
Schaeffler AG
Articles of Association
of April 23, 2021

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**I.
General Provisions**

**Section 1
Legal Form, Company, Seat of the Company**

1.1. The name of the company:

Schaeffler AG.

1.2. The company's headquarters is in Herzogenaurach.

**Section 2
Purpose of the Company**

2.1 The purpose of the company is

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

The company may realize its purpose on its own or through subsidiaries or holding companies. It has the right to conduct all transactions and take all measures that are deemed appropriate and directly or indirectly serve to realize the company's purpose.

2.2. The company may establish subsidiaries within Germany or abroad, establish and acquire other companies of any type, invest in such companies as well as manage companies or limit itself to serving in an administrative function for the company.

2.3. The company may sell each of its holding companies or split off its operations or assets in full or part or transfer them to other companies. It may enter into corporate agreements of any type as well as spin off or transfer its operations in full or part to other companies in which it holds a majority stake.

- 2.4. The company may limit itself to only partly fulfill the purpose of the company pursuant to Section 2.1.

Section 3 Duration

The company will be established for an unspecified period.

Section 4 Fiscal Year

The fiscal year is the calendar year.

Section 5 Public Notices

- 5.1. Public notices by the company will be published in the Federal Gazette unless otherwise mandated by applicable law.
- 5.2. According to Section 30b paragraph 3 German Securities Trading Act [WpHG] the company may transmit information to shareholders by way of electronic data transfer.

II. Capital Stock and Stock

Section 6 Capital Stock

- 6.1. The company's capital stock amounts to

EUR 666,000,000.00

(in words: Euro six-hundred and sixty-six million).

- 6.2. The capital stock is divided into 500,000,000 common shares and 166,000,000 non-voting bearer preferred shares. The portion in the capital stock allocated to each bearer share amounts to EUR 1.00. A contribution to the capital stock in an amount of EUR 500,000,000.00 was made by way of form-changing conversion of INA Beteiligungsgesellschaft mit beschränkter Haftung, Herzogenaurach, into a stock corporation.

- 6.3 The Board of Managing Directors is authorized, with the approval of the Supervisory Board, to increase the share capital by up to a total of EUR 200,000,000.00 (in words: two hundred million euros) against contributions in cash until August 31, 2025 by issuing, on one or more occasions, new common non-voting bearer shares which carry the same rights under the Articles of Association as the existing common non-voting bearer shares. Existing shareholders are to be granted statutory subscription rights.

The Board of Managing Directors, with the approval of the Supervisory Board, determines the issue price of the new common non-voting bearer shares. The Board of Managing Directors, with the approval of the Supervisory Board, determines the further contents of the share rights and the terms of the issuance.

Section 7

Form, Securitization

- 7.1. The common shares are issued as bearer shares.
- 7.2. The common non-voting shares are issued as bearer shares. The common non-voting shares are entitled to the privileges specified in Section 22 when profits are distributed. The company reserves the right to issue additional common non-voting shares that have equal or higher priority ranking than the existing common non-voting shares in regards to profit-sharing or the company's assets pursuant to Section 141 paragraph 2 sentence 2 German Stock Corporation Act [AktG].
- 7.3. In the event there are no applicable provisions to determine whether the new shares are bearer shares or registered shares when the capital is increased by a resolution to increase the capital, they will be bearer shares.
- 7.4. The company is entitled to issue certificates for each individual share (individual certificates) or for multiple shares (global certificates). The shareholders' right to receive a certificate for their shares shall be excluded unless prohibited by law and unless issuance of a certificate is required according to the rules of the stock market where the shares are listed.
- 7.5. The form and content of the certificates for the shares as well as any profit-sharing and renewal certificates shall be determined by the executive board in consultation with the supervisory board.
- 7.6. If the capital is increased, the profit-sharing agreement for the new shares may be stipulated notwithstanding Section 60 paragraph 2 sentence 3 German Stock Corporation Act [AktG]. New shares from a future increase of capital may be issued with profit-sharing privileges.

