

**Joint Report pursuant to Section 293a of the German Stock Corporation Act
(Aktiengesetz)**

**By the Board of Managing Directors of Schaeffler AG
and
the Managing Directors of Schaeffler Verwaltungsholding Vier GmbH**

**on the Conclusion of a Domination and Profit and Loss Transfer Agreement between
Schaeffler AG and Schaeffler Verwaltungsholding Vier GmbH**

For the purpose of informing the shareholders and preparing for the resolution to be adopted at the general meeting of Schaeffler AG (“**Schaeffler**”), the board of managing directors of Schaeffler (the “**Board of Managing Directors of Schaeffler**”) and the management of the Schaeffler Verwaltungsholding Vier GmbH (“**SV4**”, and its management “**SV4 Management**”) hereby present the following joint report pursuant to Section 293a of the German Stock Corporation Act (*Aktiengesetz*, “**AktG**”) on the intended conclusion of a domination and profit and loss transfer agreement between Schaeffler and SV4.

1. Conclusion and Effectiveness of the Domination and Profit Transfer Agreement

The Board of Managing Directors of Schaeffler and the SV4 Management intend to enter into a domination and profit and loss transfer agreement (the “**Agreement**”) between the two companies. Under this Agreement, Schaeffler would act as the dominating entity and the parent company, while SV4 would act as the dominated entity and the subsidiary.

The Agreement initially requires written form. Furthermore, the general meeting of Schaeffler must approve it with a majority of three-quarters of the share capital represented at the time the resolution is adopted. The shareholders’ meeting of SV4 must also approve the conclusion of the Agreement with a notarized resolution by a majority of three-quarters of the share capital represented at the time the resolution is adopted. The Agreement becomes legally effective upon its entry in the commercial register (*Handelsregister*) of SV4.

The next annual general meeting of Schaeffler will be held on April 25, 2024, and will vote on the conclusion of the Agreement. After the annual general meeting of Schaeffler, the shareholders’ meeting of SV4 will approve the conclusion of the Agreement in the short term.

At the time of this report, Schaeffler is the sole shareholder of SV4; there are no outside shareholders of SV4. Consequently, payments to outside shareholders are not required.

The Board of Managing Directors of Schaeffler Board and the SV4 Management do intend to conclude the draft of the Agreement only after the annual general meeting of Schaeffler and the shareholders’ meeting of SV4 have given their respective approvals.

2. Parties to the Agreement

2.1 Schaeffler

Schaeffler, with its registered office in Herzogenaurach and registered in the commercial register (*Handelsregister*) of the Local Court of Fürth under HRB 14738, is a German stock corporation (*Aktiengesellschaft*). The company's share capital amounts to EUR 666,000,000.00, divided into 500,000,000 voting shares and 166,000,000 non-voting shares. On February 2, 2024, the voting shareholders of Schaeffler, in an extraordinary general meeting, and the non-voting shareholders of Schaeffler, in a separate shareholders' meeting, decided to convert the non-par value non-voting shares into non-par value voting shares, eliminating the preferential dividend right, whereby the conversion shall only become effective upon the prior or simultaneous registration of the merger of Vitesco Technologies Group Aktiengesellschaft into Schaeffler pursuant to the adopted registration instruction to the Board of Managing Directors of Schaeffler. The proportional share in the share capital allocated to each share is EUR 1.00. The non-voting shares of Schaeffler are admitted for trading on the regulated market at the Frankfurt Stock Exchange (*Prime Standard*).

The statutory object of Schaeffler includes (a) the development, production, and distribution of components, parts, systems, and software, as well as the provision of both analog and digital services for automobile manufacturers, other industrial customers, and various other clients; (b) the trade of such products; and (c) the production or procurement of components, raw materials, or parts required for the manufacturing of the products mentioned in (a). Schaeffler may pursue its corporate purpose either on its own or through subsidiaries or affiliated companies. It is authorized to conduct all transactions and take all actions that appear suitable to directly or indirectly support the purpose of Schaeffler.

Members of the Board of Managing Directors of Schaeffler are:

- Klaus Rosenfeld (CEO)
- Claus Bauer,
- Dr. Astrid Fontaine,
- Andreas Schick,
- Jens Schüler,
- Dr. Stefan Spindler,
- Uwe Wagner, and
- Mathias Zink.

The financial year of Schaeffler is the calendar year.

Schaeffler is the parent company of the Schaeffler Group. As of December 31, 2023, the Schaeffler Group employed 83,362 employees. The annual financial statements for the fiscal year of 2023 report net income of the AG group to be approximately EUR 335 million, with a balance sheet total of approximately EUR 15.006 billion. As of December 31, 2022, the Schaeffler Group employed 82,883 employees. The annual financial statements for the fiscal year of 2022 report net income of the AG group to be approximately EUR 585 million, with a balance sheet total of approximately EUR 14.284 billion.

