

Remuneration report 2023



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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 April 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% increase 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	Description
Non-performance-based components			
Fixed annual salary	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Annual base remuneration Payout in twelve monthly installments
Fringe benefits		CEO/Managing Director: up to 42	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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⁾	<ul style="list-style-type: none"> Financial targets (80%) <ul style="list-style-type: none"> CEO and Chief Officers of the functions <ul style="list-style-type: none"> (1) SVA Group (vs. target value) (40%) (2) FCF Group (vs. target value) (40%) Divisional CEOs <ul style="list-style-type: none"> (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%) <ul style="list-style-type: none"> (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⁾	<ul style="list-style-type: none"> 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 <ul style="list-style-type: none"> (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) CO₂ 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	<ul style="list-style-type: none"> Requirement to invest in Schaeffler common non-voting shares <ul style="list-style-type: none"> – 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

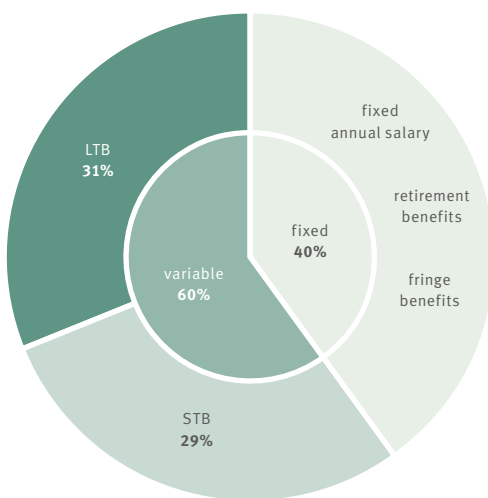
¹⁾ Individual contractual commitment for Dr. Spindler: EUR 750 thousand.

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.

Structure of total target remuneration



The relative share of the target remuneration represented by each component was within the defined ranges for all Managing Directors in 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 out 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.

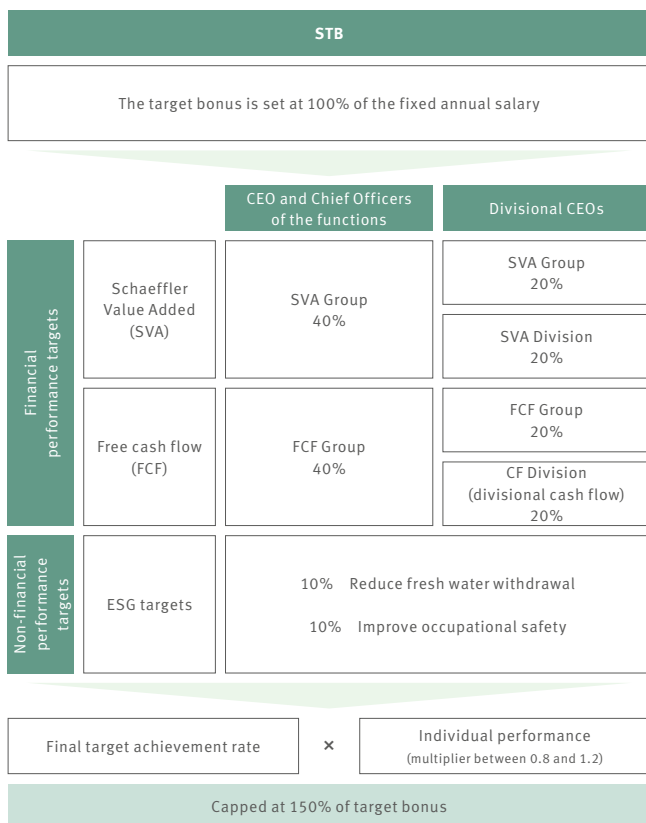
Fringe benefits

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 m³, 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 achievement	
Reduce fresh water withdrawal	< 150,000 m ³	≥ 150,000 m ³	265,441 m ³	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