**III.
Executive Board**

**Section 8
Composition**

- 8.1. The executive board consists of at least two persons. The supervisory board shall determine the number of members of the executive board.
- 8.2. The supervisory board will appoint the members of the executive board. It may appoint deputy members of the executive board. The supervisory board may appoint a chair of the executive board as well as a vice-chair of the executive board.

**Section 9
Management**

- 9.1. The executive board will be solely responsible for managing the company. It shall manage the company's business according to the statutory provisions, these articles of association and the rules of procedure.
- 9.2. Aside from the transactions that are subject to approval by the supervisory board according to applicable law, the supervisory board may determine that the executive board may only carry out certain transactions to be determined by the supervisory board with its approval (Section 111 paragraph 4, sentence 2 German Stock Corporation Act [AktG]).
- 9.3. On a case-by-case basis the supervisory board may determine that certain other transactions by the executive board will require the approval of the supervisory board.
- 9.4. The supervisory board may revocably approve a certain group of transactions in general or if individual transactions satisfy certain requirements in advance.

**Section 10
Representation**

The company will be represented by two executive board members or one executive board member jointly with one authorized signatory. The supervisory board may decide that all or individual members of the executive board have sole powers of representation. The supervisory board may exempt members of the executive board from the limitations set forth in Section 181 Alternative 2 German Civil Code [BGB]; Section 112 German Stock Corporation Act [AktG] shall not be affected.

**IV.
Supervisory Board**

**Section 11
Composition, Election**

- 11.1 The supervisory board has twenty members. Ten members thereof will be appointed by a resolution passed by the general meeting and ten members will be elected by the employees according to the provisions set forth in the German Co-determination Act.
- 11.2. The supervisory board shall not have any members who exercise governing or advisory roles at the main competitors of the company or holding companies of competitors.
- 11.3. Members are elected for the period until the end of the general meeting that approves the actions for the fourth fiscal year after the period of office started. The fiscal year when the period of office started will not be included in this calculation. The general meeting may decide that supervisory board members elected by the general meeting may serve for a shorter period. Members may be re-elected.
- 11.4 Substitute members may be elected for all or individual supervisory board members elected by the general meeting at the same time the supervisory board members are elected; these substitute members will take the position of supervisory board members who leave prematurely as whose substitute they were elected unless a new supervisory board member is elected by the general meeting before the departure takes effect. If a substitute member takes the place of a departing member, his/her office will expire when the next general meeting that elects a new supervisory board member ends. The period of office of the substitute member expires at the latest with expiry of the period of office of the departing supervisory board member. The election of substitute members for the supervisory board members elected by the employees will be carried out according to the provisions set out in the Co-determination Act; their period of office will last until the period of office of the departing member expires.
- 11.5. If a supervisory board member is elected in place of a prematurely departing member, his/her office will be in effect for the remaining period of office of the departing member unless a shorter period of office is decided during the election process.
- 11.6. Each supervisory board member and each substitute member may leave his/her office by giving written notice to the chair of the supervisory board. The notice of leaving the office shall be sent with advance notice of four weeks. This period may be shortened by mutual agreement between the supervisory board member and the

chair of the supervisory board. If there is good cause an office may be left with immediate effect in any case.

Section 12

Chair, Vice-Chair and Committees

- 12.1. The supervisory board shall elect a chair and vice-chair from among its members pursuant to Section 27 Co-determination Act [MitbestG]. Furthermore, additional vice-chairpersons may be elected.
- 12.2. Members are elected for the entire period of office of the elected supervisory board members unless a shorter period of office is determined during the voting process. If the chair or a vice-chair leaves before his/her period of office ends, a successor will be immediately elected for the remaining period of office.
- 12.3. The supervisory board may revoke the appointment of the chair or vice-chair before the end of the period of office without stating any reasons.