Reference is made at this point to the planned merger of Vitesco Technologies Group Aktiengesellschaft as the transferring legal entity with Schaeffler as the acquiring legal entity. Reference is made to the documents listed in the invitation to the annual general meeting on

April 25, 2024 under agenda item 8 and available at www.schaeffler.com/agm for the effects of the planned merger with regard to Schaeffler. In particular, the joint merger report of the Board of Managing Directors of Schaeffler and executive board of Vitesco Technologies Group Aktiengesellschaft contains information on the accounting, corporate law, and tax consequences of the planned merger.

2.2 SV4

SV4, with its registered office in Herzogenaurach, registered in the commercial register (*Handelsregister*) of the Local Court of Fürth under HRB 13802, is a subsidiary of Schaeffler in the legal form of a Limited Liability Company (*Gesellschaft mit beschränkter Haftung*). It has a fully paid-up share capital of EUR 25,000.00.

The object of SV4 is the acquisition and management of equity participations as well as the provision of services in this context, and the acquisition and exploitation of patents, utility models, and other industrial property rights as well as know-how. SV4 is authorized to establish or acquire administrative and holding companies and branches both domestically and abroad and to take all other actions that are conducive to the promotion of the company's object.

The financial year of SV4 corresponds to the calendar year.

The managing directors of SV4 are Claus Bauer and Dr. Jan Wittenberg.

As of the date of this report, SV4 does not employ any employees. The financial statements of SV4 for the fiscal year ending December 31, 2022, report a net income of EUR 15,376,000.00 and a balance sheet total of EUR 198,206,888.95.

3. Reasons for the Conclusion of the Agreement

The object of this Agreement is to establish a consolidated tax group (*Organschaft*) for corporate income tax and trade tax purposes between Schaeffler and SV4. The conclusion of this Agreement is a mandatory requirement pursuant to Sections 14 para. 1 sentence 1, 17 para. 1 of the German Corporate Income Tax Act (*Körperschaftsteuergesetz*, “**KStG**”), and Section 2 para. 2 sentence 2 of the German Trade Tax Act (*Gewerbesteuergesetz*, “**GewStG**”) for such a consolidated tax group (*Organschaft*), so that the associated tax benefits can only be realized through the conclusion of this Agreement.

The consolidated tax group (*Organschaft*) results in combined taxation in regards to the corporate income tax and trade tax for Schaeffler as the dominating company and principal company, and SV4 as the dominated company and subsidiary company. The corporate income tax and trade tax consolidated tax group (*Organschaft*) relationship allows for a consolidation of the income of SV4 with the profits and losses of Schaeffler by combining the tax results on the closing date (*Bilanzstichtag*) and a timely transfer of profits or compensation of losses. In addition, double taxation, which may arise from inter-group loan relationships, can be avoided through a consolidated tax group (*Organschaft*) relationship. Furthermore, the direct offsetting of the tax results of SV4 with the tax results of Schaeffler results in a positive liquidity effect insofar as profit transfers from SV4 are not subject to capital gains tax, including solidarity surcharge. If a domination and profit transfer agreement were not concluded, a refund of the deducted taxes would generally only be possible in the context of the corporate income tax assessment (*Körperschaftsteuerveranlagung*) of Schaeffler after filing the tax return, which

would result in a liquidity disadvantage. Moreover, the fiscal unity avoids the otherwise occurring taxation on profit distribution. Under current law, 5% of the profit distribution at the level of Schaeffler is subject to corporate income tax and trade tax.

4. Explanation of the Agreement

4.1 Control (Sections 1 and 2 of the Agreement)

Pursuant to the provision in Section 1 of the Agreement, SV4, as the controlled company, subordinates its management to Schaeffler as the controlling company. Accordingly, the dominating company is authorized to issue instructions to the dominated company regarding its management. Section 2 of the Agreement clarifies that, notwithstanding the fundamental right of the dominating company to issue instructions, the management and representation of the dominated company remain with the dominated company itself.

4.2 Profit Transfer and Loss Assumption (Section 3 of the Agreement)

By virtue of the provision in Section 3 of the Agreement, SV4, as the dominated company, commits itself, subject to the formation and dissolution of reserves pursuant to Section 4 of the Agreement, to transfer its entire profit to Schaeffler as the dominating company. For the extent of the profit to be transferred, reference is made to the legal provision of Section 301 AktG in its current version. This means that, pursuant to the current version of Section 301 sentence 1 AktG, the profit to be transferred to Schaeffler is, at a maximum, the surplus for the year accruing without the profits being remitted, reduced by a loss carried forward from the preceding year, by the amount to be allocated to the legal reserve pursuant to section 300 and by the amount barred from distribution pursuant to Section 268 para. 8 of the German Commercial Code (*Handelsgesetzbuch*, “HGB”).

