

4. Remuneration report

This remuneration report describes the main features of the remuneration system for the Board of Managing Directors, i.e. the remuneration structure and amount. In addition, the remuneration report provides disclosures about benefits the company has promised to provide to the members of the Board of Managing Directors upon termination of their employment as well as disclosures on the remuneration of the Supervisory Board.

The remuneration report is in accordance with the requirements of the German Commercial Code (HGB) and International Financial Reporting Standards (IFRS) and is part of the group management report. It also reflects the recommendations of the German Corporate Governance Code.

4.1 Main features of the remuneration system for the Board of Managing Directors

As stipulated in the German Corporate Governance Code (GCGC) and section 87 AktG, the Supervisory Board sets the total remuneration and regularly reviews the remuneration scheme.

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

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

Remuneration of Board of Managing Directors – system and components

No. 072

Components	Performance metric	Range of remuneration	Conditions for payment	Payment cycle
Non-performance-based components				
Fixed remuneration	Function and responsibility	None	Contractually agreed	Monthly
Fringe benefits	Function and responsibility	None	Contractually agreed	Payment not applicable
Performance-based components				
	For the CEO and the Chief Officers of the functions: Free cash flow (FCF Group) and Schaeffler Value Added (SVA Group) at group level (weighted equally). For the divisional CEOs: Free cash flow (FCF Group) and Schaeffler Value Added (SVA Group) at group level as well as Schaeffler Value Added (SVA Division) and cash flow (CF Division) at division level (weighted equally)			
Short-term bonus		0% –150%	Meeting annual targets	Annually
Long-term bonus	Share price trend of Schaeffler common non-voting shares and meeting targets consisting of:	Maximum is the number of PSUs granted, minimum number is nil		
Performance Share Unit Plan (PSUP)	50% service condition and 25% relative Total-Shareholder-Return-(TSR)-based performance target and 25% cumulative FCF-based performance target	Share price cap: double the share price at grant date	Meeting service condition and/or targets Retirement or triggering event	4 years after grant date Generally monthly
Retirement benefits				

Non-performance-based components

Fixed remuneration

Each ordinary member of the Board of Managing Directors receives an identical amount of fixed remuneration; the Chief Executive Officer receives twice this amount. Fixed remuneration is paid in twelve equal instalments each month.

Fringe benefits

Fringe benefits include the use of a company car, including for private purposes, and customary insurance benefits such as directors' and officers' liability insurance (D&O insurance). This D&O insurance policy includes a deductible provision that is in accordance with section 93 (2) (3) AktG. Tax on the pecuniary advantage related to fringe benefits granted is paid individually by each member of the Board of Managing Directors. No loans were granted to members of the Board of Managing Directors in 2018.

Performance-based components

Short-term variable component – short-term bonus

All members of the Board of Managing Directors receive an annual short-term bonus if the relevant targets are met. The employment contracts of the members of the Board of Managing Directors set out the individual target-based bonus based on achievement of 100% of the targets (individual target-based bonus).

The Supervisory Board determines the target tiers including the minimum and maximum targets on an annual basis. The targets underlying the remuneration reflect the strategic direction of the Schaeffler Group. The amount of the short-term bonus payable to the CEO and the Chief Officers of the functions is determined based on the extent to which the performance targets have been met. The performance targets are weighted equally and consist of free cash flow (FCF Group) of the Schaeffler Group and Schaeffler Value Added (SVA Group) of the Schaeffler Group. For the divisional CEOs, the performance targets used to determine the extent to which performance targets have been met consist of free cash flow of the Schaeffler Group (FCF Group) and Schaeffler Value Added of the Schaeffler Group (SVA Group) and of Schaeffler Value Added of the division (SVA Division) as well as cash flow of the division (CF Division), again weighted equally.

FCF Group is generally calculated based on the Schaeffler Group's cash flows from operating activities and from investing activities for the relevant year. SVA Group is generally based on the Schaeffler Group's EBIT less its cost of capital. SVA Division is determined in the same manner based on measures segmented in accordance with IFRS 8. The CF Division performance target is calculated as the sum of EBIT plus depreciation, amortization, and impairment losses plus change in working capital less additions to property, plant and equipment and intangible assets.

The Supervisory Board can set other strategic targets in addition to the FCF, SVA, and CF performance targets.

Furthermore, the Supervisory Board can establish a multiplier ranging from 0.8 to 1.2 to reflect a Managing Director's individual performance.

The short-term bonus may lapse in its entirety if the minimum targets are not met.

In the event that maximum targets are exceeded, payment of all short-term bonuses is limited to 150% of the individual target-based bonus, regardless of whether an additional strategic target is set or a multiplier reflecting a Managing Director's individual performance is applied. The short-term bonus earned during a year is paid in a lump sum in euros once the extent to which targets have been met has been determined.

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

The Supervisory Board has implemented a share-based remuneration instrument in the form of a PSUP in order to align the interests of the Board of Managing Directors with those of the shareholders and to promote the sustainable development of the Schaeffler Group.

