technologies Share**", and together the "**Vitesco Technologies Shares**"). The Vitesco Technologies Shares are admitted to trading on the regulated market (*Regulierter Markt*) (Prime Standard) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) (ISIN: DE000VTSC017). Currently, Vitesco Technologies does not hold any treasury shares. The financial year of Vitesco Technologies is the calendar year.

(C) As of the date of this agreement, Schaeffler directly holds 15,557,631 Vitesco Technologies Shares and thus approximately 38.87% of the share capital of Vitesco Technologies.

(D) The Parties intend to merge Vitesco Technologies as the transferring legal entity into Schaeffler as the acquiring legal entity pursuant to Sections 2 no. 1, 4 *et seq*. and 60 *et seq*. of the German Reorganization Act (*Umwandlungsgesetz*, "**UmwG**") in accordance with this Agreement (the "**Merger**").

NOW THEREFORE, the Parties agree the following:

1. TRANSFER OF ASSETS, MERGER DATE

1.1 Vitesco Technologies will transfer all of its assets, including all rights and obligations, by way of dissolution without liquidation pursuant to Sections 2 no. 1, 60 *et seq*. UmwG to Schaeffler through merger by acquisition in return for the granting of shares in Schaeffler to the shareholders of Vitesco Technologies who are not parties to this agreement (the "**Vitesco Technologies Shareholders**").

1.2 The Merger will be based on the balance sheet of Vitesco Technologies as the Transferring Entity as of December 31, 2023, which has been issued with an unqualified audit opinion (*uneingeschränkter Bestätigungsvermerk*) by KPMG AG Wirtschaftsprüfungsgesellschaft, Munich, as the closing balance sheet (which is also the transfer date for tax purposes (Section 2 para. 1 of the German Transformation Tax Law)).

1.3 The transfer of Vitesco Technologies' assets shall take place internally effective as of January 1, 2024, 00:00 hours (the "**Merger Date**"). From the Merger Date all actions and transactions of the Transferring Entity shall be deemed as having been carried out for the account of the Acquiring Entity.

1.4 Schaeffler shall continue the values of the transferred assets and liabilities recognized in the closing balance sheet of Vitesco Technologies in its annual financial statements (*Buchwertfortführung*) and both Parties shall carry out the necessary actions in coordination with each other.

2. CONSIDERATION, CAPITAL INCREASE

2.1 Upon the effectiveness of the Merger, Schaeffler shall grant the Vitesco Technologies Shareholders, who are not parties to this agreement, a total of 278,884,641 voting common shares in Schaeffler free of charge in return for the transfer of Vitesco Technologies' assets in accordance with the following exchange ratio:

> For every five registered no-par value shares (voting common shares) of Vitesco Technologies with a nominal value of EUR 2.50 each, 57 voting common shares of Schaeffler with a nominal value of EUR 1.00 each will be granted (i.e. for every one Vitesco Technologies Share there are 11.4 Schaeffler Voting Common Shares) (the "**Exchange Ratio**").

No consideration other than in the form of shares in Schaeffler will be granted unless an additional cash payment is legally mandatory pursuant to Sections 72a, 72b UmwG.

2.2 To the extent that Vitesco Technologies Shares are held by or for the account of Schaeffler, the transfer of Vitesco Technologies' assets will be carried out without consideration, *i.e.*, Schaeffler will not receive any new shares for its previous participation in Vitesco Technologies (see Sections 20 para. 1 no. 3, 68 para. 1 sentence 1 no. 1 UmwG).

2.3 For the purpose of implementing the Merger, Schaeffler will increase its share capital from currently EUR 666,000,000.00 by EUR 278,884,641.00 to EUR 944,884,641.00 by issuing 278,884,641 new shares (voting common shares) with a nominal value of EUR 1.00 each.

2.4 The shares granted by Schaeffler in accordance with Section 2.1 carry full dividend rights from January 1, 2024.

2.5 The reference date for the valuation of Schaeffler and Vitesco Technologies to determine the Exchange Ratio is April 24, 2024.

2.6 If the value of the transferred assets exceeds the pro rata amount of the share capital attributable to the newly created shares, the difference shall be allocated to the capital reserve pursuant to Section 272 para. 2 no. 4 HGB.

2.7 The Vitesco Technologies Shareholders will be granted whole shares in Schaeffler, to the extent possible subject to the exchange ratio. Remaining fractional shares will be combined and sold (Sections 72 para. 2 UmwG, 226 para. 3 AktG); the proceeds will be credited to the holders of the fractional shares in proportion to the fractional shares attributable to them.

2.8 Schaeffler will apply for the admission of all Schaeffler Voting Common Shares - and thus also the Schaeffler Voting Common Shares granted as consideration - to the regulated market (Prime Standard) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) to effect the admission of the Schaeffler Voting Common Shares as soon as possible after the effectiveness of the Merger. A settlement offer pursuant to Section 29 UmwG is therefore not required, as Vitesco Technologies as a listed stock corporation will be merged into Schaeffler, also a listed stock corporation.

2.9 In the event that a court of law determines, or Schaeffler recognizes by way of a judicial or extrajudicial settlement or in any other way, that the exchange ratio is not appropriate or that the participation in Schaeffler is not an appropriate equivalent value for the share or the participation in Vitesco Technologies, the Parties declare that instead of an additional cash payment (Section 15 UmwG), additional shares of Schaeffler shall be granted in accordance with the more detailed provisions of Sections 72a, 72b UmwG. If Schaeffler grants additional shares in Schaeffler to a Vitesco Technologies Shareholder in order to compensate for an inappropriate determination of the exchange ratio, Schaeffler will equally compensate all other Vitesco Technologies Shareholders entitled to consideration shares by granting them additional shares in Schaeffler accordingly.

3. ESCROW AGENT

3.1 Pursuant to Section 71 para. 1 UmwG, Vitesco Technologies appoints BNP Paribas S.A. (hereinafter, the "**Escrow Agent**") as Escrow Agent for the receipt of the Schaeffler Voting Common Shares granted to the Vitesco Technologies Shareholders.

3.2 Schaeffler shall deliver to the Escrow Agent the global share certificate representing the newly issued shares granted pursuant to Section 2.1 prior to the registration of the Merger in the commercial register responsible for Vitesco Technologies and Vitesco Technologies shall instruct the Escrow Agent to grant the Vitesco Technologies Shareholders entitled to exchange their shares the pro rata indirect co-ownership of the global share certificate deposited with the Escrow Agent after the registration of the Merger in the commercial register responsible for Schaeffler and/or to release the proceeds obtained pursuant to Section 2.7 in return for the transfer of their Vitesco Technologies Shares.

4. SPECIAL RIGHTS AND ADVANTAGES

4.1 No special rights within the meaning of Section 5 para. 1 no. 7 UmwG are granted to individual shareholders or holders of special rights. No measures within the meaning of the aforementioned provision are intended for these persons.

4.2 Equally, subject to Section 4.4, no special benefits within the meaning of Section 5 para. 1 no. 8 UmwG will be granted to members of a representative body or a supervisory body of the legal entities involved in the merger, managing partners, partners, auditors or the merger auditor.

4.3 With the effectiveness of the Merger, the position of Vitesco Technologies' supervisory board and the mandates of the supervisory board members shall end. The remuneration claims of the members of the supervisory board of Vitesco Technologies for the financial year in which the Merger becomes effective in accordance with Section 15 of Vitesco Technologies' articles of association (in the version applicable at the time the Merger becomes effective) shall become due at the end of December 31 of that year and shall be fulfilled by Schaeffler. No compensation will be paid to the previous members of Vitesco Technologies' supervisory board.

4.4 In addition, the offices of Vitesco Technologies' executive board members shall end with the effectiveness of the Merger. The employment contracts of Vitesco Technologies' executive board members are not affected by this. Notwithstanding the responsibilities of Schaeffler's supervisory board under company law, the former member of Vitesco Technologies' executive board, Thomas Stierle, shall be appointed as a member of Schaeffler's executive board concurrently with the effectiveness of the Merger. In agreement with Schaeffler's supervisory board, subject to the approval of the general meeting of Schaeffler, the remuneration of the members of the executive board will in future be determined in accordance with the remuneration system adjusted pursuant to Annex 4.4. Before the Merger becomes effective, Vitesco Technologies intends to enter into binding agreements with all members of Vitesco Technologies' executive board on the full settlement of the variable remuneration of the executive board.

5. CONSEQUENCES OF THE MERGER FOR EMPLOYEES AND THEIR REPRESENTATIVE BODIES

5.1 The Transferring Entity currently has no employees. Should employment relationships exist at the Transferring Entity at the time the Merger takes effect, these will be transferred to Schaeffler pursuant to Section 35a para. 2 UmwG in conjunction with Section 613a of the German Civil Code ("**BGB**"). Schaeffler assumes the rights and obligations arising from employment relationships existing with the Transferring Entity's employees pursuant to Sections 613a para. 1 sentence 1 BGB, 35a UmwG, recognizing the length of employment at the Transferring Entity, and continues such employment relationships. A termination of the employment relationships transferred upon the effectiveness of the Merger as a result of the transfer of undertakings is invalid pursuant to Section 35a UmwG in conjunction with Section 613a para. 4 sentence 1 BGB. The right to terminate employment relationships for other reasons remains unaffected in accordance with Section 35a UmwG in conjunction with Section 613a para. 4 sentence 2 BGB.

5.2 The contractual working conditions of transferring employees shall remain unchanged, including any company practices, overall commitments and standard regulations. This also applies to the place of work and existing management rights of the employer. All rights and obligations of transferring employees that are based on earned seniority shall continue to exist at Schaeffler. This applies in particular to the determination of notice periods and entitlements to anniversary payments of transferring employees.