Moreover, pursuant to Section 3 of the Agreement, Schaeffler is obligated to assume the losses of SV4 according to Section 302 AktG as amended. Pursuant to the currently valid version of Section 302 para. 1 AktG, Schaeffler is to absorb any shortfall of SV4 for the year that would otherwise accrue during the term of the agreement. The compensable loss can be offset within the limits of commercial law permissibility by withdrawing amounts from other profit reserves that have been allocated to them during the term of the Agreement.

The obligations for profit transfer and loss assumption are mandatory prerequisites for the effectiveness of the consolidated tax group (*Organschaft*) between Schaeffler and SV4. These are standard provisions within a domination and profit and loss transfer agreement.

Also, Section 3 of the Agreement provides for interim installment payments on the expected annual deficit, to which Schaeffler as the controlling company is obligated in case of otherwise impending insolvency due to over-indebtedness. Furthermore, SV4 can demand necessary payments from Schaeffler to avoid insolvency due to over-indebtedness, if and insofar as

- the deficit accruing during the year exceeds the expected annual deficit, or an annual surplus is expected at the balance sheet date, and
- insolvency due to over-indebtedness is imminent.

Finally, Section 3 of the Agreement stipulates that claims for interim installment payments by SV4 as the dominated company for the respective fiscal year expire at the balance sheet date.

4.3 Formation and Dissolution of Reserves (Section 4 of the Agreement)

Section 4 of the Agreement stipulates that SV4, as the dominated company, may only create other profit reserves with the consent of Schaeffler when preparing its commercial balance sheet, to the extent that this is economically justified on the basis of reasonable commercial assessment.

Furthermore, it is clarified that the transfer of amounts from the dissolution of capital reserves (Section 272 para. 2 no. 4 HGB) and profit reserves (Section 272 para. 3 HGB) formed before or during the term of the Agreement is excluded, if these reserves were established before the commencement of the Agreement.

4.4 Effectiveness, Duration, and Termination (Section 5 of the Agreement)

The Agreement, pursuant to legal provisions (cf. Section 294 para. 2 AktG), becomes effective upon its entry in the commercial register (*Handelsregister*) of the controlled company.

The Agreement is concluded for an indefinite period according to Section 5 and may be terminated by either party with six months' notice to the end of the fiscal year of the controlled company. Given the current legal situation (Section 14 para. 1 sentence 1 no. 3 KStG requires a minimum agreement duration of five fiscal years for the establishment of a consolidated tax group (*Organschaft*) for corporate and trade tax purposes. Section 5 of the Agreement stipulates that ordinary termination is first possible at the end of the fiscal year of SV4, with the expiration of this minimum tax term. Therefore, under the current legal situation, the Agreement can be ordinarily terminated no earlier than December 31, 2028.

Section 5 of the Agreement clarifies that the right to terminate for material reason remains unaffected. A reason is deemed material, among other reasons – but not limited to – if Schaeffler no longer holds the majority of voting rights from the shares of SV4 as the controlled company, if SV4 as the controlled company is converted into a partnership, or if a material reason exists in the sense of R 60 para. 6 of the Corporation Tax Guidelines 2004 (*Körperschaftsteuer-Richtlinien*, “**KStR**”) or a corresponding subsequent provision. Furthermore, Section 5 of the Agreement specifies the effective date of termination for material reason as the day specified in the termination notice, with the earliest possible effective date being the end of the day on which the termination notice is received.

Finally, Section 5 of the Agreement determines that the obligations for profit transfer and loss compensation in the event of a termination for material reason during the fiscal year are limited to the results accrued up to the effective date of termination. These results are to be determined by an interim report prepared for the effective date.

5. Alternatives

There is no economically reasonable alternative to the conclusion of a domination and profit and loss transfer agreement between Schaeffler and SV4 that could achieve the objectives described above equally well or better. The goals pursued with the conclusion of the Agreement could not be achieved in the same way through other tax or legal arrangements. For example, a merger of SV4 into Schaeffler would result in the loss of SV4's legal identity. However, this is not desired. The tax advantages associated with the conclusion of the domination and profit transfer agreement between Schaeffler and SV4 can only be realized through this Agreement.

The comprehensive assessment of the Agreement concludes that it is advantageous for both Schaeffler and SV4.

[Signature pages to follow]

**Signature Page for the Inter-Company report pursuant to Section 293a AktG on the
Domination and Profit Transfer Agreement**

Herzogenaurach, _____

Schaeffler AG

The Board of Managing Directors

[Signatures]

Schaeffler Verwaltungsholding Vier GmbH

The Management

[Signatures]