

## REMUNERATION REPORT 2023

The Remuneration Report explains the remuneration system for both the members of the Management Board and the members of the Supervisory Board and presents the individual remuneration granted and due to the individual members in 2023. Remuneration is deemed to have been granted as soon as it has actually accrued to the Management Board or Supervisory Board (payment-oriented view). The report provides a detailed and individualised explanation of the structure and amount of the individual components of Executive Board and Supervisory Board remuneration. The report complies with the requirements of Section 162 of the German Stock Corporation Act (AktG), the relevant accounting standards (HGB, IFRS) and the requirements of the German Corporate Governance Code (GCGC). On 23 May 2023, the Annual General Meeting approved the 2022 remuneration report with 99.96%. Due to the high level of approval, there was no need to amend the 2023 remuneration report. Compilation of the Remuneration Report pursuant to Section 162 of the German Stock Corporation Act (AktG) is the responsibility of the Management Board and the Supervisory Board. The Remuneration Report and the independent auditor's report regarding the formal audit that was conducted are contained in the Annual Report and can also be accessed from the website of SAF-HOLLAND SE.

### COMPOSITION OF THE MANAGEMENT BOARD

There were changes in the composition of the Management Board in 2023. Dr. André Philipp (COO) resigned from his position on the board on March 9, 2023. The position of CFO has been held by Mr. Frank Lorenz-Dietz since January 1, 2023. The previous interim CFO, Mr. Wilfried Trepels, left the company after a transitional period on March 31, 2023. Since then, the board has consisted of the CEO, Mr. Alexander Geis, and the CFO.

### MANAGEMENT BOARD REMUNERATION BASIC PRINCIPLES OF REMUNERATION

The current Executive Board remuneration system was adopted by the Supervisory Board on 12 December 2022. Resolutions on remuneration are generally prepared by the Nomination and Remuneration Committee. If necessary, the Nomination and Remuneration Committee can recommend that the Supervisory Board make amendments to the remuneration system. In the event of substantial changes, and at least every four years,

the remuneration system is submitted to the Annual General Meeting for approval.

The remuneration system is aligned towards the business strategy and is aimed at performance-based and sustainable corporate governance and ensuring the long-term success of the company. The criteria for determining the appropriateness of remuneration consist of the individual duties of the Management Board members, their personal performance, the economic situation, success and future prospects of the company.

The employment contracts of the Management Board stipulate that the amount of fixed remuneration is reviewed annually. The Nomination and Remuneration Committee regularly reviews the appropriateness and market conformity of the remuneration of each individual member of the Management Board in terms of its amount and structure and discusses its findings with the Supervisory Board. The appropriateness of Management Board remuneration was recently reviewed by an independent external remuneration consultancy that concluded that the remuneration was in line with market practices.

The aforementioned remuneration also covers activities as a member of the management or supervisory board of subsidiaries.

### SUMMARY OF MANAGEMENT BOARD REMUNERATION IN 2023

The remuneration of the members of the Management Board of SAF-HOLLAND SE consists of fixed and variable components. The fixed, non-performance-based portion of remuneration consists of a fixed annual base salary and fringe benefits. The performance-based and variable components consist of a short-term variable incentive (STI) and a long-term variable incentive (LTI).

Variable remuneration components are to be measured on a multi-year basis. With regard to variable remuneration, the Supervisory Board ensures that long-term variable remuneration components outweigh the short-term components, in accordance with the recommendation of the GCGC. At the same time, the short-term variable remuneration also places sufficient emphasis on the annual operating targets, which serve as the basis for the future development of the company.

The financial performance criteria set for the STI at the beginning of fiscal year 2022 were exceeded due to the very positive development of sales and earnings. The target achievement of the CEO, Mr. Alexander Geis, is 114.58% of the target value of the STI 2022, which was paid out in 2023. (See the table "Remuneration Granted and Due" on page 40.)

Due to Mr. Wilfried Trepels joining the company during the year on 16 May 2022, an actual target achievement of 100% was set for the pro rata financial year 2022.