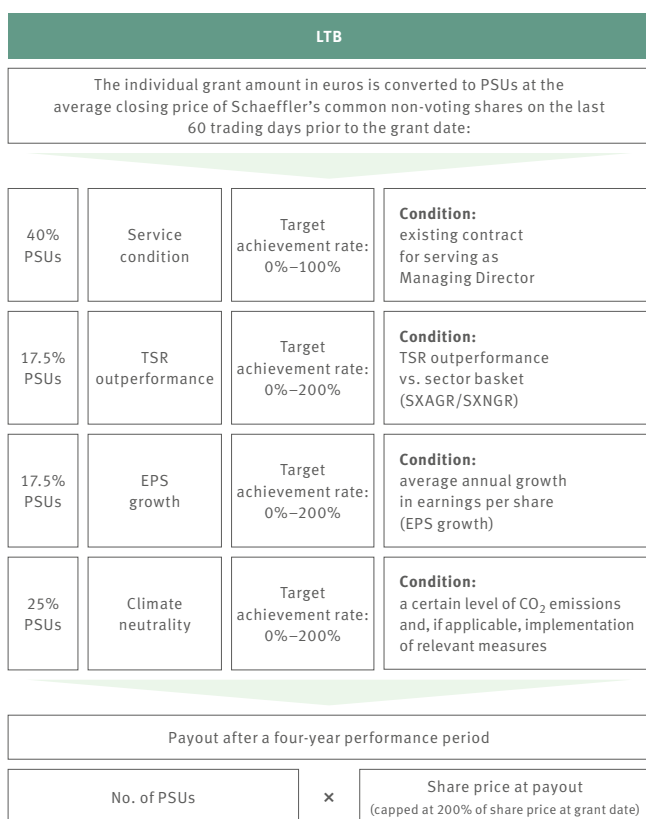
	Performance criteria	Weight	Target achievement rate	Final target achievement rate	Individual target amount, in € thousands	Performance factor	Payout amount 2023, in € thousands
Rosenfeld, Klaus (Chief Executive Officer)	FCF	40%	150.0%				
	SVA	40%	115.6%				
	ESG targets	20%	75.0%	121.2%	1,200	1	1,455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



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 CO₂ 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
$\geq +25\%$	200%
$+5\% \leq \text{TSR outperformance} < +25\%$	150%
$-5\% \leq \text{TSR outperformance} < +5\%$	100%
$-25\% \leq \text{TSR outperformance} < -5\%$	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
$\text{EPS}_{\text{growth}} \geq 0.213$	200%
$0.148 \leq \text{EPS}_{\text{growth}} < 0.213$	150%
$0.083 \leq \text{EPS}_{\text{growth}} < 0.148$	100%
$0.018 \leq \text{EPS}_{\text{growth}} < 0.083$	50%
$\text{EPS}_{\text{growth}} < 0.018$	0%

Climate neutrality component 2023–2026

Reduction Scope 1 + 2 emissions ¹⁾ (2023–2026)	Number of climate neutrality PSUs vested
$\text{Scope 1} + 2^{1)} \geq 84\%$	200%
$81\% \leq \text{Scope 1} + 2^{1)} < 84\%$	150%
$78\% \leq \text{Scope 1} + 2^{1)} < 81\%$	100%
$75\% \leq \text{Scope 1} + 2^{1)} < 78\%$	50%
$\text{Scope 1} + 2^{1)} < 75\%$	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 mean³ 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 growth¹⁾

EPS growth over the performance period	Number of EPS PSUs vested
$\text{CAGR EPS} \geq +7.5\%$	200%
$+5\% \leq \text{CAGR EPS} < +7.5\%$	150%
$+2.5\% \leq \text{CAGR EPS} < +5\%$	100%
$+0\% \leq \text{CAGR EPS} < +2.5\%$	50%
$\text{CAGR EPS} < 0\%$	0%

¹⁾ Compound annual growth rate (CAGR) EPS = $(\text{EPS}_{\text{year 4}} - \text{EPS}_{\text{year 0}})^{(1/\text{years})} - 1$, with $\text{EPS}_{\text{year 0}}$ equaling EPS for the year immediately preceding the relevant performance period and $\text{EPS}_{\text{year 4}}$ 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
$\geq +25\%$	200%
$+5\% \leq \text{TSR outperformance} < +25\%$	150%
$-5\% \leq \text{TSR outperformance} < +5\%$	100%
$-25\% \leq \text{TSR outperformance} < -5\%$	50%
$< -25\%$	0%

³ $\text{EPS}_{\text{growth}} = (\text{EPS}_{\text{year 4}} - \text{EPS}_{\text{year 0}})/4$, with $\text{EPS}_{\text{year 4}}$ equaling EPS for the year immediately preceding the relevant performance period and $\text{EPS}_{\text{year 0}}$ 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 $\geq 6.01\%$	100%
$2.01\% \leq$ cumulative FCF compared to target FCF $< 6.00\%$	75%
$-2.00\% \leq$ cumulative FCF compared to target FCF $< 2.00\%$	50%
$-6.00\% \leq$ 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%
$+5\% < \text{TSR outperformance} \leq +25\%$	75%
$-5\% < \text{TSR outperformance} \leq +5\%$	50%
$-25\% < \text{TSR outperformance} \leq -5\%$	25%
$\leq -25\%$	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

Remuneration instrument and tranche	Rosenfeld, Klaus (Chief Executive Officer)			
	Long-term bonus			
	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

Remuneration instrument and tranche	Zink, Matthias (CEO Automotive Technologies)			
	Long-term bonus			
	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).