The chair may leave his/her office before the end of the period of office without stating any reasons by making a statement to the executive board of the company. The same applies for the vice-chair.
- 12.4. The supervisory board may form committees from among its members and transfer certain tasks to them. Tasks and procedures of the committees are determined by the supervisory board in its rules of procedure or by passing a separate resolution.
- 12.5. The election of the chair of the supervisory board is chaired by the oldest member of the supervisory board present.
- 12.6. The vice-chair of the supervisory board pursuant to Section 27 of the Co-determination Act [MitbestG] only holds the rights and duties of the chair if he/she is absent and unless otherwise mandated by applicable law, these articles of association or the rules of procedure of the supervisory board. The other vice-chairs will only assume the rights and duties of the supervisory board chair if the vice-chair is also absent pursuant to Section 27 Co-determination Act. If multiple additional vice-chairs have been elected, it has to be determined during the election in which order they will assume the rights and duties of the supervisory board chair.

Section 13

Supervisory Board Meetings

- 13.1 The supervisory board will hold meetings to the extent required by applicable law or by the company's operations.

- 13.2. The meetings of the supervisory board will be held at the company seat unless the supervisory board chair decides on another location in Germany or abroad.
- 13.3. The supervisory board chair will chair the meetings and will determine the order of the items on the agenda as well as the type and form of the voting processes.
- 13.4. The executive board will participate in the meetings of the supervisory board unless otherwise decided by the supervisory board on a case-by-case basis. The supervisory board chair will decide whether additional persons may be involved to provide advice concerning certain items unless otherwise decided by the supervisory board on a case-by-case basis.
- 13.5. The supervisory board shall hold at least two meetings within a six-month period. Otherwise, it will hold meetings as often and as soon as required in the interest of the company. In justified exceptions these meetings may be held by phone or video conference by order of the chair of the supervisory board, or if he/she is absent by order of his/her vice-chair.
- 13.6. Each member of the supervisory board or the executive board may request, with notice of the purpose and the reasons, the chair of the supervisory board, or his/her vice-chair in case he/she is absent, to immediately convene a meeting of the supervisory board. Such a meeting has to be held within two (2) weeks after convening it. If the request is not granted, the supervisory board member or executive board may convene the meeting by giving notice of the situation and information about the agenda.

Section 14 **Passing Resolutions, Minutes**

- 14.1. The supervisory board has a quorum when all members of the supervisory board who received invitations at their last known address and at least ten members of the supervisory board participate in passing the resolution. When determining whether the meeting has a quorum, supervisory board members who abstain from voting will be included in the count.
- 14.2. Supervisory board members may participate in supervisory board meetings by phone or video conference with the consent of the chair of the supervisory board.
- 14.3. Furthermore, resolutions may also be passed by sending votes to the chair of the supervisory board in writing, by phone, by email, by fax or in a similar manner.

- 14.4. Supervisory board members may also participate in passing resolutions of the supervisory board by sending their votes in writing to the chair of the meeting before the voting takes place (also by fax or with other electronic media). This also applies to the second vote by the chair. Resolutions may also be passed by transmitting votes by different permitted means of communications and also if some votes are cast during the meeting and some by other allowed means of communication by absent members, also after the meeting. In each of these cases it is required that either all members participate in passing the resolution or the chair of the supervisory board orders to pass such a resolution and at least half of the nominal number of members of the supervisory board participate in passing the resolution. In each case the chair of the supervisory board has to determine an appropriate period for casting votes. The members of the supervisory board do not have a right to object to orders of the chair pursuant to Section 14.4. of this document.
- 14.5. If the items on the agenda have not been announced properly, resolutions may only be passed on these items if none of the supervisory board members present objects. In such a case absent members shall be given the opportunity to object to the resolution or cast their votes in writing within an appropriate period to be set by the chair or his/her vice-chair in case of absence. The resolution will only take effect once no objections have been received by the absent supervisory board members within this period.
- 14.6. Resolutions of the supervisory board are passed by majority of the votes cast unless otherwise mandated by statutory provisions or these articles of association. Abstention from voting is considered an uncast vote. If the voting of the supervisory board results in a tie, the chairman shall have two votes during the next vote on the same issue if the next round of voting also results in a tie. The above regulation shall also apply to the chair of a committee during committee voting with the exception of the committee pursuant to Section 27 paragraph 3 Co-determination Act [MitbestG].
- 14.7. The above Sections 14.1 to 14.6. shall apply to committees accordingly unless otherwise mandated by applicable statutory provisions.
- 14.8. Minutes on the negotiations and resolutions passed by the supervisory board and its committees will be taken. The chair of the meeting decides who will take the minutes. The chair of the meeting and the minute-taker shall sign the minutes. The minutes of supervisory board meetings will be transmitted to the members of the supervisory board; minutes of committee meetings will be transmitted to the members of the respective committee and the chair of the supervisory board. Each

supervisory board member or committee member may request to have his/her vote recorded in the minutes.