Dr. André Philipp resigned from all positions on April 1, 2023. He was released until June 30, 2023 with continued payment of his salary.

A collective bargaining agreement was entered into in 2020 with the trade union Industriegewerkschaft Metall covering the German locations in Bessenbach and Singen. Under this agreement, which expires at the end of 2024, the workforce has agreed to work longer hours at no extra pay

and make other financial concessions. As a sign of its solidarity, the Management Board decided to waive 5% of the STI payout annually until the end of 2024. The payment due in the 2023 financial year from the long-term incentive (LTI) plan granted in the 2019 financial year amounts to 64% of the target value for the Executive Board members Alexander Geis and Dr. André Philipp (see table "Calculation LTI - PSUP 2019" on page 38).

In the 2023 financial year, no use was made of the options set out in the remuneration system in accordance with the legal requirements to temporarily deviate from the remuneration system or to reclaim variable remuneration components, with the exception of the flat-rate STI target achievement for 2022 for Mr. Tre- which was set out in the service contract. pels amounting to 100%. The following table presents a summary of the components of the remuneration system applicable in 2023, the structure of the individual remuneration components and the respective targets set for the members of the Management Board:

**Remuneration system**

REMUNERATION COMPONENT	BRIEF SUMMARY	PURPOSE AND CONNECTION TO THE STRATEGY
1. Fixed annual base salary	<ul style="list-style-type: none"> <li>Fixed contractually agreed remuneration, paid monthly</li> </ul>	<ul style="list-style-type: none"> <li>Ensures appropriate, fixed income to ensure no undue risk is taken</li> <li>Attracts and retains board members who can develop and successfully implement the strategy on the basis of their experience and expertise</li> </ul>
2. Fringe benefits	<ul style="list-style-type: none"> <li>Particularly use of a company car, subsidies for health and long-term care insurance</li> </ul>	
3. Short-term variable remuneration	<ul style="list-style-type: none"> <li>As a rule, 75% financial and 25% non-financial performance targets</li> <li>Maximum amount: 125 % of the respective target</li> <li>Payment in the following year</li> </ul>	<ul style="list-style-type: none"> <li>Provides an incentive to board members to focus on successfully implementing the business priorities and sustainability for the year</li> </ul>
4. Long-term variable remuneration	<ul style="list-style-type: none"> <li>Grant of virtual share units</li> <li>Performance targets:                             <ul style="list-style-type: none"> <li>Development of the share price</li> <li>Business performance</li> <li>ESG relevant targets</li> </ul> </li> <li>Maximum amount (cap): 200 % of the grant value</li> <li>Payment: in the fifth year after granting</li> </ul>	<ul style="list-style-type: none"> <li>Links the development of Management Board compensation directly to share price performance and thus to investor interest</li> <li>Provides an incentive to Management Board members to raise the value of the company in the long term</li> <li>Proves SAF-HOLLAND's social responsibility and documents the importance of sustainable corporate action</li> </ul>

**TARGET REMUNERATION AND MAXIMUM REMUNERATION**

The total target remuneration represents a target remuneration amount that sets an incentive for high business performance and the individual and collective performance of the Management Board by defining clear targets. The “pay for performance” principle underlying the remuneration system results in a noticeable reduction if the targets are not attained and an increase in the remuneration if the targets are surpassed or in the case of special performance, though these are limited by the cap on the maximum remuneration.

The targets set for the variable remuneration components are equal to the share of the fixed remuneration components (base salary plus fringe benefits), both of which have been set at approximately 50%. The share of the

long-term variable remuneration exceeds the short-term variable remuneration, ensuring that the remuneration of the Management Board is oriented towards the sustainable long-term growth of the company.

In the event of possible future adjustments to the remuneration paid to members of the Management Board, the Supervisory Board has resolved that these will mainly consist of variable components to ensure that the share of variable remuneration components continues to increase.