The employment contracts of the members of the Board of Managing Directors set out a grant amount in euros that is based on each member's duties and responsibilities. To ensure the remuneration structure is largely oriented toward the long term, this grant amount exceeds the individual target bonus under the variable short-term remuneration. For all members of the Board of Managing Directors, including those appointed during the year, the grant amount is converted to PSUs at the average price of Schaeffler's common non-voting shares of the last 60 trading days before the beginning of the performance period (share price at grant date). PSUs are granted in annual tranches. Each tranche has a performance period of four years beginning on January 1 of the year it is granted.

Vesting of PSUs is linked to the following three conditions:

- 50% of PSUs (base number) are granted subject to a service condition. The base number is only paid out if the member of the Board of Managing Directors remains employed as a member of a governing body of Schaeffler AG and is not under notice of termination at the end of the performance period.³
- 25% of the PSUs are granted subject to a long-term FCF-based performance target which involves a comparison of cumulative FCF for the performance period to the target FCF.
- 25% of the PSUs are granted subject to a relative performance target based on total shareholder return (TSR) (share price performance including dividends). Vesting is based on the extent to which the TSR for Schaeffler's common non-voting shares exceeds or falls short of the TSR of companies in the benchmark group (MDAX) over the performance period.

The Supervisory Board sets the FCF- and TSR-based target amounts for each tranche when PSUs are granted.

³ Taking into account the rules applicable to leavers.

The 2015, 2016, 2017, and 2018 tranches of PSUs subject to FCF- and TSR-based performance targets vest based on the following target tiers.

PSUP performance targets (1)	No. 073
	Number of FCF PSUs vested in %
Cumulative FCF for the performance period	
Cumulative FCF compared to target FCF > ~ 6.01%	100%
2.01% < cumulative FCF compared to target FCF < ~ 6.00%	75%
-2.00% < cumulative FCF compared to target FCF < ~ 2.00%	50%
-6.00% < cumulative FCF compared to target FCF < ~ -2.01%	25%
Cumulative FCF compared to target FCF < ~ -6.01%	0%

PSUP performance targets (2)	No. 074
	Number of TSR PSUs vested in %
TSR outperformance over the performance period	
> 25%	100%
5% < TSR outperformance ≤ 25%	75%
-5% < TSR outperformance ≤ 5%	50%
-25% < TSR Outperformance ≤ -5%	25%
≤ -25%	0%

Target amounts for the FCF-based performance target are derived from the Schaeffler Group's medium-term plan. PSUs earned are calculated at the end of the performance period at the average price of Schaeffler's common non-voting shares of the last 60 trading days before the end of the performance period. The payment under a PSU is capped at double the share price at the grant date.

The underlying share price of the 2018 tranche is EUR 14.02. The PSUs granted to each individual and the related fair values in 2018 are as follows:

PSUs granted in 2018 ¹⁾	No. 075			
	Grant amount (in € thousands)	Number of PSUs outstanding on December 31, 2018 ¹⁾	Grant date fair value per PSU (in €)	Grant date fair value (in € thousands)
Klaus Rosenfeld (CEO)	1,300			
Base number of PSUs		46,363	12.48	579
FCF PSUs		23,181	12.48	289
TSR PSUs		23,181	7.92	184
Prof. Dr. Peter Gutzmer	950			
Base number of PSUs		33,880	12.48	423
FCF PSUs		16,940	12.48	211
TSR PSUs		16,940	7.92	134
Dietmar Heinrich	650			
Base number of PSUs		23,180	12.48	289
FCF PSUs		11,591	12.48	145
TSR PSUs		11,591	7.92	92
Andreas Schick²⁾	488			
Base number of PSUs		17,386	10.63	185
FCF PSUs		8,693	10.63	92
TSR PSUs		8,693	6.00	52
Corinna Schittenhelm	650			
Base number of PSUs		23,180	12.48	289
FCF PSUs		11,591	12.48	145
TSR PSUs		11,591	7.92	92
Michael Söding³⁾	650			
Base number of PSUs		23,180	12.48	289
FCF PSUs		11,591	12.48	145
TSR PSUs		11,591	7.92	92
Dr. Stefan Spindler	800			
Base number of PSUs		28,531	12.48	356
FCF PSUs		14,265	12.48	178
TSR PSUs		14,265	7.92	113
Matthias Zink	650			
Base number of PSUs		23,180	12.48	289
FCF PSUs		11,591	12.48	145
TSR PSUs		11,591	7.92	92
Managing Directors who left the company in 2018				
Oliver Jung⁴⁾	713			
Base number of PSUs		25,410	12.48	317
FCF PSUs		12,705	12.48	159
TSR PSUs		12,705	7.92	101
Prof. Dr. Peter Pleus⁵⁾	950			
Base number of PSUs		33,880	12.48	423
FCF PSUs		16,940	12.48	211
TSR PSUs		16,940	7.92	134
Total	7,801	556,346	-	6,245

¹⁾ Equals the number of PSUs granted on January 1, 2018 (on March 2, 2018 for Andreas Schick).

