

Schaeffler AG

Herzogenaurach

Publication pursuant to § 113 (3) sentence 6 in conjunction with § 120a (2) AktG
(Resolution on the remuneration system for members of the Supervisory Board)

On 23 April 2021, the Annual General Meeting of Schaeffler AG resolved, in accordance with the proposal of the Board of Managing Directors and the Supervisory Board, on the remuneration system for the members of the Supervisory Board of Schaeffler AG pursuant to § 113 of the German Stock Corporation Act (AktG) as set out in the notice convening this Annual General Meeting.

The resolution and remuneration system result from agenda item 6 of the agenda for the Annual General Meeting of Schaeffler AG on 23 April 2021 published in the Federal Gazette of March 12, 2021 and are reproduced below:

This is a convenience translation of the German language invitation to the annual general meeting of Schaeffler AG, which is provided to English-speaking readers for informational purposes only. Only the German version of this document is legally binding on Schaeffler AG. No warranty is made as to the accuracy of this translation and Schaeffler AG assumes no liability with respect thereto.

6. Resolution on the reorganization of the remuneration and on the remuneration system for members of the Supervisory Board

Pursuant to section 113 para. 3 sentence 1 AktG, which was newly introduced by the Act Implementing the Second Shareholders' Rights Directive (ARUG II), the annual general meeting of the listed company will in future resolve on the remuneration of the members of the Supervisory Board at least every four years. In the resolution, the information required under section 87a para. 1 sentence 2 AktG shall be provided or referred to mutatis mutandis.

The remuneration of the members of the Supervisory Board of Schaeffler AG was resolved at the annual general meeting on December 1, 2014 and has not been adjusted since then.

The December 1, 2014 resolution reads:

„The following remuneration arrangements have been made for the Supervisory Board of Schaeffler AG:

1. The members of the Supervisory Board receive a fixed annual remuneration of EUR 50,000.00, and the members of the Executive Committee and the Audit Committee of the Supervisory Board receive an additional remuneration of EUR 20,000.00.
2. The chairman of the Supervisory Board receives 2 times and each deputy chairman 1.5 times the remuneration. The chairmen of the Executive and Audit Committees of the Supervisory Board receive 2 times the additional remuneration.
3. In the case of chairmanship of several committees or in the case of dual functions as chairman of the Supervisory Board and of one or more committees, the additional remuneration for the further chairmanship shall not apply.
4. If the mandate of a Supervisory Board member or the function with increased remuneration begins or ends in the course of a financial year, the Supervisory Board member shall receive the remuneration or the increased remuneration pro rata temporis.
5. Each member of the Supervisory Board shall additionally receive an attendance fee of EUR 1,500.00 for each Supervisory Board meeting attended by the member. This applies accordingly to attendance at committee meetings not held on the same day as a Supervisory Board meeting.
6. The fixed annual remuneration and the attendance fee are paid to the Supervisory Board member at the end of each financial year.“

The Supervisory Board carried out a review of the remuneration of Supervisory Board members on the occasion of the new regulations under ARUG II. As a result of its review, the Supervisory Board has decided to propose to the annual general meeting a reorganization of the remuneration system for Supervisory Board members and a corresponding adjustment to remuneration. The remuneration of the members of the Supervisory Board shall be supplemented by additional remuneration for the members of the Technology Committee in order to take appropriate account of the additional time required of the members of the Technology Committee.

The Board of Managing Directors Board and Supervisory Board therefore propose to the annual general meeting that the remuneration system for the members of the Supervisory Board set out following this agenda item be adopted and that the remuneration of the members of the Supervisory Board be approved on the basis of the remuneration system as follows:

„The following remuneration arrangements have been made for the Supervisory Board of Schaeffler AG:

1. The members of the Supervisory Board receive a fixed annual remuneration of EUR 50,000.00. In addition to their fixed annual remuneration, the members of the Executive and Audit Committees of the Supervisory Board receive an additional remuneration of EUR 20,000.00, and the members of the Technology

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Committee of the Supervisory Board receive an additional remuneration of EUR 10,000.00. The memberships in the Nomination Committee and the Mediation Committee pursuant to section 27 para. 3 of the German Co-Determination Act (*Mitbestimmungsgesetz – MitbestG*) shall not be taken into account.