The following table shows the contractually agreed target compensation and maximum compensation for fiscal year 2023:

**Target compensation and maximum compensation for the year 2023**

All figures in EUR thousand

		Alexander Geis		Frank Lorenz-Dietz		Wilfried Trepels		André Philipp	
		Chairman of the Management Board since February 26, 2019		Ordinary member of the Management Board since January 1, 2023		Ordinary member of the Management Board from May 16, 2022, to March 31, 2023		Ordinary member of the Management Board from January 1, 2019, to June 30, 2023 <sup>2</sup>	
		Target remuneration	Maximum remuneration	Target remuneration	Maximum remuneration	Target remuneration	Maximum remuneration	Target remuneration	Maximum remuneration
	Base salary in 2023	795	795	390	390	98	98	72	72
Non-performance-based remuneration	Fringe benefits in 2023	37	37	43	43	10	10	9	9
<b>Total</b>		<b>832</b>	<b>832</b>	<b>433</b>	<b>433</b>	<b>108</b>	<b>108</b>	<b>81</b>	<b>81</b>
One-year variable remuneration	STI 2023	360	450	200	250	50 <sup>1</sup>	62,5	36,5	46
Multi-year variable remuneration	LTI 2023 – 2026	507	702	220	367	55 <sup>1</sup>	110	0	0
<b>Total</b>		<b>867</b>	<b>1.152</b>	<b>420</b>	<b>617</b>	<b>105</b>	<b>172,5</b>	<b>36,5</b>	<b>46</b>
<b>Total remuneration</b>		<b>1.699</b>	<b>1.984</b>	<b>853</b>	<b>1.050</b>	<b>213</b>	<b>280,5</b>	<b>117,5</b>	<b>127</b>

<sup>1</sup> Proportionate remuneration.

<sup>2</sup> Mr. André Philipp resigned from his board position on March 9, 2023.

In accordance with Section 87a of the German Stock Corporation Act (AktG), maximum remuneration has been set for the sum of the remuneration components specified above. Including the fixed base salary, fringe

benefits and the cap on variable remuneration components, this amounts to EUR 1,984,000 for the Chairman of the Management Board and EUR 1,050,000 for ordinary members of the Management Board.

**Overview of the maximum remuneration of Management Board members:****Maximum limits of remuneration (maximum remuneration)**

Remuneration component	Cap
Short-term variable remuneration (STI)	125 % of target amount
Long-term variable remuneration (LTI)	200 % of the endowment value
Maximum remuneration	Chairman of the Management Board: EUR 1,984,000 Ordinary member of the Management Board: EUR 1,050,000

Reviewing and ensuring compliance with the maximum remuneration level for fiscal year 2023 is therefore not possible until 2026, when the last remuneration component for fiscal year 2023 has been determined and accrues to the Management Board member. In the event that the calculated total remuneration exceeds the respective maximum remuneration, the payment of the LTI is reduced accordingly.

**APPROPRIATENESS OF MANAGEMENT BOARD REMUNERATION**

When setting the amount of total remuneration, the Supervisory Board ensures that it is commensurate with the tasks and performance of the respective Management Board member. The criteria for assessing the appropriateness of remuneration are therefore the individual tasks and performance of the Management Board member. When setting the amount of total remuneration, the Supervisory Board ensures that the customary level of remuneration does not exceed the level paid at a suitable peer group of comparable companies in an external comparison nor to the overall workforce in an internal comparison, unless there is special justification for doing so. The external assessment is primarily based on a comparison with all the other companies listed on the SDAX. For comparative purposes, SAF-HOLLAND is positioned within the respective peer group mar-

ket based on the valuation criteria of sales, headcount and market capitalization. From this positioning, the remuneration paid to Management Board members is reviewed for its market conformity. In making the assessment, the Supervisory Board is supported by an independent external remuneration consultancy. At the end of 2022, this consultancy last confirmed that the remuneration paid to the acting Management Board members conformed to market standards and was therefore appropriate.

To assess the market conformity of total remuneration within the organization, the Supervisory Board also considers the remuneration and working conditions of the entire Group workforce in Germany on an FTE basis. The ratio of Management Board remuneration to the remuneration of the entire workforce is also taken into account over time (vertical remuneration comparison). In addition, the company's economic position and performance also need to be appropriately taken into consideration.