²⁾ Andreas Schick has been a member of the Board of Managing Directors of Schaeffler AG since April 1, 2018.

³⁾ Michael Söding has been a member of the Board of Managing Directors of Schaeffler AG since January 1, 2018.

⁴⁾ Oliver Jung left the Board of Managing Directors of Schaeffler AG as at March 31, 2018. His employment agreement remained in effect until September 30, 2018.

⁵⁾ Prof. Dr. Peter Pleus left the Board of Managing Directors of Schaeffler AG as at December 31, 2018.

The underlying share price of the 2017 tranche is EUR 13.18. The PSUs granted to each individual and the related fair values in 2017 are as follows:

PSUs granted in 2017¹⁾**No. 076**

	Grant amount (in € thousands)	Number of PSUs outstanding on December 31, 2017 ¹⁾	Grant date fairvalue per PSU (in €)	Grant date fairvalue (in € thousands)
Klaus Rosenfeld (CEO)	1,300			
Base number of PSUs		49,316	11.84	584
FCF PSUs		24,659	11.84	292
TSR PSUs		24,659	6.99	172
Prof. Dr. Peter Gutzmer	950			
Base number of PSUs		36,039	11.84	427
FCF PSUs		18,020	11.84	213
TSR PSUs		18,020	6.99	126
Dietmar Heinrich²⁾	271			
Base number of PSUs		10,275	10.67	110
FCF PSUs		5,137	10.67	55
TSR PSUs		5,137	4.58	24
Oliver Jung	950			
Base number of PSUs		36,039	11.84	427
FCF PSUs		18,020	11.84	213
TSR PSUs		18,020	6.99	126
Prof. Dr. Peter Pleus	950			
Base number of PSUs		36,039	11.84	427
FCF PSUs		18,020	11.84	213
TSR PSUs		18,020	6.99	126
Corinna Schittenhelm	650			
Base number of PSUs		24,659	11.84	292
FCF PSUs		12,329	11.84	146
TSR PSUs		12,329	6.99	86
Dr. Stefan Spindler	800			
Base number of PSUs		30,348	11.84	359
FCF PSUs		15,175	11.84	180
TSR PSUs		15,175	6.99	106
Matthias Zink	650			
Base number of PSUs		24,659	11.84	292
FCF PSUs		12,329	11.84	146
TSR PSUs		12,329	6.99	86
Managing Directors who left the company in 2017				
Dr. Ulrich Hauck³⁾	800			
Base number of PSUs		30,348	11.84	359
FCF PSUs		15,175	11.84	180
TSR PSUs		15,175	6.99	106
Total	7,321	555,450	-	5,873

¹⁾ Equals the number of PSUs granted on January 1, 2017 (on July 17, 2017 for Dietmar Heinrich).

²⁾ Dietmar Heinrich has been a member of the Board of Managing Directors of Schaeffler AG since August 1, 2017.

³⁾ Dr. Ulrich Hauck left the Board of Managing Directors of Schaeffler AG as at July 31, 2017. His employment agreement remained in effect until March 31, 2018.

The PSUs granted are classified and measured as cash-settled share-based compensation. The fair value for PSUs subject to the TSR-based performance target was determined using a binomial model. The fair value of the base number and of the PSUs subject to the FCF-based performance target was determined based on the price of the company's common non-voting shares as at the measurement date. The valuation model takes into account the terms of the contract under which the PSUs were granted (including payment floors and caps, target tiers, expected dividend payments, as well as the volatility of the company's common non-voting shares and of the benchmark index).

The valuation as at the grant date of the 2018 tranche (prior year: 2017 tranche) reflects the following input parameters:

- risk-free interest rate for the remaining performance period of -0.29% (prior year: -0.16%) for a January 1, 2018, grant date, -0.28% for a March 2, 2018, grant date (prior year: -0.04% for a July 17, 2017, grant date);
- expected dividend yield of Schaeffler AG common non-voting shares over the performance period of 3.38% (prior year: 2.49%) for a January 1, 2018, grant date, 3.92% for a March 2, 2018, grant date (prior year: 4.01% for a July 17, 2017 grant date);
- expected volatility of Schaeffler AG common non-voting shares of 28.90% (prior year: 34.27%) for a January 1, 2018, grant date, 32.59% for a March 2, 2018, grant date (prior year: 28.78% for a July 17, 2017 grant date);
- expected volatility of the benchmark index of 10.32% (prior year: 18.75%) for a January 1, 2018, grant date, 12.03% for a March 2, 2018, grant date (prior year: 10.62% for a July 17, 2017 grant date);
- expected correlation coefficient between the benchmark index and Schaeffler AG common non-voting shares of 0.45 (prior year: 0.61) for a January 1, 2018, grant date, 0.50 for a March 2, 2018, grant date (prior year: 0.48 for a July 17, 2017 grant date).