2. The chairman of the Supervisory Board receives 2 times and each deputy chairman 1.5 times the fixed annual remuneration. The chairmen of the General, Audit and Technology Committees of the Supervisory Board receive in addition to the fixed annual remuneration 2 times the additional remuneration.
3. In the case of chairmanship of several committees or in the case of dual functions as chairman of the Supervisory Board and of one or more committees, the additional remuneration for the further chairmanship shall not apply.
4. If the mandate of a Supervisory Board member or the function with increased remuneration begins or ends in the course of a financial year, the Supervisory Board member shall receive the remuneration or the increased remuneration pro rata temporis.
5. Each member of the Supervisory Board shall additionally receive an attendance fee of EUR 1,500.00 for each Supervisory Board meeting attended by the member. This applies accordingly to attendance at committee meetings not held on the same day as a Supervisory Board meeting.
6. The fixed annual remuneration, the additional remuneration and the attendance fee are paid to the Supervisory Board member at the end of each financial year.
7. The members of the Supervisory Board shall be reimbursed for any value-added tax payable on the remuneration and expenses incurred in connection with the exercise of their mandate.
8. The members of the Supervisory Board are included in a financial loss liability insurance for members of governing bodies and certain executives (D&O insurance) maintained by Schaeffler AG in the interest of and at the expense of Schaeffler AG in an appropriate amount, if such insurance exists.

The above adjustments apply retroactively from January 1, 2021.“

Remuneration system for the members of the Supervisory Board of Schaeffler AG

1. Contribution of the remuneration of the members of the Supervisory Board to the promotion of the business strategy and the long-term development of Schaeffler AG

By monitoring and advising the Board of Managing Directors in its management of the company, the Supervisory Board contributes to promoting the business strategy and achieving Schaeffler AG's overall objectives of creating sustainable value and generating free cash flow.

The prerequisite for the best possible supervision and advice to the Board of Managing Directors is the fulfillment of the competency profile and catalog of objectives resolved by the Supervisory Board for its composition. The remuneration of the members of the Supervisory Board also plays a significant role in this. The structure and amount of the compensation paid to the members of the Supervisory Board considers the requirements of the office of a member of the Supervisory Board of Schaeffler AG, in particular the time and responsibility involved. The compensation is in line with the market and its amount - also in comparison to the compensation of supervisory board members of other listed companies of comparable size in Germany - is commensurate with the duties of the Supervisory Board members and the situation of Schaeffler AG. The compensation ensures that serving on the Supervisory Board or one of its committees is sufficiently attractive to attract and retain suitable members. Appropriate compensation for members of the Supervisory Board in line with market conditions thus makes a significant contribution to promoting the business strategy and long-term development of Schaeffler AG (section 87a para. 1 sentence 2 no. 2 AktG).

The remuneration of the members of the Supervisory Board is structured in a clear and comprehensible manner. The remuneration comprises, among other things, fixed compensation and an additional attendance fee for meetings. The remuneration of the Supervisory Board does not contain any variable compensation components (section 87a para. 1 sentence 2 no. 3, 4 and 6 AktG) or share-based components (section 87a para. 1 sentence 2 no. 7 AktG). The payment of a fixed compensation is in line with Recommendation G. 18 sentence 1 of the German Corporate Governance Code (*Deutscher Corporate Governance Kodex – DCGK*).