Section 15 Representation

Statements of intent by the supervisory board and its committees will be made by the chair on behalf of the supervisory board, and by his/her vice-chair in case of absence. The chair, or his/her vice-chair in case of absence, is authorized to accept statements on behalf of the supervisory board and to take care of its correspondence. Section 78 paragraph 2 sentence 2 Stock Corporation Act [AktG] shall not be affected.

Section 16 Authorizations

- 16.1. The tasks and rights of the supervisory board are determined by applicable law and these articles of association. The supervisory board is also responsible for hiring the financial auditors after they have been chosen at the general meeting.
- 16.2. The supervisory board will stipulate its rules of procedure in compliance with statutory provisions and the provisions of these articles of association.
- 16.3. The supervisory board is authorized to make decisions on modifications or amendments to these articles of association that affect only their wording.

V. General Meeting

Section 17 Location, Convening

- 17.1 The general meeting is held at the seat of the company or in another German city with a population of at least 50,000.
- 17.2. The general meeting shall be convened at least thirty (30) days before the date of the general meeting by publishing a notice in the Federal Gazette unless another period is mandated by applicable law. The minimum period is extended by the days of the registration period set out in Section 17.3. The statutory provisions shall be applicable to calculating the above period.
- 17.3. Shareholders who register as shareholders with the company or an office listed in the invitation at least six days before the general meeting in writing, by fax or by

electronic means specified by the company in the invitation shall have the right to participate in the general meeting and exercise their voting rights, by presenting proof of their shareholding. The day the registration is received will not be counted.

- 17.4. Proof of share ownership shall be provided by submitting a special proof of share ownership issued by the ultimate intermediary in text form (section 126b of the German Civil Code [BGB]) in German or English; proof in accordance with section 67c para. 3 German Stock Corporation Act [AktG] shall suffice in any case. The company may permit other languages in the invitation. The proof of share ownership must relate to the beginning of the 21st day prior to the annual general meeting (record date) and must be received by the company at the address specified for this purpose in the invitation at least six days prior to the annual general meeting. A shorter period, to be measured in days, may be provided for in the convocation. The day of the annual general meeting and the day of receipt shall not be counted. In relation to the company, only those persons who have provided such proof shall be deemed to be shareholders for the purpose of attending the annual general meeting or exercising voting rights.
- 17.5. The executive board is authorized to allow the entire general meeting or sections thereof to be transmitted by audio and video. It will give notice when convening the general meeting.
- 17.6. The executive board is authorized to make the necessary arrangements so that shareholders can participate in the general meeting without being present and without an authorized representative and can exercise all or some of their rights partly or fully by way of electronic communication (online participation). If the executive board exercises this right, it will provide more detailed information about this procedure when convening the general meeting. Shareholders who participate in the general meeting pursuant to sentence 1 are not entitled to object to the resolutions passed by the general meetings and/or contest them.

Section 18 Meeting Chair

- 18.1. The chair of the supervisory board or another supervisory board member to be determined by him/her will chair the general meeting. In case the supervisory board member appointed as chair of the meeting is absent, the supervisory board members present at the general meeting will elect the chair of the meeting. If a chair is not elected in the manner outlined above, the chair of the meeting will be elected by the general meeting. A person who is not a member of the supervisory board may be elected in the cases shown in sentence 2 and sentence 3.

- 18.2. The chair of the meeting will chair the meeting. He/she will determine in which order the items on the agenda will be discussed and the type and order of voting. The chair of the meeting may also decide in which order presentations are made and is authorized to limit the shareholders' right to ask questions and make comments to an appropriate amount of time. In particular, he/she is authorized to set an appropriate time frame at the beginning or during the general meeting for the entire course of the general meeting, for individual items on the agenda or for individual questions or comments.