Retirement benefits

All current members of the Board of Managing Directors hold retirement benefit commitments. The pension resulting from the various individual retirement benefit commitments is generally calculated as a percentage of pensionable remuneration based on the duration of the individual's service on the Board of Managing Directors. Individual percentages vary between 1.5% and 3.0% per year of membership on the Board of Managing Directors. Pension commitments for each member of the Board of Managing Directors are tailored individually.

Pension payments commence in the form of retirement benefits if employment ends before or upon attainment of the age of 65, and in the form of disability benefits if employment ends due to disability. Beneficiaries are entitled to claim a reduced pension early as a retirement benefit beginning at age 60. Upon the death of the member of the Board of Managing Directors, the spouse is entitled to between 50% and 60% of the pension as a surviving dependants' pension. Surviving dependent children are entitled to 10% or 20% of the pension as a half- or full-orphan's pension, respectively.

The pension increases by 1.0% each year beginning at retirement. The pension of one member of the Board of Managing Directors is subject to annual increases by the same percentage as the consumer price index in Germany. This also applies to disability, widows', and orphans' pensions.

The following tables summarize the service cost and defined benefit obligation of pension benefits earned up to December 31, 2018, calculated in accordance with IAS 19 and based on the beneficiary's current age and years of service.

Service cost for 2018 and defined benefit obligations as at December 31, 2018 in accordance with IAS 19

No. 077

in € thousands	Year	Service cost	Defined benefit obligation
Klaus Rosenfeld (CEO)	2018	1,244	12,205
Prof. Dr. Peter Gutzmer	2018	0	4,498
Dietmar Heinrich	2018	279	404
Andreas Schick ¹⁾	2018	242	246
Corinna Schittenhelm	2018	325	968
Michael Söding ²⁾	2018	278	289
Dr. Stefan Spindler	2018	252	942
Matthias Zink	2018	323	649
Managing Directors who left the company in 2018			
Oliver Jung ³⁾	2018	289	2,697
Prof. Dr. Peter Pleus ⁴⁾	2018	0	6,401
Total		3,232	29,299

¹⁾ Andreas Schick has been a member of the Board of Managing Directors of Schaeffler AG since April 1, 2018.

²⁾ Michael Söding has been a member of the Board of Managing Directors of Schaeffler AG since January 1, 2018.

³⁾ Oliver Jung left the Board of Managing Directors of Schaeffler AG as at March 31, 2018. His employment agreement remained in effect until September 30, 2018.

⁴⁾ Prof. Dr. Peter Pleus left the Board of Managing Directors of Schaeffler AG as at December 31, 2018.

Service cost for 2017 and defined benefit obligations as at December 31, 2017 in accordance with IAS 19

No. 078

in € thousands	Year	Service cost	Defined benefit obligation
Klaus Rosenfeld (CEO)	2017	1,331	10,952
Prof. Dr. Peter Gutzmer	2017	0	4,569
Dietmar Heinrich ¹⁾	2017	114	117
Oliver Jung	2017	307	2,891
Prof. Dr. Peter Pleus	2017	383	6,097
Corinna Schittenhelm	2017	326	651
Dr. Stefan Spindler	2017	308	680
Matthias Zink	2017	317	323
Managing Directors who left the company in 2017			
Dr. Ulrich Hauck ²⁾	2017	-949	0
Total		2,137	26,280

¹⁾ Dietmar Heinrich has been a member of the Board of Managing Directors of Schaeffler AG since August 1, 2017.

²⁾ Dr. Ulrich Hauck left the Board of Managing Directors of Schaeffler AG as at July 31, 2017. His employment agreement remained in effect until March 31, 2018.

Change in remuneration system

When the remuneration system was changed in 2015, the company committed to pay two Managing Directors advances of EUR 300 thousand each for 2017 and advances of EUR 300 thousand and EUR 225 thousand, respectively, for 2018, and also committed to pay an advance of EUR 300 thousand to one of these Managing Directors for 2019; these advances will be offset against payment of the long-term bonuses granted in 2017, 2018, and 2019. In the tables required by the German Corporate Governance Code, advances are already shown as received, in accordance with the approach for tax purposes.

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

Payments made to a member of the Board of Managing Directors upon early termination of their employment agreement without due cause are limited to two years' remuneration (severance cap) and must not represent compensation for more than the remaining term of the employment agreement. The severance cap is generally calculated based on the total remuneration for the last full financial year and also on the expected total remuneration for the current year where applicable.

Members of the Board of Managing Directors whose employment has terminated are generally subject to a non-competition clause for a period of two years following termination of their employment agreement. In return, they are entitled to compensation in the amount of 50% of the average contractual remuneration granted to the member of the Board of Managing Directors for the last 12 months before the end of their employment. Such contractual remuneration includes both performance-based and

non-performance-based remuneration components. Income from other employment of the member of the Board of Managing Directors is deducted from the compensation payment in accordance with section 74c HGB. Where employment ends on grounds of age, a non-competition clause for a period following termination of employment does not apply.

The employment agreements of Andreas Schick and Michael Söding, who were appointed to the Board of Managing Directors in 2018, and Dietmar Heinrich and Matthias Zink, appointed to the Board of Managing Directors in 2017, include post-contract non-competition clauses calling for corresponding compensation.