5.3 Upon the effectiveness of the Merger, all rights and obligations arising from any existing company pension commitments to transferring employees as well as pension recipients at the Transferring Entity and vested entitlements to former employees of the Transferring Entity shall also be transferred to Schaeffler, irrespective of their respective legal basis, and shall remain unchanged in terms of content. Insofar as the length of employment with the company is relevant for the reason for and amount of benefits from any pension commitments, the periods of employment achieved at or recognized by the Transferring Entity shall be taken into account at Schaeffler. In future, the economic situation of Schaeffler must be taken into account when adjusting current benefits promised under pension commitments in accordance with Section 16 para. 1 of the German Company Pension Act (*Gesetz zur Verbesserung der betrieblichen Altersversorgung*, "**Betriebsrentengesetz**"). Furthermore, the employees of the Transferring Entity joining as part of the Merger are not entitled to benefits with regard to the employer-financed company pension scheme in accordance with the group works agreement "KBV Schaeffler Pension Plan".

5.4 Since the Transferring Entity will cease to exist upon effectiveness of the Merger pursuant to Section 20 para. 1 no. 2 UmwG, no additional joint and several liability of the Transferring Entity within the meaning of Section 613a para. 2 BGB arises pursuant to Section 35a UmwG in conjunction with Section 613a para. 3 BGB.

5.5 Employees of the Transferring Entity affected by the transfer of undertakings will be informed of the transfer of undertakings prior to its effectiveness in accordance with Section 35a UmwG in conjunction with Section 613a para. 5 BGB. According to the rulings of the Federal Labor Court, the employees of the Transferring Entity do not have the right to object to the transfer of their employment relationships to Schaeffler pursuant to Section 613a BGB, as the Transferring Entity will no longer exist after the effectiveness of the Merger and the employment relationship with the Transferring Entity can therefore no longer be continued. However, according to the rulings of the Federal Labor Court, employees of the Transferring Entity have an extraordinary right of termination as a result of the Merger.

5.6 The Merger does not affect the employment relationships of Schaeffler's employees.

5.7 The Merger itself will not lead to any changes in any operational structures and the organization of the operations of the Transferring Entity and Schaeffler. The identity of operations of the Transferring Entity and the companies belonging to the Transferring Entity's group and of Schaeffler and the companies belonging to the Schaeffler Group will not be affected by the Merger itself. The Merger itself will not result in a change in operations pursuant to Section 111 of the German Works Constitution Act (*Betriebsverfassungsgesetz*, "**BetrVG**").

5.8 Upon the effectiveness of the Merger, the group works council, the group spokespersons' committee, the European works council (subject to a transitional mandate pursuant to Section 37 para. 3 of the European Works Council Act (*Gesetz über Europäische Betriebsräte*, "**EBRG**")), the group representative body for the group youth and trainee council and the group representative body for severely disabled employees existing at the Transferring Entity shall cease to exist. The group works council and the group representative body for severely disabled employees at Schaeffler shall continue to exist after the effectiveness of the Merger and shall also be responsible for the employees of the Transferring Entity and the companies belonging to the Transferring Entity's group from this point in time. The existing company spokespersons' committee at Schaeffler shall also remain in place after the effectiveness of the Merger and shall also be responsible for any senior executives transferred from Vitesco Technologies to Schaeffler from this date. The composition of the group works council at Schaeffler shall be supplemented by representatives of the existing central works councils of the companies belonging to the Transferring Entity's group in accordance with the existing group works agreement of the Schaeffler Group. The other works councils, spokespersons' committees, representative bodies of severely disabled employees and youth and trainee representatives in the Schaeffler Group and the Transferring Entity's group shall remain unaffected by the Merger and shall continue to exist after the effectiveness of the Merger.

5.9 The supervisory board of the Transferring Entity will expire upon the effectiveness of the Merger and the mandates of the supervisory board members (including the employee representatives) will end at this time. Schaeffler also has a supervisory board with equal representation of shareholders and employees, which pursuant to Section 7 para. 1 sentence 1 no. 3 of the German Co-Determination Act (*Mitbestimmungsgesetz*, "**MitBestG**") consists of ten shareholder representatives and ten employee representatives. Schaeffler's supervisory board will remain unchanged after the effectiveness of the Merger. The employees employed by companies belonging to the group of the Transferring Entity until the effectiveness of the Merger are entitled to actively and passively vote in the next elections to the supervisory board of Schaeffler after the effectiveness of the Merger in accordance with the applicable provisions.

5.10 Collective bargaining agreements (*Tarifverträge*) shall not apply to the employment relationships of transferring employees before the effectiveness of the Merger. Upon the effectiveness of the Merger, the collective bargaining agreements of the metal and electrical industry applicable at Schaeffler shall apply to transferring employees to the extent that the respective employee is bound by the collective bargaining agreement and is covered by the scope of the respective collective bargaining agreement. In all other respects, any reference to collective agreements in the employment contract shall continue to apply unchanged. In addition, any spokespersons' committee or works agreements (including general and group works agreements and company spokespersons' committee agreements) in force at Schaeffler shall apply to transferring employees from the effectiveness of the Merger, insofar as the respective employee is covered by the scope of the respective agreement.

5.11 In all other respects, the collective bargaining agreements, works agreements (including general and group works agreements) and spokespersons' committee agreements (including company and group spokespersons' committee agreements) in force at the companies belonging to the Transferring Entity's group when the Merger takes effect shall continue to apply unchanged after the Merger takes effect, unless the works agreements are replaced by group or general works agreements of Schaeffler on the same subject matter or the spokespersons' committee agreements are replaced legally valid by company spokespersons' committee agreements of Schaeffler on the same subject matter.

5.12 The Parties intend to merge the Schaeffler Group and the Transferring Entity's group organizationally after the completion of the Merger. Even if the Merger does not have immediate direct individual legal effects on the employment relationships of employees who are employed by subsidiaries of the Transferring Entity, it cannot be ruled out that subsequent effects for employees of subsidiaries of the Transferring Entity may arise in the future. Through the Merger, the parties intend to create a Motion Technology Company with four focused divisions (E-Mobility, Powertrain & Chassis, Vehicle Lifetime Solutions, and Bearings & Industrial Solutions). Currently, by way of a selection process, a decision is being made on the appointment of the first management level below the executive board of Schaeffler. The Parties have not yet determined a concrete organizational structure for the business combination. However, the Parties agree that a committed and motivated workforce and the corporate culture they embody are the basis for the current success of the two companies and the future success of the Combined Group. The Parties aim to maintain the existing excellent employee base and corporate culture. The Parties further agree that the transfer of the pension schemes for employees of subsidiaries of the Transferring Entity, in the case of

German employees, will be carried out in compliance with the applicable requirements in accordance with the case law of the Federal Labor Court (*Bundesarbeitsgericht*) and otherwise essentially equivalent in value, i.e. without significant losses for the employees.

6. RIGHTS OF WITHDRAWAL

Each Party is entitled to withdraw from this merger agreement with immediate effect if the Merger has not become effective by December 31, 2025. Withdrawal must be declared to the other Party by registered letter with acknowledgement of receipt and should be communicated in writing to the certifying notary and the register courts involved. The legal consequences of the withdrawal are governed by Sections 346 *et seq*. BGB.

7. CHANGE OF MERGER DATE

7.1 If the Merger is not entered in the commercial register of Schaeffler by the end of February 28, 2025, the balance sheet of Vitesco Technologies as of December 31, 2024, which was issued with an unqualified audit opinion (*uneingeschränkter Bestätigungsvermerk*) by the auditor appointed by Vitesco Technologies' general meeting, shall be used as the closing balance sheet in deviation from Section 1.2 of this agreement and, in deviation from Section 1.3 of this agreement, the beginning of January 1, 2025, 00:00 hours shall be assumed as the effective date for the acquisition of Vitesco Technologies' assets or the change of accounting. In the event of a further delay beyond February 28 of the following year, the reference dates shall be postponed by another year in accordance with the above provision.

7.2 If the Merger is not entered in the commercial register of Schaeffler until after Schaeffler's annual general meeting in 2025, which resolves on the utilization of the retained profits for the 2024 financial year, the shares of Schaeffler granted as consideration shall, in deviation from Section 2.4 of this agreement, only be entitled to dividends for the financial year commencing January 1, 2025. In the event of a further delay in registration beyond the following annual general meeting of Schaeffler, which resolves on the utilization of the retained profits for the 2025 financial year, the dividend entitlement shall be postponed by a further year. The exchange ratio remains unaffected by any shift in profit entitlement.

8. CONDITIONS PRECEDENT, EFFECTIVENESS

8.1 This agreement is subject to the condition precedent that the general meetings of Schaeffler and Vitesco Technologies have each approved this agreement in accordance with Sections 13 para. 1 and 65 para. 1 UmwG with a majority of three quarters of the share capital represented at the respective resolution.

8.2 The Merger shall become effective upon entry in the commercial register at the registered office of Schaeffler.

9. BRANCH OFFICES, PROCURATION / POWERS OF ATTORNEY

9.1 Vitesco Technologies does not have any branch offices.

9.2 The procuration and powers of attorney of Vitesco Technologies expire when the Merger becomes effective.

10. FINAL PROVISIONS

10.1 The costs arising from the conclusion of this agreement and its implementation (with the exception of the costs of the general meeting of the Transferring Entity deciding on the Merger) shall be borne by the Acquiring Entity. Costs incurred for the preparation of this agreement shall be borne by each Party. These provisions shall also apply if the Merger does not become effective due to the withdrawal of a Party or for any other reason.