Section 19 Voting Right, Casting of Votes

- 19.1. Each common share entitles the holder to one vote. Holders of common non-voting shares are not entitled to voting rights. However, if applicable law mandates that holders of common non-voting shares have voting rights, each common non-voting share entitles the holder to one vote.
- 19.2. The voting right may be exercised by authorized parties. Granting and revoking the authorization and providing proof of the authorization to the company shall be in text form. Further details about granting these authorizations, their revocation and providing proof to the company will be provided when the general meeting is convened and may also include determination of a facilitation. Section 135 German Stock Corporation Act [AktG] shall not be affected hereby.
- 19.3. The executive board is authorized to make the necessary arrangements so that shareholders can cast their votes without participating in the general meeting, in writing or by way of electronic communication (absentee voting). If the executive board exercises this right, it will provide more detailed information about the procedure of absentee voting when convening the general meeting.
- 19.4. The resolutions by the general meeting will be passed with a simple majority of votes cast unless applicable law or these articles of association mandate a greater majority. Unless capital majority is mandated by applicable law in addition to a majority of votes, a simple majority of the equity capital represented during the passing of the resolution is sufficient unless otherwise mandated by applicable law. If there is a tie the request is considered rejected.

Section 20 Transmission by Audio and Video

Unless an order pursuant to Section 17.5 was already issued when convening the meeting, the entire general meeting or sections thereof may be transmitted by audio and video by

order of the chair of the meeting. The transmission may also be carried out in a way that gives the general public unlimited access.

VI.

Annual Financial Statements, Appropriation of Earnings

Section 21

Annual Financial Statements

The annual financial statements and consolidated financial statements will be prepared, reviewed and determined according to the statutory provisions.

Section 22

Appropriation of Earnings

- 22.1 The general meeting will decide how the net profits determined in the annual financial statements will be appropriated. The general meeting may decide to disburse profits as dividends in kind instead of or as well as cash dividends.
- 22.2 The company's net profit will be appropriated according to the order listed below unless otherwise decided by the general meeting.
- a) For repayment of any shortfalls of preferred dividends on the common non-voting shares from previous years, whereby interest does not have to be paid and older shortfalls have to be repaid before more recent ones.
 - b) For payment of a preferred dividend in the amount of EUR 0.01 per common non-voting share.
 - c) For distribution of any profit shares on the common voting and common non-voting shares according to the portion in the company's equity capital.
- 22.3. The executive board is herewith authorized to make advance payments on the anticipated net profits within the meaning of Section 59 paragraph 2 German Stock Corporation Act [AktG] to the shareholders at the end of a fiscal year with consent by the supervisory board .

VII.
Final Provisions

Section 23
Legal Venue

By subscribing to or acquiring shares or interim certificates of the company, shareholders subject themselves to settle all disputes arising with the company or members of the company's governing bodies at the ordinary legal venue of the company unless otherwise mandated by applicable statutory provisions. This shall also apply to disputes that involve the assertion of claims for damages caused by false, misleading or omitted public capital market information. Foreign courts do not have jurisdiction over such disputes.

Section 24
Costs

The company shall bear the cost of changing legal form in the amount of up to EUR 250,000.00.

Section 25
Severability Clause

- 25.1. In the event the provisions set out in these articles of association or a provision to be added in the future is fully or partly invalid or unenforceable or they become invalid or unenforceable in the future, the validity of the remaining provisions shall not be affected. The same shall apply if it becomes apparent that these articles of association have an omission.
- 25.2. The parties shall stipulate an appropriate provision in place of the invalid or unenforceable provision or to fill the omission to the extent permitted by applicable law, which comes closest to the intention of the shareholders if they had been aware of the fact that these articles of association had an invalid, unenforceable provision or omission.
- 25.3. If the provision is invalid because of the degree of performance or a time established by these articles of association (time frame or date), the parties shall agree on a degree of performance (time or date) that is permitted by applicable law and that comes as close as possible to the intention of the shareholders.