Oliver Jung left Schaeffler AG's Board of Managing Directors early effective March 31, 2018. His employment agreement remained in effect until September 30, 2018. The fixed remuneration including fringe benefits he will continue to receive amounts to a total of EUR 304 thousand and his proportionate short-term bonus for 2018 is EUR 321 thousand. Dr. Ulrich Hauck left Schaeffler AG's Board of Managing Directors early effective July 31, 2017. His employment agreement remained in effect until March 31, 2018. The fixed remuneration including fringe benefits he will continue to receive amounts to a total of EUR 403 thousand and his proportionate short-term bonus for 2017 is EUR 291 thousand. In addition, the company agreed to pay Dr. Hauck the proportionate short-term bonus for 2018 and a proportionate long-term bonus for 2018. The post-contract non-competition clause was waived. In connection with the waiver of the post-contract non-competition clause, the company will make payments for the period of approximately four months in the amount of 50% of the average monthly contractual remuneration granted for the last 12 months before the end of Dr. Hauck's employment.

External activities of members of the Board of Managing Directors

The members of the Board of Managing Directors have agreed to work exclusively for the company. External activities, whether paid or unpaid, require prior approval by the executive committee of the Supervisory Board. This ensures that neither the time commitment involved nor the related remuneration conflict with the individual's responsibilities toward Schaeffler AG. External activities representing a position on legally required Supervisory Boards or similar supervisory bodies of commercial enterprises are listed in section 5 "Governing bodies of the company".

Appropriateness of the remuneration of the Board of Managing Directors

In accordance with section 87 AktG, the Supervisory Board of Schaeffler AG ensures that the remuneration of individual members of the Board of Managing Directors bears a reasonable relationship to the duties and performance of such member as well as the condition of the company. The Supervisory Board engaged Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft to review the appropriateness of the Managing Directors' remuneration, most recently in 2016. Ernst & Young concluded that the total remuneration of the members of the Board of Managing Directors is customary and appropriate in comparison to that of other companies of comparable size within the same industry and country in terms of the amount, structure, and features of remuneration instruments.

4.2 Amounts of remuneration of the Board of Managing Directors

The fixed and variable components of remuneration are disclosed below. The following tables show the benefits granted and received for 2017 and 2018.

Benefits granted for 2018

	Klaus Rosenfeld				Prof. Dr. Peter Gutzmer				Dietmar Heinrich			
	Chief Executive Officer				Deputy Chief Executive Officer and Chief Technology Officer				Chief Financial Officer			
	since October 24, 2014				since October 24, 2014				since August 01, 2017			
in € thousands	2017	2018	2018 (Min)	2018 (Max)	2017	2018	2018 (Min)	2018 (Max)	2017	2018	2018 (Min)	2018 (Max)
Fixed remuneration	1,200	1,200	1,200	1,200	600	600	600	600	250	600	600	600
Fringe benefits	28	28	28	28	29	29	29	29	9	20	20	20
Total	1,228	1,228	1,228	1,228	629	629	629	629	259	620	620	620
One-year variable remuneration	1,200	1,200	0	1,800	900	900	0	1,350	250	600	0	900
Multi-year variable remuneration												
• Long-term bonus: PSUP (4 years) - 2015 tranche	-	-	-	-	-	-	-	-	-	-	-	-
• Long-term bonus: PSUP (4 years) - 2016 tranche	-	-	-	-	-	-	-	-	-	-	-	-
• Long-term bonus: PSUP (4 years) - 2017 tranche	1,048	-	-	-	766	-	-	-	189	-	-	-
• Long-term bonus: PSUP (4 years) - 2018 tranche	-	1,052	0	2,600	-	768	0	1,900	-	526	0	1,300
Total	3,476	3,480	1,228	5,628	2,295	2,297	629	3,879	698	1,746	620	2,820
Pension expense	1,331	1,244	1,244	1,244	0	0	0	0	114	279	279	279
Total remuneration	4,807	4,724	2,472	6,872	2,295	2,297	629	3,879	812	2,025	899	3,099

Benefits received for 2018

	Klaus Rosenfeld		Prof. Dr. Peter Gutzmer		Dietmar Heinrich	
	Chief Executive Officer		Deputy Chief Executive Officer and Chief Technology Officer		Chief Financial Officer	
	since October 24, 2014		since October 24, 2014		since August 01, 2017	
in € thousands	2018	2017	2018	2017	2018	2017
Fixed remuneration	1,200	1,200	600	600	600	250
Fringe benefits	28	28	29	29	20	9
Total	1,228	1,228	629	629	620	259
One-year variable remuneration	856	1,116	642	837	428	233
Multi-year variable remuneration						
• Long-term bonus: PSUP (4 years) - 2015 tranche	0	0	0	0	0	0
• Long-term bonus: PSUP (4 years) - 2016 tranche	0	0	0	0	0	0
• Long-term bonus: PSUP (4 years) - 2017 tranche	0	0	0	300	0	0
• Long-term bonus: PSUP (4 years) - 2018 tranche	0	0	300	0	0	0
Total	2,084	2,344	1,571	1,766	1,048	492
Pension expense	1,244	1,331	0	0	279	114
Total remuneration	3,328	3,675	1,571	1,766	1,327	606