10.2 The Parties shall make all declarations, issue all documents and take all other actions that may still be necessary or relevant in connection with the transfer of Vitesco Technologies' assets at the time the Merger with Schaeffler becomes effective or the correction of public registers or other lists. From the day on which the Merger is entered in the commercial register responsible for Vitesco Technologies, Vitesco Technologies grants Schaeffler power of attorney to the fullest extent permitted by law to make all declarations that are necessary or helpful to fulfill the obligations under this Section 10.2. This power of attorney shall continue to apply beyond the effectiveness of the Merger.

10.3 Should provisions of this agreement be or become void or ineffective in whole or in part, this shall not affect the validity of the remaining provisions of this agreement. The same shall apply if it should transpire that the agreement contains a contractual gap. In place of the void, ineffective or unenforceable provisions or to fill the gap, the Parties undertake to agree on an appropriate replacement provision that comes as close as possible to the content of the void or ineffective provision.

* * *

<u>Annex 4.4</u>

Remuneration System for the Executive Board Members of the Combined Group

Annex 4.4 of the Merger Agreement corresponds to the remuneration system presented under agenda item 7, which is printed above in section II "Reports and further information on agenda items" as no. 2. It will therefore not be reprinted.

4. Report of the Board of Managing Directors on agenda item 10 (Resolution on the creation of authorized capital with exclusion of subscription rights and corresponding amendment to the Articles of Association)

(concerning item 10 of the agenda)

The extraordinary general meeting of the company on February 2, 2024 resolved to change the existing non-voting common shares of the company into voting common shares and, in this context, to cancel the authorized capital contained in section 6.3 of the company's Articles of Association, which only allows the issuance of non-voting common shares while maintaining shareholders' subscription rights. The registration of the amendments to the Articles of Association resolved by the extraordinary general meeting on February 2, 2024 shall be conditional on the prior or simultaneous entry of the merger of Vitesco Technologies Group Aktiengesellschaft into the company in the company's commercial register. As a precautionary measure, the resolution of the extraordinary general meeting on February 2, 2024 is to be confirmed by the annual general meeting on April 25, 2024 under agenda item 11.

It is now intended to enable the company to issue shares against contributions in kind in accordance with the company's obligation under the Merger Agreement with Vitesco Technologies Group Aktiengesellschaft dated March 13, 2024 for claims of eligible shareholders for the granting of additional shares that have been determined by court decision (section 11 para. 1 SpruchG) or court settlement (section 11 paras. 2-4 SpruchG) or recognized by the company by out-of-court settlement (*außergerichtlicher Vergleich*) to avoid or terminate appraisal proceedings by creating new authorized capital. This expands the company's options for action in the cases specified in the authorization and ensures that the relevant claims of the company's shareholders can be settled swiftly within the deadline of section 72a para. 6 sentence 1 no. 1 UmwG without the need to hold an extraordinary general meeting.

The Board of Managing Directors and Supervisory Board therefore propose to the general meeting to create new authorized capital (Authorized Capital 2024) in the amount of EUR 125,000,000.00. The new shares are to be issued exclusively against contributions in kind of claims of eligible shareholders for the granting of additional shares that have been determined by a court decision (section 11 para. 1 SpruchG) or a court settlement (section 11 paras. 2-4 SpruchG) or recognized by the company through an out-of-court settlement (*außergerichtlicher Vergleich*) to avoid or terminate appraisal proceedings.

The subscription right is to be excluded by the resolution of the general meeting, as only in this way can the authorization be used to fulfill the company's obligation under the merger agreement with Vitesco Technologies Group Aktiengesellschaft to grant additional shares in the cases conclusively listed in the authorization in accordance with sections 72a, 72b UmwG, without the company incurring a liquidity outflow for this, e.g. by fulfilling any claims in cash or by acquiring the shares to be delivered to fulfill the claim on the stock exchange. The authorized capital may only be used in the context of a non-cash capital increase against the contribution of the shareholders' claims to the granting of additional shares specified in the authorization and also requires the legally binding determination or binding recognition of the shareholders' claim to an adjustment of the exchange ratio by the company. This is intended to ensure the swift settlement of any claims in the interests of shareholders without the need to costly convene an extraordinary general meeting.

As the authorized capital can only be used in connection with the intended merger of Vitesco Technologies Group Aktiengesellschaft into the company, the Board of Managing Directors is instructed not to submit the authorized capital and the amendment to the Articles of Association resolved under agenda item 10 to be registered in the commercial register until the general meeting of the company has approved the Merger Agreement between the company and Vitesco Technologies Group Aktiengesellschaft as the transferring entity, as proposed on under agenda item 8 of the annual general meeting on April 25, 2024. The registration of the amendments to the Articles of Association resolved under agenda item 10 shall be conditional on the prior or simultaneous entry of the merger of Vitesco Technologies Group Aktiengesellschaft into the company in the company's commercial register.

If the Authorized Capital 2024 is utilized, the Board of Managing Directors will report on this at the following general meeting at the latest.

5. Report of the Board of Managing Directors on agenda items 1 and 2 of the Extraordinary General Meeting and at the same time on agenda item 1 of the separate meeting of the non-voting common shareholders on February 2, 2024

(for information purposes, reproduction of the report on the occasion of the convocation of the extraordinary general meeting on February 2, 2024 on agenda items 11 and 12; an update has not been made)

Under agenda item 1 of the extraordinary general meeting on February 2, 2024, the Board of Managing Directors and the Supervisory Board propose to cancel the preferential right to profits of the non-voting common shares and thereby convert the non-voting common shares of Schaeffler AG (the "**Company**") into common shares with voting rights. Under agenda item 2 of the extraordinary general meeting on February 2, 2024, the Board of Managing Directors and the Supervisory Board also propose that the voting common shareholders approve agenda item 1 by special resolution as a precautionary measure. At the separate meeting of non-voting common shareholders, which will also take place on February 2, 2024, the Board of Managing Directors and the Supervisory Board will also propose that the resolution of the extraordinary general meeting on agenda item 1 also be approved by special resolution.

The Board of Managing Directors substantiates and explains these proposed resolutions in this report, which is also part of the invitations to the extraordinary general meeting and the separate meeting of the non-voting common shareholders on February 2, 2024 and is also available at the meetings and on the Internet at

www.schaeffler.com/agm.

The Chairman of the Board of Managing Directors and the Chairman of the Supervisory Board are also publishing a letter to the Company's shareholders in connection with the intended measures, which the Board of Managing Directors adopts as its own and which is as part of this report also published in section I below.

I. Letter to the Company's shareholders

"Stronger Together"

Herzogenaurach, December 20, 2023

Dear Shareholders,

Schaeffler is taking the next major step in its development: Through the planned merger with Vitesco, we are creating a unique Motion Technology Company with four focused divisions, each with leading market positions in their respective markets. The combined company will have a projected pro-forma annual turnover of around EUR 25 billion, employ more than 120,000 people worldwide and have more than 100 production plants in all major regions of the world.

The merger with Vitesco will further improve our competitiveness considerably. The two companies have a highly complementary technology portfolio, particularly in the field of electrification. As a combined company, we will be able to offer a complete product range in this area and thus better advantage-taking of the accelerated growth potential of electromobility. The transaction also offers considerable synergy potential with an expected EBIT effect of EUR 600 million per year, which should be fully achieved in 2029. This will be offset by one-off integration costs of up to EUR 665 million. The transaction is expected to have a positive impact on earnings per share for the first time in 2026.

To create this leading Motion Technology Company, we announced a three-step overall transaction on October 9, 2023 and concluded an agreement on the business combination (so-called business combination agreement) with Vitesco on November 27, 2023. The first step of the overall transaction is the public tender offer for all outstanding Vitesco shares, which we expect to successfully complete shortly.

The second step is now pending: the planned simplification of Schaeffler's shareholder structure. In this regard, we are offering you, dear shareholders, to vote on the conversion of your non-voting common shares into voting common shares. For this purpose, we invite you to the extraordinary general meeting of Schaeffler AG and to the separate meeting of the non-voting common shareholders on February 2, 2024 in Herzogenaurach.

The acquisition offer and the simplification of the shareholder structure follows the third step of the overall transaction in the course of 2024: the merger of Vitesco into Schaeffler. This step will then require the approval of the respective general meetings of both companies, which are expected to take place on April 24, 2024 (Vitesco) and April 25, 2024 (Schaeffler).

First, however, the vote on the conversion of the non-voting common shares into voting common shares with full voting rights at a ratio of 1:1 is pending. In our view, the proposed standardization of the classes of shares offers you, dear non-voting common shareholders, two significant advantages:

Firstly, you will benefit from significantly improved co-determination rights in our Company. With the conversion of the non-voting common shares into voting common shares, Schaeffler will apply with the principle of "one share, one vote" in the future, i.e. each share is associated with a voting right at the general meeting. We are thus responding to a request often expressed by capital market participants for greater participation in our Company. This will further increase Schaeffler's attractiveness as an investment for many institutional investors.

Secondly: In addition to a simplified shareholder structure with only one class of shares, the conversion into voting common shares, together with the intended merger, will lead to improved liquidity in the share and an increased free float. On this basis, the Schaeffler shares are expected to be included in the MDAX and the MSCI Europe indices after completion of the transaction.

In addition, we continue to view Schaeffler shares as a dividend-paying security that provides you with reliable recurring income and intend to maintain the current payout ratio wherever possible.

By granting voting rights, the family shareholders are therefore not only supporting the overall transaction. They are also making you an offer, which is in line with a long-standing request of the non-voting common shareholders. Due to this exclusively advantageous structure, we are confident that this offer is entirely in your interest and that you will accordingly vote in favor of converting your non-voting common shares into voting common shares.