The company's earnings development and the average remuneration paid to employees in Germany on an FTE basis over the last five years compared to the annual change in Management Board remuneration are presented in the following table:

### Vertical remuneration comparison

	2019	2020	2021	2022	2023
<b>Management Board remuneration (in EUR thousand)</b>					
Alexander Geis since March 1, 2019	868.0	788.0	1,074.0	1,249.0	1,409.0
YoY % change		-9.2	36.3	16.3	12.8
Frank Lorenz-Dietz since January 1, 2023					433
YoY % change					
Wilfried Trepels from May 16, 2022, to March 31, 2023				270.0	476.0
YoY % change					76.3
André Philipp from January 1, 2019, to June 30, 2023	341.0	504.0	595.0	727.0	541.0
YoY % change		47.8	18.1	22.2	-25.6
<b>Supervisory Board remuneration (in EUR thousand)</b>					
Dr. Martin Kleinschmitt since April 1, 2013	91.0	101.2	108.5	115.0	120.5
YoY % change		11.2	7.2	6.0	4.8
Martina Merz from April 1, 2014 to December 12, 2022	152.0	118.0	74.2	72.0	68.6 <sup>1</sup>
YoY % change		-22.4	-37.1	-3.0	-4.7
Carsten Reinhardt since April 1, 2017	58.0	71.0	50.2	52.0	53.3
YoY % change		22.4	-29.3	3.6	2.5
Ingrid Jägering since October 1, 2019		12.0	64.5	69.0	68.0
YoY % change			437.5	7.0	-1.4
Matthias Arleth since July 1, 2020			34.4	69.0	68.5
YoY % change				100.6	-0.7

<sup>1</sup> Pro rata calculation due to a departure at the end of December 12, 2022

	2017	2018	2019	2020	2021	2022	2023
Adjusted EBIT margin in % of sales	8.0	6.9	6.2	6.1	7.5	8.0	9.6
YoY percentage point change		-1.1	-0.7	-0.1	1.4	0.5	1.6
SAF-HOLLAND SE result for the period in EUR thousand				2,027	20,624	23,985	48,523
YoY percentage point change					917.50	16.30	102.31

	2017	2018	2019	2020	2021	2022	2023
Average employee remuneration in EUR <sup>1</sup>	55,051.00	57,258.00	56,979.00	52,671.00	51,613.00	57,617.00	57,409.00
YoY percentage point change		4.01	-0.49	-7.56	-2.01	11.63	-0.36

The slight decrease in employee remuneration in 2023 is due to the introduction of short-time working as a result of the cyberattack suffered in 2023.

<sup>1</sup> Employees at the German locations.

## NON-PERFORMANCE-BASED FIXED REMUNERATION

### Fixed annual base salary

The base salary represents fixed remuneration for the full year and is granted on a monthly basis. Unlike many other companies, the members of the Management Board do not receive pension benefits from the company for their services. The fixed remuneration has included a compensation component for this since fiscal year 2018.

### Fringe benefits

The taxable fringe benefits of the Executive Board consist in particular of the provision of company cars and the assumption of costs for occupational accident insurance, which also covers an insurance benefit in the event of death. There is also a directors' and officers' liability insurance policy with a deductible of 10% (D&O insurance). In addition, contributions are made to health and pension insurance in accordance with social security regulations. In the event of incapacity to work due to illness, remuneration is paid for a maximum period of 6 months.

## PERFORMANCE-BASED VARIABLE REMUNERATION

The performance-based remuneration components are the short-term incentive (STI), which relates to the performance in the respective fiscal year, and the long-term incentive (LTI), which measures performance over a number of years. The two components are based on different measurement bases and have different performance parameters corresponding to their respective performance periods. These performance-based variable remuneration components are granted on the basis of financial and non-financial performance criteria.

No subsequent changes may be made to the target values or the comparison parameters for variable remuneration.

Both of the variable remuneration components in 2023 are presented in detail below.