No. 079

Andreas Schick				Corinna Schittenhelm				Michael Söding				Dr. Stefan Spindler				Matthias Zink			
Chief Operating Officer				Chief Human Resources Officer				CEO Automotive Aftermarket				CEO Industrial				CEO Automotive OEM			
since April 01, 2018				since January 01, 2016				since January 01, 2018				since May 01, 2015				since January 01, 2017			
2017	2018	2018 (Min)	2018 (Max)	2017	2018	2018 (Min)	2018 (Max)	2017	2018	2018 (Min)	2018 (Max)	2017	2018	2018 (Min)	2018 (Max)	2017	2018	2018 (Min)	2018 (Max)
-	450	450	450	600	600	600	600	-	600	600	600	600	600	600	600	600	600	600	600
-	19	19	19	25	25	25	25	-	30	30	30	24	24	24	24	24	26	26	26
-	469	469	469	625	625	625	625	-	630	630	630	624	624	624	624	624	626	626	626
-	450	0	675	600	600	0	900	-	600	0	900	750	750	0	1,125	600	600	0	900
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	524	-	-	-	-	-	-	-	645	-	-	-	524	-	-	-
-	329	0	975	-	526	0	1,300	-	526	0	1,300	-	647	0	1,600	-	526	0	1,300
-	1,248	469	2,119	1,749	1,751	625	2,825	-	1,756	630	2,830	2,019	2,021	624	3,349	1,748	1,752	626	2,826
-	242	242	242	326	325	325	325	-	278	278	278	308	252	252	252	317	323	323	323
-	1,490	711	2,361	2,075	2,076	950	3,150	-	2,034	908	3,108	2,327	2,273	876	3,601	2,065	2,075	949	3,149

No. 080

Andreas Schick		Corinna Schittenhelm		Michael Söding		Dr. Stefan Spindler		Matthias Zink	
Chief Operating Officer		Chief Human Resources Officer		CEO Automotive Aftermarket		CEO Industrial		CEO Automotive OEM	
since April 01, 2018		since January 01, 2016		since January 01, 2018		since May 01, 2015		since January 01, 2017	
2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
450	-	600	600	600	-	600	600	600	600
19	-	25	25	30	-	24	24	26	24
469	-	625	625	630	-	624	624	626	624
321	-	428	558	500	-	704	608	376	518
0	-	0	0	0	-	0	0	0	0
0	-	0	0	0	-	0	0	0	0
0	-	0	0	0	-	0	0	0	0
0	-	0	0	0	-	0	0	0	0
790	-	1,053	1,183	1,130	-	1,328	1,232	1,002	1,142
242	-	325	326	278	-	252	308	323	317
1,032	-	1,378	1,509	1,408	-	1,580	1,540	1,325	1,459

**Benefits granted for 2018 –
Managing Directors who left the company in 2018**

No. 081

	Oliver Jung				Prof. Dr. Peter Pleus			
	Chief Operating Officer				CEO Automotive OEM			
	from October 24, 2014 to March 31, 2018				from October 24, 2014 to December 31, 2018			
in € thousands	2017	2018	2018 (Min)	2018 (Max)	2017	2018	2018 (Min)	2018 (Max)
Fixed remuneration	600	150	150	150	600	600	600	600
Fringe benefits	28	7	7	7	42	43	43	43
Total	628	157	157	157	642	643	643	643
One-year variable remuneration	900	225	0	338	900	900	0	1,350
Multi-year variable remuneration								
• Long-term bonus: PSUP (4 years) - 2015 tranche	-	-	-	-	-	-	-	-
• Long-term bonus: PSUP (4 years) - 2016 tranche	-	-	-	-	-	-	-	-
• Long-term bonus: PSUP (4 years) - 2017 tranche	766	-	-	-	766	-	-	-
• Long-term bonus: PSUP (4 years) - 2018 tranche	-	577	0	1,425	-	768	0	1,900
Total	2,294	959	157	1,920	2,308	2,311	643	3,893
Pension expense	307	289	289	289	383	0	0	0
Total remuneration	2,601	1,248	446	2,209	2,691	2,311	643	3,893

**Benefits received for 2018 –
Managing Directors who left the company in 2018**

No. 082

	Oliver Jung		Prof. Dr. Peter Pleus	
	Chief Operating Officer		CEO Automotive OEM	
	from October 24, 2014 to March 31, 2018		from October 24, 2014 to December 31, 2018	
in € thousands	2018	2017	2018	2017
Fixed remuneration	150	600	600	600
Fringe benefits	7	28	43	42
Total	157	628	643	642
One-year variable remuneration	160	837	564	778
Multi-year variable remuneration				
• Long-term bonus: PSUP (4 years) - 2015 tranche	0	0	0	0
• Long-term bonus: PSUP (4 years) - 2016 tranche	0	0	0	0
• Long-term bonus: PSUP (4 years) - 2017 tranche	0	300	0	0
• Long-term bonus: PSUP (4 years) - 2018 tranche	225	0	0	0
Total	542	1,765	1,207	1,420
Pension expense	289	307	0	383
Total remuneration	831	2,072	1,207	1,803

The total remuneration for 2018 and 2017 is broken down by individual and by its various components in accordance with section 285 (9a) HGB and section 314 (1) (6a) HGB below.