We look forward to welcoming you in person at the extraordinary general meeting and the separate meeting of the non-voting common shareholders on February 2, 2024 in Herzogenaurach. Of course, registered shareholders also have the opportunity, in accordance with their respective participation and voting rights, to follow the extraordinary general meeting and the separate meeting of the non-voting common shareholders via the Internet and to cast their votes or to authorize a proxy designated by the Company to exercise their voting rights in accordance with their instructions. We ask you to make use of these opportunities if you are unable to attend the meetings in person. Please note that you must register in good time as described in the invitations to the meetings.

Thank you very much for your support.

Yours sincerely

Georg F.W. Schaeffler	Klaus Rosenfeld
Family Shareholder and Chairman of the Supervisory Board Directors	Chairman of the Board of Managing

II. Further Report of the Board of Managing Directors

1. Reason for and subject of the proposed resolutions

The Company's share capital is currently divided into 500,000,000 common bearer shares with voting rights and 166,000,000 non-voting common bearer shares. The non-voting common shares carry a preferential dividend of EUR 0.01 per share and are admitted to trading on the regulated market (*Regulierter Markt*) of the Frankfurt

Stock Exchange with simultaneous admission to the sub-segment of the regulated market with additional post-admission obligations (*Prime Standard*).

The Company is seeking to merge Vitesco Technologies Group Aktiengesellschaft („**Vitesco**“) into the Company as the acquiring legal entity (the “**Merger**”). With the Merger, the Company is pursuing the goal of combining the strengths of the Company and Vitesco in the area of mobility and thus being able to meet the challenges in this area (in particular e-mobility) even better and more efficiently. The Merger is also intended to create the basis for joint sustainable investments in research and development as well as the expansion of the existing cooperation with Vitesco to leverage further significant synergies. As a result of the Merger, Vitesco would cease to exist and Vitesco shareholders would become shareholders of the Company in accordance with the merger ratio to be examined by an independent expert auditor in accordance with the law.

In preparation for and in connection with the Merger, the Board of Managing Directors and the Supervisory Board of the Company propose to convert the existing non-voting common shares into voting common shares at a ratio of 1:1 (the “**Change of Class of Shares**”).

The Change of Class of Shares shall be effected by cancellation of the existing preferential right to profits of the Company’s non-voting common shares and is to be registered in the Company’s commercial register (*Handelsregister*) as close in time as possible to the Merger, without, however, delaying the fastest possible entry of the Merger. It is intended that at the time the Merger becomes effective, the Company’s share capital will consist solely of voting common shares, which will be immediately admitted to trading on the Frankfurt Stock Exchange. In the interests of the non-voting common shareholders in particular, this is intended to result in an increased liquidity of the voting common shares of the Company, which will then be listed on the stock exchange and provide an opportunity for a possible increase in the value of their shares.

Accordingly, the proposed resolution contains an instruction to the Company’s Board of Managing Directors not to submit the amendments to the Articles of Association to be resolved under agenda item 1 for registration in the commercial register until a separate general meeting of the Company has approved a merger agreement to be concluded between the Company and Vitesco. Furthermore, the registration of the amendments to the Articles of Association to be resolved under agenda item 1 shall be subject to the prior or simultaneous registration of the Merger of Vitesco into the Company in the Company’s commercial register.

In order to ensure the appropriate preparation of the Merger and to ensure the prompt submission of the merger agreement to the general meeting, an instruction on the further preparation of the Merger with Vitesco will be submitted to the general meeting for resolution in this context.

The conversion of the non-voting common shares into voting common shares and the subsequent admission of the voting common shares to trading on the Frankfurt Stock Exchange will provide the Company’s non-voting common shareholders with the opportunity to exercise their voting rights on the resolutions of the general meeting and simplify the Company’s governance. The conversion of the non-voting common shares to voting common shares is therefore accompanied by a number of advantages for the Company and its shareholders, which are not offset by any significant disadvantages (see no. 6 for more details).

2. Current share and capital structure

Currently, the share capital amounts to EUR 666,000,000.00. It is divided in 500,000,000 common shares with voting rights and 166,000,000 non-voting common shares. Each of the voting common shares and the non-voting common shares has a notional value in the share capital of EUR 1.00.

The non-voting common shares have a preferential right to profits in accordance with section 22.2 of the Articles of Association. Accordingly, unless the general meeting resolves otherwise, the Company's retained earnings are used in the following order: (1) to pay any arrears of preference dividends on the non-voting common shares from previous years, whereby no interest is payable and the older arrears are to be repaid before the more recent ones; (2) to pay a preference dividend amounting to EUR 0.01 per non-voting common share; (3) to distribute any further profit shares to the voting and non-voting common shares in proportion to their shares in the Company's share capital.

The non-voting common shares do not confer any voting rights at the Company's general meetings, subject to mandatory legal requirements.

3. Future share and capital structure

The conversion of the non-voting common shares to voting common shares will not change the amount of the Company's share capital. It will continue to amount to EUR 666,000,000.00. However, the share capital in future will be divided into 666,000,000 no-par value common bearer shares with voting rights.

In future, i.e. after the registration of the amendments to the Articles of Association to be resolved under agenda item 1 in the Company's commercial register, the preference dividend attributable to the current non-voting common shares will no longer apply, so that each share will have the same dividend entitlement.

Assuming that the conversion of the non-voting common shares into voting common shares will become effective in accordance with the registration instruction after the next general meeting of the Company, which is expected to resolve on the Merger, and before the end of the financial year 2024, in accordance with section 22.2 of the Articles of Association, the preference dividend is to be taken into account for the last time when distributing the net profit for the financial year 2023.

As a result of the elimination of the preferential right to profits, the former non-voting common shareholders will receive voting rights at the general meeting following the conversion of their shares into voting common shares in accordance with statutory provisions (section 141 para. 4 of the German Stock Corporation Act (*Aktiengesetz*) ("**AktG**")). Each share in the Company then has the same voting rights of one vote per share.

4. Course of the conversion

The conversion of the non-voting common shares into voting common shares is carried out by canceling the preferential right to profits associated with the non-voting common shares by way of an amendment to the Articles of Association. As a result, the features of the non-voting common shares are adjusted to those of the voting common shares and the class of non-voting common shares is completely canceled. A share swap will therefore not take place. Instead, the rights associated with the non-voting common shares will be adjusted to the effect that the preferential right to profits will be canceled and the shares will have voting rights. The respective proportional participation of each shareholder in the share capital remains unchanged. No additional payment will be made by the non-voting common shareholders.

The conversion of the non-voting common shares into common shares with voting rights requires a resolution by the general meeting to amend the Articles of Association, which must be passed with a simple majority of the votes cast and the share capital represented in accordance with section 179 para. 2 AktG in conjunction with section 19.4 of the Company's Articles of Association. This resolution shall be adopted by the extraordinary general meeting on February 2, 2024 under agenda item 1.

Furthermore, it is proposed to the voting common shareholders to approve the resolution of the general meeting by way of a special resolution in accordance with section 179 para. 3 AktG as a precautionary measure. This special resolution also requires a simple majority of the votes cast and the share capital represented in accordance with section 179 para. 3 AktG in conjunction with section 179 para. 2 sentence 2 AktG in conjunction with section 19.4 of the Company's Articles of Association and shall also be adopted on February 2, 2024 under agenda item 2.

The resolution on the conversion of the non-voting common shares into voting common shares also requires the approval of the non-voting common shareholders, who shall decide on this by special resolution at a separate meeting of the non-voting common shareholders, also to be held on February 2, 2024 following the extraordinary general meeting. In accordance with section 141 para. 3 sentence 2 AktG, this special resolution of the non-voting common shareholders requires a majority of at least three quarters of the votes cast.

In order to ensure the appropriate preparation of the Merger and to ensure the prompt submission of the merger agreement to the general meeting, an instruction for the further preparation of the Merger with Vitesco pursuant to section 119 para. 2 AktG in conjunction with section 83 AktG will also be submitted to the extraordinary general meeting for resolution in this context. The Board of Managing Directors shall be instructed to prepare the conclusion of a merger agreement with Vitesco and to negotiate and conclude a merger agreement with Vitesco for this purpose and to submit it to the Company's general meeting for approval. Once the proposed instruction has been issued by the general meeting, the Board of Managing Directors is obliged to implement the instructed measures (section 83 para. 2 AktG).

If the necessary resolutions are passed, the amendments to the Articles of Association will only be submitted for registration in the commercial register once a separate general meeting of the Company has approved a merger agreement concluded in accordance with the instruction of the extraordinary general meeting between the

Company and Vitesco as the transferring legal entity in accordance with the registration instruction to the Board of Managing Directors included in the resolutions. It is intended that the general meeting of the Company will decide on the approval of the merger agreement probably at the end of April, shortly after the shareholders of Vitesco have already given their approval to the merger agreement. The Merger does not require a separate resolution by the non-voting common shareholders, as they are not entitled to vote in this regard (section 65 para. 2 UmwG).

The submission of the amendments to the Articles of Association must also be subject to the prior or simultaneous entry of the Merger of Vitesco into the Company in the Company's commercial register. This ensures that the Change of Class of Shares does not become effective without the Merger and that it becomes effective as simultaneously as possible with the capital increase of the Company taking place in this context – provided that the Change of Class of Shares is then already registrable.

The submission will therefore not take place before or without an approving resolution of the general meeting on the Merger.

Once the amendments to the Articles of Association have been registered with the commercial register, they will take effect, the structure of the shares held by the existing non-voting common shareholders will be adjusted to that of the voting common shares and the special class of the existing non-voting common shares will be canceled.