### Short-term variable remuneration (STI)

#### Basic structure

The annual bonus consists of a variable cash payment that is based on the company's measurable performance in the past fiscal year and the degree to which the individual targets were achieved. The STI is calculated using financial and non-financial performance criteria that are based on the key performance indicators explained below and the individual targets derived from them. With the help of the individual targets, the individual performance of each Management Board member is considered in the determination of remuneration.

Individual targets may consist of financial and non-financial targets and include the environmental, social and governance (ESG) performance criteria set by the company in keeping with its corporate social responsibility. Business targets have a weighting of 75% in total and comprise three specific targets. The individual targets also consist of three targets and are weighted at 25% of the total. The following table provides an overview of the targets and their percentage weighting for 2022 and 2023.

**Overview of the targets and their percentage weighting:**

TYPE OF TARGET	DEFINITION OF THE TARGET	PERCENTAGE WEIGHTING
Corporate targets	<ul style="list-style-type: none"> <li>— Group sales</li> <li>— Adjusted EBIT margin</li> <li>— Net working capital ratio</li> </ul>	25 % 25 % 25 %
Possible individual targets	<ul style="list-style-type: none"> <li>— Strategic business development</li> <li>— Corporate culture</li> <li>— Diversity</li> <li>— Employees and leadership</li> <li>— Environment</li> <li>— Corporate social responsibility</li> </ul>	25 %
Total amount		100 %

A lower limit of 50% and an upper limit of 125% apply to target achievement. If the sum of the weighted individual target achievement is below 50% (threshold value), no pro rata payment of the target bonus is granted. The amount of remuneration to be paid is calculated by multiplying the percentage of target achievement by the target bonus amount. For the year a Management Board member joins the company and for the year the member leaves the company, the member is entitled to a pro rata bonus. The short-term variable remuneration is paid out in the year following the respective fiscal year.

The calculation of the target achievement factor is based on the individual measured target achievement factors based on their weighting. Multiplying the total target achievement factor by the STI target amount results in the STI payout amount. The aforementioned upper and lower limits of 125% and 50% apply here. Payment is made at the end of the first quarter of the following fiscal year for which the respective STI was granted.

**Calculation of the STI payout:****Company targets**

Three company targets were defined for fiscal year 2023

- Group sales
- Adjusted EBIT margin in % of sales
- Net working capital ratio in % of sales

These take the overall responsibility of the Management Board into consideration and set incentives geared primarily towards the company's continued growth, better profitability and stronger cash flow.

constitute an important instrument in planning the next business-related steps. The adjusted EBIT margin sets an incentive to strengthen the company's operating profitability. EBIT measures earnings before interest and taxes. The EBIT indicator also considers depreciation and amortization and encourages investments that provide an adequate return on capital employed.

Next to profitability, the effective management of working capital, measured as the sum of inventories and trade receivables less trade payables, is also a key factor in cash flow.

**The individual targets and the common Sustainable target for 2022 are listed in the following table:**

Acting Management Board members	Focus area	Specific target	Target achievement	Actual achievement
Alexander Geis (CEO) Since March 1, 2019	Business development	Project planning and development for new plant (India) with higher capacity	100%	125%
	Project innovation	Global launch of a new type of axle	100%	100%
	CSR	Adaption of CSR reporting to meet CSRD requirements	100%	125%
Dr. André Philipp (COO) since January 1, 2019	CSR	Creation of a global CO <sub>2</sub> database	100%	125%
	Business development	Project Sprint – construction of a new plant in Mexico	100%	125%
	CSR	Adaption of CSR Reporting to meet CSRD requirements	100%	125%
Wilfried Trepels (CFO) since May 16, 2022	Due to Mr Wilfried Trepels joining the company on 16 May 2022, an actual target achievement of 100% for the pro rata financial year 2022 was set at the start of the contract.		100%	100%

Due to the resignation of Inka Koljonen on January 31, 2022, a lump sum was determined for the STI target achievement.



### Individual and sustainability targets

For fiscal year 2022 and 2023, the Supervisory Board set two individual targets in the direct area of responsibility of each Management Board member as well as one target each in the area of sustainability. The individual targets contribute specifically to increasing the efficiency of the Group's projects and advancing the company's further development. As a globally operating company in the trailer and truck industry, SAF-HOLLAND strives to make an important contribution to the future and society by providing innovative products and acting sustainably. The sustainability

goal for 2023 focused on bringing SAF-HOLLAND's CSR reporting in line with the requirements of the Corporate Sustainability Reporting Directive (CSRD) in order to meet these requirements going forward.