Total remuneration (HGB) for 2018 by individual

No. 083

in € thousands	Remuneration components			Total remuneration
	fixed	variable, short-term	variable, long-term ¹⁾	
Klaus Rosenfeld (CEO)	1,228	856	1,052	3,136
Prof. Dr. Peter Gutzmer	629	642	768	2,039
Dietmar Heinrich	620	428	526	1,574
Andreas Schick ²⁾	469	321	329	1,119
Corinna Schittenhelm	625	428	526	1,579
Michael Söding ³⁾	630	500	526	1,656
Dr. Stefan Spindler	624	704	647	1,975
Matthias Zink	626	376	526	1,528
Managing Directors who left the company in 2018				
Oliver Jung ⁴⁾	157	160	577	894
Prof. Dr. Peter Pleus ⁵⁾	643	564	768	1,975
Total	6,251	4,979	6,245	17,475

¹⁾ Share-based payment in the form of the PSUP.

²⁾ Andreas Schick has been a member of the Board of Managing Directors of Schaeffler AG since April 1, 2018.

³⁾ Michael Söding has been a member of the Board of Managing Directors of Schaeffler AG since January 1, 2018.

⁴⁾ Oliver Jung left the Board of Managing Directors of Schaeffler AG as at March 31, 2018. His employment agreement remained in effect until September 30, 2018.

⁵⁾ Prof. Dr. Peter Pleus left the Board of Managing Directors of Schaeffler AG as at December 31, 2018.

Total remuneration (HGB) for 2017 by individual

No. 084

in € thousands	Remuneration components			Total remuneration
	fixed	variable, short-term	variable, long-term ¹⁾	
Klaus Rosenfeld (CEO)	1,228	1,116	1,048	3,392
Prof. Dr. Peter Gutzmer	629	837	766	2,232
Dietmar Heinrich ²⁾	259	233	189	681
Oliver Jung	628	837	766	2,231
Prof. Dr. Peter Pleus	642	778	766	2,186
Corinna Schittenhelm	625	558	524	1,707
Dr. Stefan Spindler	624	608	645	1,877
Matthias Zink	624	518	524	1,666
Managing Directors who left the company in 2017				
Dr. Ulrich Hauck ³⁾	366	407	645	1,418
Total	5,625	5,892	5,873	17,390

¹⁾ Share-based payment in the form of the PSUP.

²⁾ Dietmar Heinrich has been a member of the Board of Managing Directors of Schaeffler AG since August 1, 2017.

³⁾ Dr. Ulrich Hauck left the Board of Managing Directors of Schaeffler AG as at July 31, 2017. His employment agreement remained in effect until March 31, 2018.

The total expenses and income resulting from the PSUP for 2018 are broken down by individual in accordance with section 314 (1) (6a) (8) HGB in connection with IFRS 2.51a below.

PSUP expenses and income in 2018

No. 085

in € thousands	Expenses and income (IFRS)
Klaus Rosenfeld (CEO)	-288
Prof. Dr. Peter Gutzmer	-102
Dietmar Heinrich	55
Andreas Schick ¹⁾	27
Corinna Schittenhelm	-32
Michael Söding ²⁾	45
Dr. Stefan Spindler	-131
Matthias Zink	32
Managing Directors who left the company in 2018	
Oliver Jung ³⁾	-241
Prof. Dr. Peter Pleus ⁴⁾	173
Total	-462

¹⁾ Andreas Schick has been a member of the Board of Managing Directors of Schaeffler AG since April 1, 2018.

²⁾ Michael Söding has been a member of the Board of Managing Directors of Schaeffler AG since January 1, 2018.

³⁾ Oliver Jung left the Board of Managing Directors of Schaeffler AG as at March 31, 2018. His employment agreement remained in effect until September 30, 2018.

⁴⁾ Prof. Dr. Peter Pleus left the Board of Managing Directors of Schaeffler AG as at December 31, 2018.

The total expenses resulting from the PSUP for 2017 are broken down by individual in accordance with section 314 (1) (6a) (8) HGB in connection with IFRS 2.51a below.