5. Effect on the stock exchange listing

As a result of the Change of Class of Shares, the previous stock exchange listing of the non-voting common shares will expire, meaning that they can no longer be traded on the stock exchange in future. However, it is intended to obtain the admission of all voting common shares of the Company – including the "new" voting common shares resulting from the Change of Class of Shares and the additional "new" voting common shares to be issued as part of the Merger – to trading on the Frankfurt Stock Exchange with simultaneous admission to the sub-segment of the regulated market with additional post-admission obligations (*Prime Standard*).

The custodian banks will convert their customers' holdings of non-voting common shares into voting common shares immediately after the conversion of the non-voting common shares to voting common shares becomes effective and the global certificates securitizing the shares are exchanged for voting common shares at Clearstream Banking AG immediately thereafter. The shareholders themselves have nothing to do in this regard. There are no separate costs for the shareholders associated with the conversion of the non-voting common shares to voting common shares. The Company has no influence on the exact timing of the registration in the commercial register that changes the law. However, it is intended to facilitate the smoothest possible conversion process in close coordination with the Frankfurt Stock Exchange on the one hand and the relevant commercial register on the other. A temporary suspension of stock exchange trading in the Company's shares should be avoided wherever possible. The Company will provide information on the planned exact date of registration of the Change of Class of Shares in company reports and by public announcement.

6. Advantages for the Company and the shareholders associated with the Change of Class of Shares

The conversion of the non-voting common shares to voting common shares is in the interests of the Company and the shareholders. It will lead to a standardization of the structure of the Company's shares and thus to a simplification and greater transparency of the capital structure. As a result of the Change of Class of Shares, all shares in the Company will in future have the same rights, in particular voting rights, and will participate in the Company's net profit to the same extent.

In particular from the perspective of international investors, the intended standardization and simplification will create an increased level of transparency, which can further increase the attractiveness of an investment in the Company. This increase in attractiveness is further enhanced by the fact that the creation of a single class of shares with prior or simultaneous implementation of the Merger will increase the number of shares in free float and thus tendentially also the liquidity of the Company's shares on the capital market and thus also the possibility of inclusion in prominent share indices in the future. In particular, this is also in the interests of non-voting common shareholders, who will consequently be provided with a better liquidity of their shares.

At the same time, the future concentration on one class of shares is in line with internationally recognized and widespread corporate governance, according to which each share also entitles the holder to exercise one vote ("*one share – one vote*").

The consolidation of the share classes will also reduce the Company's administrative expenses and simplify reporting. Separate reporting of earnings per share figures for voting and non-voting common shares is no longer necessary. In addition, there is no need for a separate meeting of the non-voting common shareholders, which is currently still required for certain resolutions by the general meeting.

The advantages for the Company described above are not offset by any significant disadvantages. The conversion of the non-voting common shares to voting common shares is initially associated with one-off costs for the Company. However, the Company assumes that the Change of Class of Shares will reduce costs overall in the future.

The non-voting common shareholders will also be provided with the opportunity of a significant increase of the value of their shares, as voting common shares are often traded at a higher stock market price than non-voting common shares, with the difference between the stock market price of a non-voting common share and a voting common share regularly exceeding the amount of the non-voting common share's preferential right to profits. The sole voting common shareholder of the Company has indicated that, in view of the advantages for the Company associated with the Change of Class of Shares in connection with the Merger, it supports the Change of Class of Shares in accordance with the proposed procedure despite the potential dilution of its voting rights associated. In comparable cases of other companies, however, non-voting common shareholders have often only been provided with the opportunity to change the class of their non-voting common shares to voting common shares either in return for a substantial additional payment or at a less favorable exchange ratio for the non-voting common shareholders, so that the proposed procedure is particularly advantageous for the non-voting common shareholders.

The conversion of the non-voting common shares to voting common shares also facilitates the implementation of the Merger of Vitesco into the Company, which is in the economic interest of the Company, as the existing shareholders of Vitesco, who have previously held only voting common shares in Vitesco, will remain invested in a comparable manner in a voting and liquid share without the Company having to admit two separate and correspondingly less liquid classes of shares for trading on the regulated market in the future.

The shareholders will benefit from the advantages described above; the Change of Class of Shares will not result in any significant disadvantages for them. As a result, the conversion of the non-voting common shares to voting common shares is clearly in the interests of the Company and its shareholders. The advantages associated with the standardization of the Company's capital structure cannot be realized in a comparable manner in any other way. As there are no significant disadvantages associated with the Change of Class of Shares, according to the persuasion of the Board of Managing Directors, which is shared by the Supervisory Board, the proposed measures are objectively justified.

In agreement with the Supervisory Board, the Board of Managing Directors therefore recommends that the voting common shareholders and the non-voting common shareholders grant the necessary approvals for the proposed unification of the share classes.

6. Further information on the candidates for the elections to the Supervisory Board

(concerning item 13 of the agenda)

Georg F. W. Schaeffler

Partner of INA-Holding Schaeffler GmbH & Co. KG and
Managing Director of IHO Verwaltungs GmbH

Personal information:

Year of birth:	1964
Nationality:	German

Education:

1986 – 1990	Studied business administration at the University of St. Gallen, Switzerland (lic. oec. HSG degree)
1996 – 1999	Combined degree of Juris Doctor and Master of Laws in International and Comparative Law at Duke Law School, USA)

Professional background:

since 1981	Shareholder of the Schaeffler Group (including predecessor companies)
1990 – 1996	Various management functions in companies of the Schaeffler Group (including predecessor companies) in Germany and the USA
2000 – 2006	Business lawyer in Dallas, USA

Information regarding memberships in other supervisory boards required to be established by law and in comparable supervision bodies of German and foreign commercial enterprises:	Continental AG, Hannover ATESTEO Management GmbH, Herzogenaurach Vitesco Technologies Group Aktiengesellschaft, Regensburg

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Sabine Bendiek

Manager

Personal information:

Year of birth:	1967
Nationality:	German

Education:

1985 – 1988	Studied business administration at the vocational academy (Berufsakademie) in Mannheim (Master of Business Administration)
1994 – 1996	Graduate Studies at the Massachusetts Institute of Technology (MIT) in Electronic Engineering and Computer Science

Professional background:

1988 – 1996	Siemens Nixdorf Information Systems AG, Munich and Frankfurt/Main (functions in Controlling, International Marketing and as Programm Manager)
1996 – 1999	Engagement Manager at McKinsey & Company, Hamburg
1999 – 2003	Senior Investment Manager and (since 2002) Partner of Earlybird Venture Capital, Hamburg
2003 – 2011	Dell Corporation, London and Frankfurt/Main
since 2003	Director Marketing Regional Markets (London)
since 2006	Director Marketing Germany/Austria/Switzerland (Frankfurt/Main)
since 2007	Director Channel Business Germany/Austria/Switzerland (Frankfurt/Main)
since 2009	General Manager Small & Medium Business Germany/Austria/Switzerland (Frankfurt/Main)
2011 – 2015	General Manager of EMC Corporation in Germany, Frankfurt/Main
2016 – 2020	Chairman of the Executive Board of Microsoft Deutschland GmbH

2021 – 2023	Chief People & Operating Officer. Labor Relations Director and Member of the Executive Board SAP SE
<u>Information regarding memberships in other supervisory boards required to be established by law and in comparable supervision bodies of German and foreign commercial enterprises:</u>	Bitkom e. V. Berlin, Germany

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Prof. Dr.-Ing. habil Prof. E.h. mult. Dr. h.c. mult. Hans-Jörg Bullinger

Professor of Technology Management

Personal information:

Year of birth:	1944
Nationality:	German
Education:	Apprenticeship as mechanic Undergraduate, doctorate, and post-doctoral studies at the University of Stuttgart in the mechanical engineering department

Professional background:

1975 – 1980	Director of the department of corporate planning at the Fraunhofer Institute for Manufacturing Engineering and Automation (IPA)
since 1980	Professor of labor studies/ergonomics at the Distance Learning University of Hagen
1981 – 2002	Director of the Fraunhofer Institute for Labor Studies and Organization IAO and the Institute of Human Factors and Technology Management at the University of Stuttgart
2002 – 2012	President of the Fraunhofer Society in Munich
2006 – 2012	Chairman of the Industry-Science Research Alliance of the Federal Ministry of Education and Research (jointly with Dr. Arend Oetker)
2013 – 2018	Senator of the Fraunhofer Society
since 2020	Chairman of the Executive Board of Fraunhofer-Zukunftsstiftung

Awards:

2009	Elected “Manager of the Year” by Manager Magazine
2012	Cross of Merit with Star of the Federal Republic of Germany
2013	Induction into the “Hall of Fame of German Research”

2014	Fellow "Royal Academy of Engineering" (UK)
2017	Fellow "Royal Swedish Academy of Engineering Sciences (IVA)"
	Several honoral doctorates plus two honorary professorships

<u>Information regarding memberships in other supervisory boards required to be established by law and in comparable supervision bodies of German and foreign commercial enterprises:</u>

Arri AG, Munich (Chairman)
Bauerfeind AG, Zeulenroda-Triebes
Handtmann GmbH & Co. KG, Biberach
Vitesco Technologies Group Aktiengesellschaft, Regensburg

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Dr. Holger Engelmann

Chairman of the Board of Managing Directors of Webasto SE

Personal information:

Year of birth:	1965
Nationality:	German
Education:	Studied business administration in Munster and Cologne; Ph.D. studies at the University of Cologne in economics (1993)

Professional background:

1993 – 1998	Various positions at Fichtel und Sachs (today ZF Friedrichshafen) amongst others: director of the department for project controlling and investment projects
1998 – 2007	Various management positions at Mannesmann Plastics Machinery; culminating in Group CFO
2007 – 2010	CFO of Webasto AG (today Webasto SE)
since 2008	Chairman of the Board of Managing Directors of Webasto Roof & Components
2010 – 2012	Deputy Chairman of the Board of Managing Directors of Webasto SE
since 2013	Chairman of the Board of Managing Directors of Webasto SE
Information regarding memberships in other supervisory boards required to be established by law and in comparable supervision bodies of German and foreign commercial enterprises:	No memberships