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2. Procedures for establishing, implementing and reviewing the remuneration system for the members of the Supervisory Board

The Annual General Meeting sets the remuneration of Supervisory Board members in the Articles of Association or by resolution at the proposal of the Board of Managing Directors and the Supervisory Board. Currently, the Annual General Meeting has approved the remuneration by resolution.

The Annual General Meeting shall resolve on the remuneration of the members of the Supervisory Board at least every four years. A resolution confirming the existing remuneration is also permissible. At regular intervals, at least every four years, the Board of Managing Directors and the Supervisory Board will review whether the remuneration, in particular with regard to its amount and composition, is still in line with the market and is commensurate with the duties of the members of the Supervisory Board and the situation of Schaeffler AG. In particular, the time required of the members of the Supervisory Board, their responsibilities, and the supervisory board remuneration granted by a peer group of companies listed on the M-DAX and S-DAX are relevant in this regard. The Board of Managing Directors and the Supervisory Board may seek advice from an external remuneration expert on the development of the remuneration for supervisory board members and on the appropriateness of the remuneration. If necessary, the Board of Managing Directors and the Supervisory Board propose an appropriate adjustment to the remuneration to the Annual General Meeting.

The preparation and presentation of proposed resolutions on the remuneration of Supervisory Board members is the responsibility of the Board of Managing Directors and the Supervisory Board in accordance with the statutory division of responsibilities. This results in mutual control between the two bodies.

The present remuneration system for the members of the Supervisory Board applies retroactively with effect as of January 1, 2021.

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3. Remuneration components

The structure of the remuneration takes into account the basic idea that, in addition to an appropriate fixed annual compensation, the higher time commitment of the Chairman and Vice Chairman of the Supervisory Board as well as the Chairmen and members of committees should be appropriately taken into account through a corresponding additional compensation. The compensation of Supervisory Board members thus also complies with Recommendation G.17 DCGK.

a) Fixed annual compensation

The members of the Supervisory Board of Schaeffler AG receive a fixed annual compensation of EUR 50,000.

b) Function surcharges

(1) Chairman and Deputy Chairman of the Supervisory Board

The Chairman of the Supervisory Board receives 2 times and each Deputy Chairman 1.5 times the fixed annual compensation.

(2) Committee members

In addition to the fixed annual compensation, members of the Executive Committee and the Audit Committee of the Supervisory Board receive an additional compensation of EUR 20,000 and members of the Technology committee of the Supervisory Board receive an additional compensation of EUR 10,000, per committee. Committee memberships in the Nomination committee and the Mediation committee are not remunerated additionally.

(3) Committee Chair

The Chairmen of the Executive Committee, Audit Committee and Technology Committee of the Supervisory Board receive 2 times the additional compensation.

(4) Limitations of committee-related function surcharges

In the case of chairmanship in several committees or in the case of dual functions as Chairman of the Supervisory Board and of one or more committees, the additional compensation for the additional chairmanship shall not apply.

c) Attendance fee

Each member of the Supervisory Board shall additionally receive an attendance fee of EUR 1,500 for each Supervisory Board meeting attended by the member. This applies accordingly to attendance at committee meetings not held on the same day as a Supervisory Board meeting.

d) Payment terms, pro rata payment

The fixed annual compensation, the additional compensation and the attendance fee are paid to the respective Supervisory Board member at the end of each financial year. If the office of a Supervisory Board member or the function with additional compensation begins or ends during a financial year, the Supervisory Board member shall receive the compensation or the additional compensation pro rata temporis.

e) Reimbursement of expenses

The members of the Supervisory Board shall be reimbursed for expenses incurred in connection with the exercise of their mandate as well as any value-added tax payable on the remuneration and expenses.

f) D&O insurance

The members of the Supervisory Board are included in a financial loss liability insurance policy for members of governing bodies and certain executives (D&O insurance) maintained by Schaeffler AG in the interest of and at the expense of Schaeffler AG in an appropriate amount, to the extent such a policy exists.

Herzogenaurach, April 2021

Schaeffler AG