PSUP expenses in 2017

No. 086

in € thousands	Expenses (IFRS)
Klaus Rosenfeld (CEO)	669
Prof. Dr. Peter Gutzmer	489
Dietmar Heinrich ¹⁾	21
Oliver Jung	837
Prof. Dr. Peter Pleus	489
Corinna Schittenhelm	196
Dr. Stefan Spindler	355
Matthias Zink	101
Managing Directors who left the company in 2017	
Dr. Ulrich Hauck ²⁾	1,090
Total	4,247

¹⁾ Dietmar Heinrich has been a member of the Board of Managing Directors of Schaeffler AG since August 1, 2017.

²⁾ Dr. Ulrich Hauck left the Board of Managing Directors of Schaeffler AG as at July 31, 2017. His employment agreement remained in effect until March 31, 2018.

4.3 Remuneration of the Supervisory Board

The description of the remuneration of the Supervisory Board includes the disclosures required by German commercial law and is consistent with the recommendations of the GCGC. The remuneration of the Supervisory Board was set by a resolution passed by the general meeting on December 1, 2014.

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

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

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

In addition, each member of the Supervisory Board receives an attendance fee of EUR 1,500 for each meeting of the Supervisory Board or its committees he or she attends in person. No attendance fees are paid where meetings of the Supervisory Board or its committees are attended via telephone.

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

The company has obtained directors' and officers' liability insurance (D&O insurance) for all members of the Supervisory Board; the features of the policy's deductible provision are in accordance with section 93 (2) (3) AktG.

No advances or loans were granted to members of the Supervisory Board in 2018 or 2017. The following tables summarize the amount of remuneration of each member of the Supervisory Board.

Supervisory Board remuneration for 2018¹⁾

No. 087

in € thousands	Fixed remuneration	Remuneration for committee membership	Attendance fees ²⁾	Total remuneration
Bullinger, Prof. Dr. Hans-Jörg	50		6	56
Engelmann, Dr. Holger	50		6	56
Gottschalk, Prof. Dr. Bernd	50		5	55
Grimm, Andrea ³⁾	50		8	58
Lau, Susanne (since August 08, 2018) ³⁾	20		5	25
Lenhard, Norbert ³⁾	50	20	14	84
Luther, Dr. Siegfried	50	30	14	94
Mittag, Dr. Reinold ³⁾	50	20	14	84
Resch, Barbara ³⁾	50	20	11	81
Schaeffler, Georg F.W.	100	40	15	155
Schaeffler-Thumann, Maria-Elisabeth	75	20	0	95
Schmidt, Stefanie (until June 30, 2018) ³⁾	25		3	28
Spindler, Dirk	50		8	58
Stalker, Robin	50	30	12	92
Stolz, Jürgen ³⁾	50		6	56
Vicari, Salvatore ³⁾	50	20	14	84
Wechsler, Jürgen ³⁾	75	20	14	109
Wiesheu, Dr. Otto	50		6	56
Wolf, Prof. KR Ing. Siegfried	50	20	3	73
Worrich, Jürgen ³⁾	50	20	14	84
Zhang, Prof. Dr.-Ing. Tong	50		8	58
Total	1,095	260	186	1,541

¹⁾ All amounts shown exclude any value-added tax applicable on remuneration. The positions held by the Supervisory Board members are listed in section 5 "Governing bodies of the company".

²⁾ No attendance fees are paid where meetings of the Supervisory Board or its committees are attended via telephone.

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

Supervisory Board remuneration for 2017¹⁾

No. 088

in € thousands	Fixed remuneration	Remuneration for committee membership	Attendance fees ²⁾	Total remuneration
Bullinger, Prof. Dr. Hans-Jörg	50		8	58
Engelmann, Dr. Holger	50		6	56
Gottschalk, Prof. Dr. Bernd	50		6	56
Grimm, Andrea (since April 08, 2017) ³⁾	36		6	42
Lenhard, Norbert ³⁾	50	20	12	82
Luther, Dr. Siegfried	50	40	14	104
Mittag, Dr. Reinold ³⁾	50	20	14	84
Münch, Yvonne (until March 07, 2017) ³⁾	9		2	11
Resch, Barbara ³⁾	50	20	12	82
Schaeffler, Georg F.W.	100	40	15	155
Schaeffler-Thumann, Maria-Elisabeth	75	20	3	98
Schmidt, Stefanie ³⁾	50		8	58
Spindler, Dirk	50		8	58
Stalker, Robin	50	20	14	84
Stolz, Jürgen ³⁾	50		8	58
Vicari, Salvatore ³⁾	50	20	14	84
Wechsler, Jürgen ³⁾	75	20	11	106
Wiesheu, Dr. Otto	50		8	58
Wolf, Prof. KR Ing. Siegfried	50	20	11	81
Worrich, Jürgen ³⁾	50	20	14	84
Zhang, Prof. Dr.-Ing. Tong	50		6	56
Total	1,095	260	200	1,555

¹⁾ All amounts shown exclude any value-added tax applicable on remuneration. The positions held by the Supervisory Board members are listed in section 5 "Governing bodies of the company".

²⁾ No attendance fees are paid where meetings of the Supervisory Board or its committees are attended via telephone.

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

Members of the Supervisory Board have not received any compensation for personal services, especially consulting and agency services, in 2018 or 2017.