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Prof. Dr. Bernd Gottschalk

Managing Partner of Auto Value GmbH

Personal information:

Year of birth:	1943
Nationality:	German
Education:	Studied economics at universities in Hamburg, Saarbrücken and Stanford, California/USA, Ph.D. studies at the University of Hamburg (1971)

Professional background:

1972 – 1996	Daimler-Benz AG
since 1982	Group management positions in public relations, economic policy and transport policy
since 1988	Commercial management of the plant in Mannheim
since 1991	President of Mercedes-Benz do Brasil
since 1992	Ordinary member of the executive board of Daimler-Benz AG, responsible for the Commercial Vehicles Business Unit globally
1997 – 2008	President of the German Association of the Automotive Industry (VDA)
	President of the International Organization of Automobile Manufacturers (OICA), Paris
	Vice President of the Federal Association of the German Industry (BDI)
since 2008	Founder and Managing Partner of AutoValue GmbH, Frankfurt
Awards:	Federal Order of the Merit of the Federal Republic of Germany
	Grand Golden Badge of Honor for Services to the Republic of Austria
2017	Knight of the Legion of Honor of France

Information regarding memberships in other supervisory boards required to be established by law and in comparable supervision bodies of German and foreign commercial enterprises:	Plastic Omnium SA, Paris/France Benteler International AG, Salzburg/Austria AEye Inc., Dublin/California

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Ulrike Hasbargen

Tax Consultant/Auditor

Personal information:

Year of birth:	1961
Nationality:	German
Education:	Degree in business administration from the University of Cologne, Germany Tax consultant/auditor
Professional background:	
1985 – 2002	Arther Andersen GmbH Wirtschaftsprüfungsgesellschaft, Steuerberatungsgesellschaft (initially in Frankfurt, then New York and eventually Munich)
2000	Joined the partnership and appointment as Managing Partner Human Capital Services (until 2015)
2002 – 2020	Ernst & Young AG (merger with Arthur Andersen) / after change of legal form in 2009 Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft
2005 – 2010	Ernst & Young AG / after change of legal form in 2009 Ernst & Young GmbH Managing Partner Tax Services Tax Division Bavaria
2010 – 2020	Ernst & Young GmbH Joined the Tax Core Team (Leadership) Germany, Austria and Switzerland
2015 – 2020	Ernst & Young GmbH Managing Partner People Advisory Services for Germany, Austria and Switzerland
Information regarding memberships in other supervisory boards required to be established by law and in comparable supervision bodies of German and foreign commercial enterprises:	EY Verwaltungs-GmbH Wirtschaftsprüfungsgesellschaft

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Katherina Reiche

Chairwoman of the Board of Managing Directors of Westenergie AG

Personal information:

Year of birth:	1973
Nationality:	German
Education:	Chemistry Studies at the University of Potsdam Diploma in Chemistry

Professional background:

1997 – 1998	Research Assistant at the University of Potsdam
1998 – 2015	Member of the German Bundestag
2002	Participant in the 110th Baden-Baden Entrepreneur Talks (BBUG)
2005 – 2009	Deputy Chair of the CDU/CSU parliamentary group, responsible for policy on education and research, as well as the environment, nature conservation and nuclear safety
2009 – 2013	Parliamentary State Secretary at the Federal Ministry for the Environment, Nature Conservation, Nuclear Safety and Consumer Protection
2013 – 2015	Parliamentary State Secretary at the Federal Ministry of Transport and Digital Infrastructure
2013 – 2015	Chairwoman of the Advisory Board at Deutsche Flugsicherung DFS GmbH, the German National Air Traffic Control
2015 – 2019	Managing Director and managing member of the executive board of the German Association of Local Public Utilities (Verband kommunaler Unternehmen e.V.)
Since January 2020	Chairwoman of the Board of Managing Directors at Westernegie AG

Information regarding memberships in other supervisory boards required to be established by law and in comparable supervision bodies

of German and foreign commercial enterprises:	Member of the Supervisory Board at VGP NV Chairwoman of the Board of Managing Directors at Westernegie AG Vice-Chair of the Supervisory Board at NEW AG Member of the Supervisory Board at RheinEnergie AG Member of the Supervisory Board at DEW21 GmbH

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Robin J. Stalker

Chartered Accountant

Personal information:

Year of birth:	1958
Nationality:	New Zealand
Education:	Studied business administration with an International degree; Tax Consultant/A.C.A Chartered Accountant, New Zealand

Professional background:

1982 – 1986	Arthur Young (now Ernst & Young) Auditor
1986 – 1989	United International Pictures Controller – Far East
1989 – 1992	Warner Bros. International Director of Operations
1992 – 1996	Independent Business Consultant for UCI and Hewitt Group among others
1996 – 1997	adidas AG Head of Corporate Services/Reporting
1997 – 1999	adidas AG (adidas-Salomon AG from 12/1996 until 05/2006) Vice President Group Reporting
1999 – 2000	adidas AG (adidas-Salomon AG from 12/1996 until 05/2006) Vice President Group Reporting & Taxes
since 02/2000	adidas AG (adidas-Salomon AG from 12/1996 until 05/2006) Chief Financial Officer
since 02/2001	adidas AG (adidas-Salomon AG from 12/1996 until 05/2006) Member of the Executive Board, responsible for Finance

2005 – 05/2017	adidas AG (adidas-Salomon AG from 12/1996 until 05/2006) Member of the Executive Board, responsible for Finance and Employment Director
<u>Information regarding memberships in other supervisory boards required to be established by law and in comparable supervision bodies of German and foreign commercial enterprises:</u>	Schmitz Cargobull AG, Horstmar (Vice Chairman) Hugo Boss AG

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Prof. TU Graz e. h. KR Ing. Siegfried Wolf

Entrepreneur

Personal information:

Year of birth:	1957
Nationality:	Austria
Education:	Trained as master tool and die maker In-service training as an engineer at the Federal Institute for Mechanical Engineering and Industrial Engineering (*Bundeslehranstalt für Maschinenbau und Betriebstechnik*)

Professional background:

1974 – 1981	Apprenticeship, technical employee in the quality measuring laboratory, PHILIPS, Vienna
1981 – 1983	Vereinigte Metallwerke Wien, Vienna, Austria Management Line Precision Measuring Assistant Director of Quality Control
1983 – 1995	Hirtenberger AG, Hirtenberg Head of Quality Assurance Plant Director, Authorized signatory
1995 – 1999	President of Magna Europa AG
1999 – 2001	President of Magna Europa AG and Vice-Chairman of Magna International Inc.
2001 – 2002	President & CEO of Magna Steyr AG
2002 – 2005	Executive Vice-Chairman of Magna International Inc.
2005 – 2010	CEO of Magna International Inc.
2010 – 2018	Chairman of the Board of Directors of Russian Machines Corporation
2010 – 2019	Chairman of the Supervisory Board, OJSC GAZ Group

Awards:

2002	Honorary Senator of the Technical University of Vienna
2009	Honorary Professor of the Technical University of Graz
<u>Information regarding memberships in other supervisory boards required to be established by law and in comparable supervision bodies of German and foreign commercial enterprises:</u>	MIBA AG, Laakirchen/Austria Mitterbauer Beteiligungs AG, Laakirchen/Austria Porsche Automobil Holding SE Vitesco Technologies Group Aktiengesellschaft, Regensburg (Chairman) Steyr Automotive GmbH (Chairman)

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Prof. Dr. Ing. Tong Zhang

Director of Institute of Fuel Cell Vehicle Technology at Tongji University, Shanghai, People's Republic of China

Personal information:

Year of birth:	1960
Nationality:	German
Education:	Studied Automotive Engineering at the Technical University of Berlin Ph.D. studies at the Institute of Automotive Engineering Technical University of Berlin (1991)

Professional background:

1992 – 2006	Ford Werke GmbH, Cologne Development Engineer, Senior Engineer, Group Leader and Technical Manager
2006 – 2010	Vice Director of Clean Energy Automotive Engineering Center at Tongji University in Shanghai, People’s Republic of China Managing Director of Shanghai Fuel Cell Vehicle Powertrain Co., Ltd.
2011 – 2016	Director of Clean Energy Automotive Engineering Center at Tongji University in Shanghai, People’s Republic of China Director of the National Fuel Cell Vehicle and Powertrain System Engineering Research Center
2017 – 2022	Director of the Academic Commission, Department of Automotive Engineering, Tongji University, Shanghai, People‘s Republic of China
since 2023	Director of Institute of Fuel Cell Vehicle Technology at Tongji University, Shanghai, People‘s Republic of China

Awards:

2007	Shanghai Science and Technology Award
2008	China Science and Technology Award

2009	Winner of the Chinese “Thousand Talent People” Program
2010	Shanghai Expo Contribution Award
<u>Information regarding memberships in other supervisory boards required to be established by law and in comparable supervision bodies of German and foreign commercial enterprises:</u>	No memberships

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7. Final draft of the domination and profit and loss transfer agreement with Schaeffler Verwaltungsholding Vier GmbH

(concerning item 15 of the agenda)

Domination and Profit and Loss Transfer Agreement

between

Schaeffler AG
Industriestraße 1 – 3
91074 Herzogenaurach

- hereinafter referred to as "dominating company" -

and

Schaeffler Verwaltungsholding Vier GmbH
Industriestraße 1 – 3
91074 Herzogenaurach

- hereinafter referred to as "dominated company" -

§ 1

The dominated company places its management under the domination of the dominating company. Accordingly, the dominating company has the right to issue instructions to the management of the dominated company regarding the management of the company.