The objectives of the STI focused on CSR objectives for the members of the Executive Board. The individual targets as well as the common sustainability target for the years 2022 and 2023 are listed in the tables below.

### The individual targets and the common Sustainable target for 2023 are listed in the following table:

Acting Management Board members	Focus area	Specific target	Target achievement	Actual achievement
Alexander Geis (CEO) since March 1, 2019	Business development	Post Merger Integration (PMI) of Haldex	100%	125%
	ESG:	Development of ESG-adequate training material and mandatory SuccessFactors training for all employees	100%	125%
	ESG:	Fulfillment of the audit obligation in accordance with the CSRD-Report	100%	100%
Frank Lorenz-Dietz (CFO) since January 1, 2023	Business development	Post Merger Integration (PMI) of Haldex	100%	125%
	Project innovation	SAP-Hana-Integration	100%	125%
	ESG:	Fulfillment of the audit obligation in accordance with the CSRD-Report	100%	100%
Wilfried Trepels (CFO) from May 16, 2022, to March 31, 2023 *	Due to the departure of Mr Wilfried Trepels on 31 March 2023, an actual target achievement of 100% was set for the pro rata financial year 2023 at the end of the contract.		100%	100%
Dr. André Philipp (COO) from January 1, 2019, to June 30, 2023 *	Due to the departure of Mr André Philipp on 30 June 2023, an actual target achievement of 100% was set for the pro rata financial year 2023 at the end of the contract.		100%	100%

### Target achievement

The following overview presents in detail the key figures for the annual bonus 2022 (payout in 2023) and for the annual bonus 2023 (payout in 2024), their performance corridors as well as the corresponding target achievement and the resulting overall target calculation, including the respective payout amounts:

**STI overall target achievement 2022**

			50%	75%	100%	125%	Weighting	Actual target achievement	Target achievement in %	Weighted value	Target amount In EUR	Payout amount In EUR
Alexander Geis CEO	Corporate targets	Group sales (EUR m)	1,261.40	1,287.20	1,300.80	1,326.6	0.25	1,561.10	125	31.25		
		Adjusted EBIT margin (in % of sales)	5.7	6.4	7.2	7.9	0.25	8.0	125	31.25		
		Net working capital (in % of sales)	16.30	16.10	15.90	15.70	0.25	15.97	90.6	22.70		
	Individual targets						0.25		117	29.38		
							<b>100%</b>			<b>114.58</b>	<b>331,000</b>	<b>379,260<sup>2</sup></b>
André Philipp COO	Corporate targets	Group sales (EUR m)	1,261.40	1,287.20	1,300.80	1,326.6	0.25	1,561.10	125	31.25		
		Adjusted EBIT margin (in % of sales)	5.7	6.4	7.2	7.9	0.25	8.0	125	31.25		
		Net working capital (in % of sales)	16.30	16.10	15.90	15.70	0.25	15.97	90.60	22.70		
	Individual targets						0.25		125	31.26		
							<b>100%</b>			<b>116.46</b>	<b>190,000</b>	<b>221,274</b>
Wilfried Trepels CFO	Due to Mr Wilfried Trepels joining the company on 16 May 2022, an actual target achievement of 100% for the pro rata financial year 2022 was set at the start of the contract.											
Inka Koljonen <sup>1</sup> CFO	Due to the resignation of Inka Koljonen as of January 1, 2022, no new targets were agreed upon.											

<sup>1</sup> Based on a settlement agreement due to resignation on January 31, 2022.

<sup>2</sup> Will Reduced by 5% based on voluntary waiver under the collective agreement to secure future viability.