Remuneration of Managing Directors > Share-based payment – overview

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).

Remuneration of Managing Directors > Share-based payment – overview

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	
	2020/2023 ³⁾	2021/2024 ³⁾
Remuneration instrument and tranche	01/01/2020– 12/31/2023	01/01/2021– 12/31/2024
Performance period		
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	
	2020/2023 ³⁾	2021/2024 ³⁾
Remuneration instrument and tranche	01/01/2020– 12/31/2023	01/01/2021– 12/31/2024
Performance period		
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	
	2020/2023 ³⁾	
Remuneration instrument and tranche	01/01/2020– 12/31/2023	
Performance period		
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 widespread 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 October 24, 2014	since January 1, 2017	since January 1, 2017	since January 1, 2022	since January 1, 2022	since May 1, 2015	since May 1, 2015	since September 1, 2021	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 April 1, 2018	since January 1, 2022	since January 1, 2022	since October 1, 2019	since October 1, 2019	2023	2022
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).

Remuneration of Managing Directors > Amounts of remuneration of the Board of Managing Directors

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

in € thousands	Hundsdoerfer, Rainer		Indlekofer, Norbert		Schullan, Robert		Total	
	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	1,810¹⁾	2,535¹⁾

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 EUR 100,000	Deputy EUR 75,000	Member EUR 50,000
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⁾
	2023	50	72%	-	-	20	28%	70
Bendiek, Sabine	2022	50	85%	-	-	9	15%	59
	2023	50	58%	20	23%	17	19%	87
Bullinger, Hans-Jörg, Prof. Dr.	2022	50	59%	20	24%	15	18%	85
	2023	50	61%	20	24%	12	15%	82
Engelmann, Holger, Dr.	2022	50	60%	20	24%	14	16%	84
	2023	50	75%	-	-	17	25%	67
Gottschalk, Bernd, Prof. Dr.	2022	50	81%	-	-	12	19%	62
	2023	50	54%	20	22%	23	24%	93
Grimm, Andrea²⁾	2022	50	57%	20	23%	18	20%	88
	2023	50	75%	-	-	17	25%	67
Hasbargen, Ulrike	2022	50	81%	-	-	12	19%	62
	2023	50	53%	20	21%	24	26%	94
Höhn, Thomas²⁾	2022	50	57%	20	23%	18	20%	88
	2023	50	75%	-	-	17	25%	67
Lau, Susanne²⁾	2022	50	81%	-	-	12	19%	62
Reiche, Katherina (since April 20, 2023)	2023	35	77%	-	-	11	23%	46
	2022	-	-	-	-	-	-	-
	2023	50	55%	20	22%	21	23%	91
Resch, Barbara²⁾	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
	2023	50	63%	10	13%	20	25%	80
Schenk, Jürgen²⁾	2022	50	67%	10	13%	15	20%	75
	2023	50	75%	-	-	17	25%	67
Putz, Alexander, Dr.	2022	13	74%	-	-	5	26%	17
	2023	50	75%	-	-	17	25%	67
Schönhoff, Helga	2022	50	81%	-	-	12	19%	62
Schöpplein, Ulrich (since August 1, 2023)	2023	21	46%	13	28%	12	26%	46
	2022	-	-	-	-	-	-	-

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.

Remuneration of Supervisory Board members > Amounts of remuneration 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⁾
	2023	50	45%	40	36%	21	19%	111
Stalker, Robin	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
	2023	50	64%	10	13%	18	23%	78
Zhang, Tong, Prof. Dr.-Ing.	2022	50	67%	10	13%	15	20%	75
	2023	50	63%	10	13%	20	25%	80
Zirkel, Markus ²⁾	2022	50	67%	10	13%	15	20%	75
	2023	1,083	59%	336	18%	407	22%	1,825
Total	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 Schaeffler 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.

Comparative information on remuneration

**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%
Hundsörfer, 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%

For the Board of Managing Directors

Klaus Rosenfeld

Chairman of the Board of Managing Directors
of Schaeffler AG

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 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 162 (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
Wirtschaftsprüfer
[German Public Auditor]

Schieler
Wirtschaftsprüfer
[German Public Auditor]