§ 2

The management of the dominated company continues to be responsible for the management and representation of the dominated company. It retains its full decision-making authority and responsibility, insofar as these are not restricted by instructions.

§ 3

The dominated company undertakes to transfer its entire profit to the dominating company - subject to the creation or release of reserves in accordance with section 4. The provision of section 301 AktG, in its respective applicable version, applies accordingly.

The dominating company undertakes to offset the annual net losses of the dominated company in accordance with section 302 AktG, in its respective applicable version.

During the course of a financial year, the dominating company is obliged at any time to make advance payments on the net loss for the year expected at the end of the balance sheet date if otherwise over-indebtedness under insolvency law would occur. If the accumulated deficit during the course of a financial year firstly exceeds the net loss expected at the end of the balance sheet date or if a net profit is expected at the end of the balance sheet date and secondly there is a risk of over-indebtedness under insolvency law, the dominated company is entitled to demand payments over and above sentence 1 insofar as this is necessary to avoid over-indebtedness under insolvency law. Payment claims of the dominated company from sentence 1 and sentence 2 expire for the respective financial year on the balance sheet date.

§ 4

When preparing its commercial balance sheet, the dominated company may only form other revenue reserves with the consent of the dominating company and only to the extent that these are economically justified based on reasonable commercial judgment. The transfer of amounts from the release of capital reserves formed before or during the term of this agreement (section 272 para. 2 no. 4 HGB) and of pre-contractual revenue reserves (section 272 para. 3 HGB) is excluded.

§ 5

The agreement becomes effective upon entry in the commercial register of the dominated company and is valid for the entire financial year in progress at the time of entry in the commercial register.

The contract is concluded for an indefinite period.

The agreement can be terminated by either party subject to a notice period of six (6) months to the end of each financial year of the dominated company, but at the earliest at the end of the financial year after which the minimum tax term of a profit transfer agreement required for the recognition of a consolidated tax group for corporate income tax and trade tax purposes as stipulated in section 14 para. 1 no. 3 German Corporation Tax Act (*Körperschaftsteuergesetz*) has expired (five (5) years according to the current legal situation), i.e. at the earliest on 31.12.2028.

The right to terminate the contract for good cause remains unaffected.

Good cause exists in particular if the dominating company no longer holds the majority of the voting rights from the shares in the dominated company, if the dominated company is converted into the legal form of a partnership or if there is good cause within the meaning of R 60 para. 6 KStR 2004 (or a corresponding successor provision applicable at the time of termination).

In the event of termination for good cause, the contract ends at the end of the day specified in the notice of termination, at the earliest at the end of the day on which the notice of termination is received (effective date).

If the reporting date falls within a current financial year of the dominated company, the obligations to transfer profits and offset losses are limited to the result accrued up to the reporting date, which is to be determined by means of interim financial statements prepared as at the reporting date.

Schaeffler AG

Schaeffler Verwaltungsholding Vier GmbH

III. Further information and notes

Total number of shares and voting rights

At the time of the convocation of the 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 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 Schaeffler AG has resolved to hold the general meeting as a virtual general meeting without the physical presence of the shareholders or their proxies (with the exception of the proxies designated by the company) at the location of the general meeting. These resolutions were made based on section 17.7 of the Articles of Assocation, under which the Board of Managing Directors may decide that general meetings will be held as a virtual general meeting in accordance with section 118a AktG.

For duly registered shareholders and their proxies, an internet-based and access-protected general meeting system, the InvestorPortal, is expected to be available from April 4, 2024 at the internet address

www.schaeffler.com/agm

and will also be available to them on the day of the general meeting and for its entire duration.

Requirements for participating in the virtual general meeting and exercising shareholders' rights

Shareholders who register in due time and provide proof of their right to participation are entitled to participate in the virtual general meeting and to exercise their shareholders' rights in connection with the virtual general meeting (see below).

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
Email: wp.hv@db-is.com

at least six days before the general meeting, excluding the day of the general meeting and the day of receipt, that is by **April 18, 2024 (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 close of business on **April 3, 2024 24:00 (CEST)** (“**record date**”). Section 17.4 sentence 3 of the Articles of Association is not applicable.

Upon due registration and proper proof of share ownership, access cards including the required access credentials for the InvestorPortal will be automatically sent to the shareholders entitled to participate 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. Participation in the virtual general meeting takes place by electronic connection via the InvestorPortal. Properly registered shareholders or their proxies may exercise their shareholders’ rights via the InvestorPortal.

Relevance of the record date

In relation to the Company, only a voting and/or non-voting common shareholder, who has provided the specific proof of entitlement to participation in the annual general meeting or to exercise shareholders’ rights shall be deemed to be a shareholder for the purpose of participating in the extraordinary general meeting and exercising shareholders‘ rights. The record date is not associated with a block on the saleability of the shareholding. Even in the event of the complete or partial sale of the shareholding after the record date, only the shareholding of the shareholder on the record date is relevant for the exercise of shareholder rights (i.e., sales of shares after the record date have no effect on the exercise of the shareholder rights). The same applies to purchase and additional purchases of shares after the record date. Persons who do not yet hold any shares on the record date and only become shareholders thereafter are only entitled to participate and, in the case of the voting common shares, to vote from the shares held by them if and to the extent that they are authorized by the person entitled on the record date or authorized to exercise rights.

Electronic connection of shareholders and their proxies to the virtual general meeting; Video and audio transmission of the virtual general meeting

Shareholders who have duly registered for the virtual general meeting or their proxies can join the meeting electronically via the InvestorPortal and follow the meeting live in sound and vision on April 25, 2024 from 10:00 am (CEST). The InvestorPortal is expected to be accessible from April 4, 2024 and can be accessed via the company’s website at

www.schaeffler.com/agm

The registration to the InvestorPortal is done with the access credentials that the duly registered shareholders or their proxies receive together with the access cards.

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 Chairman of the Board of Managing Directors will be broadcast for the interested public at www.schaeffler.com/agm.

Procedure for absentee voting

Holders of common shares may cast their votes by means of electronic communication (absentee vote) or by granting proxy. Only those holders of common shares duly registered no later than by April 18, 2024 (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.

Absentee votes can be cast electronically via the company's InvestorPortal. Voting by absentee voting, its revocation or amendment is also possible via the InvestorPortal during the virtual general meeting, but must be completed at the latest by the time specified by the chairman of the meeting in the general meeting.

Absentee votes may also be cast, revoked or amended by e-mail at the following e-mail address, for organizational purposes by April 24, 2024, 18:00 (CEST) (receipt is decisive):

anmeldestelle@computershare.de

Shareholders who wish to exercise their voting rights by e-mail are requested to use the form provided by the company for this purpose. Common shareholders will receive this form together with the confirmation of registration (access card). Use of the form is not mandatory. 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 access card number as indicated on the access card when casting their votes not via the InvestorPortal.

Authorization of proxies for exercising voting rights, exercising the right to information or other shareholders' rights or the virtual participation

The shareholder may also exercise his voting rights (holders of common shares) or other participation rights, in particular the right to speak and the right to obtain information (holders of common shares and common non-voting shares), in connection with the virtual 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 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.

The power of attorney can be issued via the InvestorPortal from the time the InvestorPortal is activated and also during the virtual general meeting in the context of the voting, using the data of the registration confirmation.

The authorization 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) until the day of the virtual general meeting. Shareholders are kindly requested to use the proxy form provided by the company for this purpose. The use of the proxy form is not mandatory. For organizational reasons, corresponding text submissions can be made by April 24, 2024, 18:00 (CEST) (receipt is decisive) to the following address:

Schaeffler AG
c/o Computershare Operations Center
80249 München
Email: anmeldestelle@computershare.de

After the InvestorPortal has been activated as well as on the day of the virtual general meeting, the aforementioned actions with respect to the proxies in text form (section 126b BGB) can only be submitted via the InvestorPortal.

With regard to the exercise of the shareholders' rights, the deadlines specified in this invitation apply equally to 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.

If the shareholder authorizes more than one person, the company may reject one or more of these persons.

Particularities of the authorization of proxies designated by the company

Voting common shareholders have the possibility to have their voting rights exercised in accordance with their instructions in the virtual general meeting through proxies designated by the Company for this purpose. In this case, the voting common shareholders must – as described above – also register for the general meeting and provide proof of shareholding in a timely manner.

If a voting common shareholder wishes to grant power of attorney to the proxies designated by the Company, he or she must give them 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 obliged 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 general meeting or for the exercise of the right to obtain information under the requirements set out in this invitation. Furthermore, the proxies will not accept any instructions to submit statements, to exercise the right to speak, to submit motions or proposals of election.

Authorizations and voting instructions to the proxies designated by the company can be issued electronically via the company's InvestorPortal. Authorizations and voting instructions can also be issued via the das InvestorPortal during the virtual general meeting by no later than the time specified by the chairman of the meeting in the general meeting. Up to this point in time, authorizations and voting instructions already issued can also be amended or revoked at any time.

For organizational reasons, authorizations of the proxies designated by the company and voting instructions to them can also be made by April 24, 2024 18:00 (CEST) (receipt is decisive) to the following address:

anmeldestelle@computershare.de

To issue authorizations and voting instructions to the proxies designated by the company and bound by instructions for the holders of common shares by e-mail, the form can be used which voting common shareholders receive with the confirmation of registration (access card) for the general meeting if they register and provide proof of shareholding in a timely manner. The use of the form is not mandatory.

Further information on exercising shareholders' rights

If several absentee votes or authorizations and instructions are received by the same means of transmission within the deadline, the last declaration received shall be binding.

If voting rights are exercised in several ways in due time by absentee voting or if authorization and instructions are issued, these will be considered in the following order: 1. electronically via the InvestorPortal, 2. electronically through intermediaries, 3. By email, 4. by postal mail.

If declarations with more than one form of exercising voting rights are received in the same way, the following applies: absentee votes take precedence over the granting authorization. Authorization and instructions to the proxies designated by the Company take precedence over any other form of authorization.

Rights of shareholders

Motions by shareholders to supplement the agenda pursuant to section 122 para. 2 AktG

Shareholders, that is voting common shareholders and non-voting common 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 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 no. 1 AktG. Motions to supplement the agenda must be received by the company in writing at least 30 days prior to the general meeting – the date of receipt and the date of the general meeting will not be counted –, i.e., no later than by the end of March 25, 2024 (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 apply accordingly.

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

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

Each shareholder is entitled to send countermotions to proposals from the Board of Managing Directors and/or the Supervisory Board for specific items on the agenda and make proposals for elections included as part of the agenda (sections 126 para. 1, 127 AktG). Countermotions and proposals for election submitted by shareholders that are required to be disclosed under section 126 para. 1 sentence 1 AktG or section 127 sentence 1 AktG will at the time of disclosure be deemed to have been submitted to the general meeting, this however applies only if the shareholder submitting the countermotion or the proposal for election is duly authorized and has registered for participation in the general meeting. If the shareholder who has submitted the motion is not duly registered to the general meeting, the motion does not have to be considered at the general meeting (section 126 para. 4 AktG).

If countermotions or proposals of election are put to the vote, voting rights can only be exercised via the InvestorPortal. This does not affect the right of the chairman of the 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) proposals 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 3, section 127 sentence 3 AktG, by shareholders will only be made available on the internet at www.schaeffler.com/agm if the requirements described below are fulfilled. The publication will include the shareholders´ name, the statement of reason and any comment by the administration.

Countermotions so to be made available must oppose a resolution proposal (usually 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. Proposals for election to be made available must refer to the elections included as part of the agenda; they need not to be submitted together with a statement of reason.

Countermotions together with a statement of reason to be made available 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 10, 2024, (24:00 CEST):

Schaeffler AG
Rechtsabteilung
Industriestr. 1–3
91074 Herzogenaurach
Email: OR-HZA-Legal-Team-DE-HZA@schaeffler.com

Countermotions and election proposals as well as other motions may also be submitted during the general meeting by means of video communication, i.e. within the scope of the right to speak.

Right to submit statements pursuant to section 130a para. 1 to 4 AktG

Shareholders who are duly registered for the general meeting have the right, pursuant to section 130a para. 1 to 4 AktG, to submit statements on the agenda items in text form prior to the general meeting by means of electronic communication. Such statements must be submitted to the company, stating the first name and surname or company name and address of the shareholder and the shareholder number, exclusively by e-mail in text form to

or-hza-legal@schaeffler.com

Statements must be submitted in text form as a file in PDF format and may not exceed 10,000 characters (including spaces). By submitting a statement, the shareholder or his proxy agrees that the statement may be made available on the access-protected InvestorPortal with reference to his name.

The statements must be submitted no later than five days before the meeting, i.e. no later than April 19, 2024, (24:00 CEST). Statements submitted will be made available on the access-protected InvestorPortal no later than four days prior to the general meeting, i.e. no later than April 20, 2024, (24:00 CEST), unless, in exceptional cases, it is permissible to refrain from making them available pursuant to section 130a para. 3 sentence 4 AktG. Any statements by the company's management will also be published on the InvestorPortal.

Questions and objections as well as countermotions and proposals for election, on the other hand, are subject to the procedure described separately in this invitation. It is pointed out that questions, objections, countermotions or proposals for election included in a statement but not submitted as described in this invitation, especially in the case of countermotions and nominations that are not sent to the different e-mail address provided above, will not be considered.

Right to speak pursuant to section 130a para. 5 and 6 AktG

Shareholders who have duly registered for the general meeting or their proxies who are connected electronically to the virtual general meeting have the right to speak at the general meeting, which is exercised by means of video communication. From the start of the general meeting, the function for requesting to speak and submitting motions will be activated via the access-protected InvestorPortal, which can be accessed at

www.schaeffler.com/agm

allowing duly registered shareholders or their proxies to register their speech or motion. The right to speak includes in particular also the right to submit motions and proposals for election in accordance with section 118a para. 1 sentence 2 no. 3 AktG and to exercise the right to obtain information at the general meeting (as described below under "Right to obtain information").

The right to speak may also be exercised by authorized third parties of a shareholder. The proxies designated by the company do not exercise the right to speak on behalf of the shareholders authorizing them.

For electronic access by means of video communication, shareholders or their proxies require Internet access and an appropriate device (e.g., laptop, PC, smartphone or tablet, each with a camera and microphone that can be accessed from the browser). Further information on the technical requirements for electronic access to the general meeting can be found at www.schaeffler.com/agm.

Persons who have registered via the InvestorPortal to make a speech or submit a motion will be enabled to make their speech or submit their motion in the access-protected InvestorPortal. The company reserves the right to check the functionality of the video communication between the shareholder or proxy and the company during the meeting and prior to the speech or the submission of the motion and to reject it if the functionality is not ensured.

Pursuant to section 18.2 of the company's Articles of Association, the chairman of the meeting may determine the order in which speeches are made and is authorized to impose reasonable time limits on the right to speak. In particular, he is authorized to set a reasonable time limit for speeches at the beginning of the general meeting or during its course.

Right to obtain information pursuant to section 131 para. 1 AktG

Shareholders who have duly registered for the meeting have a right to obtain information at the general meeting. On request, the Board of Managing Directors shall provide each shareholder with information on the company's affairs pursuant to section 131 para. 1 AktG insofar as such information is necessary to permit a proper evaluation of the items on the agenda. The duty to provide information also extends to the legal and business relations of the company with an affiliated company. Pursuant to section 293g para. 3 AktG, each shareholder must also be provided upon request with information at the annual general meeting on all matters of Schaeffler Verwaltungsholding Vier GmbH that are material to the conclusion of the profit and loss transfer agreement with Schaeffler Verwaltungsholding Vier GmbH. Furthermore, pursuant to section 64 para. 2 UmwG, each shareholder must be provided with information on all matters of Vitesco Technologies Group Aktiengesellschaft that are material to the merger upon request at the general meeting.

It is not possible to submit questions in advance of the general meeting. Requests for information may be part of a speech as defined above. It is intended that the chairman of the meeting will determine pursuant to section 131 para. 1f AktG that the right to obtain information is to be exercised exclusively by means of the video communication offered by the company on the InvestorPortal, meaning that electronic access of the shareholders to the general meeting is required in order to exercise this right. To exercise this right, each shareholder or his proxy must first submit a request to speak using the request to speak function provided on the InvestorPortal. This is only possible on the day of the general meeting from 10:00 hours (CEST) up to the time specified by the chairman of the meeting. No other submission of questions by electronic or other means of communication is intended either before or during the general meeting.
The right to obtain information may also be exercised by authorized third parties of a shareholder. The proxies designated by the company do not exercise the right to obtain information on behalf of the shareholders authorizing them.
The company reserves the right to check the functionality of the video communication between the shareholder or proxy and the company at the meeting beforehand and to reject the request to speak if the functionality is not ensured.

Pursuant to section 18.2 of the company's Articles of Association, the chairman of the meeting is authorized to impose reasonable time limits on the right to obtain information. In particular, he is authorized to set a reasonable time limit for questions at the beginning of the general meeting or during its course.

On all answers given by the Board of Managing Directors, the shareholders have the right to ask further questions at the meeting pursuant to section 131 para. 1d AktG. The above statements apply accordingly to this right to ask further questions, in particular with regard to the reasonable time limit imposed by the chairman of the meeting.

Right of objection

Duly registered shareholders or their proxies have the right to object to resolutions of the general meeting by means of electronic communication. The objection can be submitted for the entire duration of the virtual general meeting until its end by way of electronic communication via the InvestorPortal for the record of the notary public. The notary has authorized the company to receive objections via the InvestorPortal and will receive the objections via the InvestorPortal.

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

The content of the convocation of the virtual general meeting, documents to be made available, motions from shareholders that are to be made available as well as further information relating to the virtual general meeting (including the rights of shareholders) are available on the company's website at www.schaeffler.com/agm. The documents to be made available will also be available during the virtual general meeting on April 25, 2024.

The convocation of the virtual general meeting is published in the Federal Gazette dated March 14, 2024 and was submitted for publication to such media for which it may be expected that they will disseminate the information across the European Union.

Information on data protection for shareholders

In connection with the holding of the general meeting, the Company (Industriestraße 1-3, 91074 Herzogenaurach, Germany, email data protection officer: Datenschutz@schaeffler.com) as controller collects and processes personal data about the shareholders and/or their proxy. This is in order to enable shareholders to exercise their rights at the general meeting. Shareholders can find details on the handling of personal data and their rights under the General Data Protection Regulation (GDPR) on the general meeting website at

www.schaeffler.com/agm.

Herzogenaurach, March 2024

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 25, 2024

   (Formal information acc. to EU-IR 2018/1212: e2ee5d9952cbee11b52f00505696f23c)

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:

Voting common shares	DE000SHA0019
Non-voting common shares	DE000SHA0159

2. Name of issuer: Schaeffler AG

C. Specification of the meeting

1. Date of the General Meeting: April 25, 2024

   (Formal information acc. to EU-IR 2018/1212: 20240425)

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/agm

   Location of the 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/agm)

5. Record Date: April 3, 2024

   (Formal information acc. to EU-IR 2018/1212: 20240403)

6. Uniform Resource Locator (URL): www.schaeffler.com/agm