**STI overall target achievement 2023**

			50%	75%	100%	125%	Weighting	Actual target achievement	Target achievement in %	Weighted value	Target amount in EUR	Payout amount in EUR	
Alexander Geis CEO	Company targets	Group sales (EUR million)	1,755.5	1,809.8	1,865.8	1,921.8	0.25	2.106.170	125	31,25			
		Adjusted EBIT margin (in % of sales)	7.0	7.5	8.0	8,5	0.25	9,60	125	31,25			
		Net working capital (in % of sales)	18.3	17.8	17.3	16.8	0.25	14,82	125	31,25			
	Individual targets	Post Merger Integration (PMI) of Haldex						0.075		125	9,38		
		Development of ESG-adequate training material and mandatory SuccessFactors training for all employees						0.075		125	9,38		
		Fulfillment of the audit obligation in accordance with the CSRD-Report						0.10		100	10,00		
								100%			<b>122,51</b>	<b>355.500</b>	<b>435.523<sup>1</sup></b>
Frank Lorenz-Dietz CFO	Company targets	Group sales (EUR million)	1,755.5	1,809.8	1,865.8	1,921.8	0.25	2.106.170	125	31,25			
		Adjusted EBIT margin (in % of sales)	7.0	7.5	8.0	<b>8.5</b>	<b>0.25</b>	<b>9,60</b>	<b>125</b>	<b>31,25</b>			
		Net working capital (in % of sales)	18.3	17.8	17.3	16.8	0.25	14,82	125	31,25			
	Individual targets	Post Merger Integration (PMI) of Haldex						0.075		125	9,38		
		SAP-Hana-Integration						0.075		125	9,38		
		Fulfillment of the audit obligation in accordance with the CSRD-Report						0.10		125	10,00		
								100%			<b>122,51</b>	<b>200.000</b>	<b>245.020<sup>1</sup></b>
Wilfried Trepels CFO	Due to the departure of Mr Wilfried Trepels on 31 March 2023, an actual target achievement of 100% for the pro rata financial year 2023 was fixed at the end of the contract.												
Dr. André Philipp COO	Due to the departure of Dr André Philipp on 30 June 2023, an actual target achievement of 100% was set for the pro rata financial year 2023 at the end of the contract.												

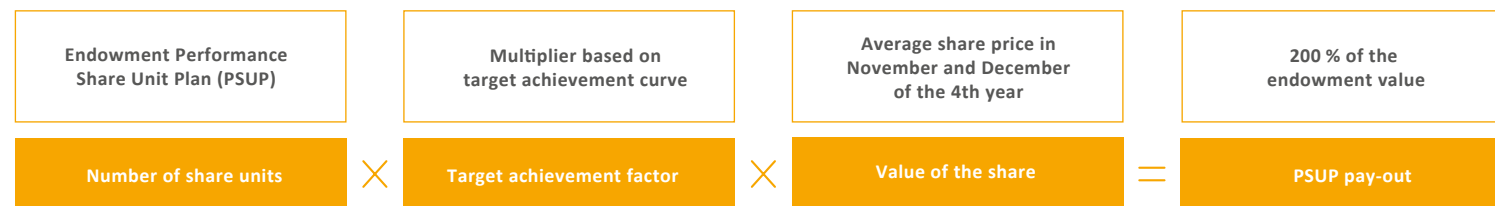
<sup>1</sup> Reduced by 5 % due to voluntary waiver under the future collective agreement.

## Long-term variable remuneration (LTI)

### Basic structure

The long-term variable remuneration, or LTI, is a share-based variable remuneration component aimed at increasing the company's long-term value and aligning the interests of the management and executives with the interests of the shareholders of SAF-HOLLAND SE in the long-term. This takes the form of a Performance Share Unit Plan (PSUP), introduced in 2013, which considers both the company's performance and its share price development. The LTI also includes an ESG target, which is consistent with the provisions of the German Corporate Governance Code. The financial targets are weighted at 80%, and the ESG target is weighted at 20%. The PSUP stipulates a performance period of four years. With the help of the PSUP, the interests of the Management Board members are to be aligned even more clearly with those of the shareholders with respect to a sustainable increase in the company's value. The PSUP also ensures the long-term commitment of the Management Board members to the company and increases their motivation.

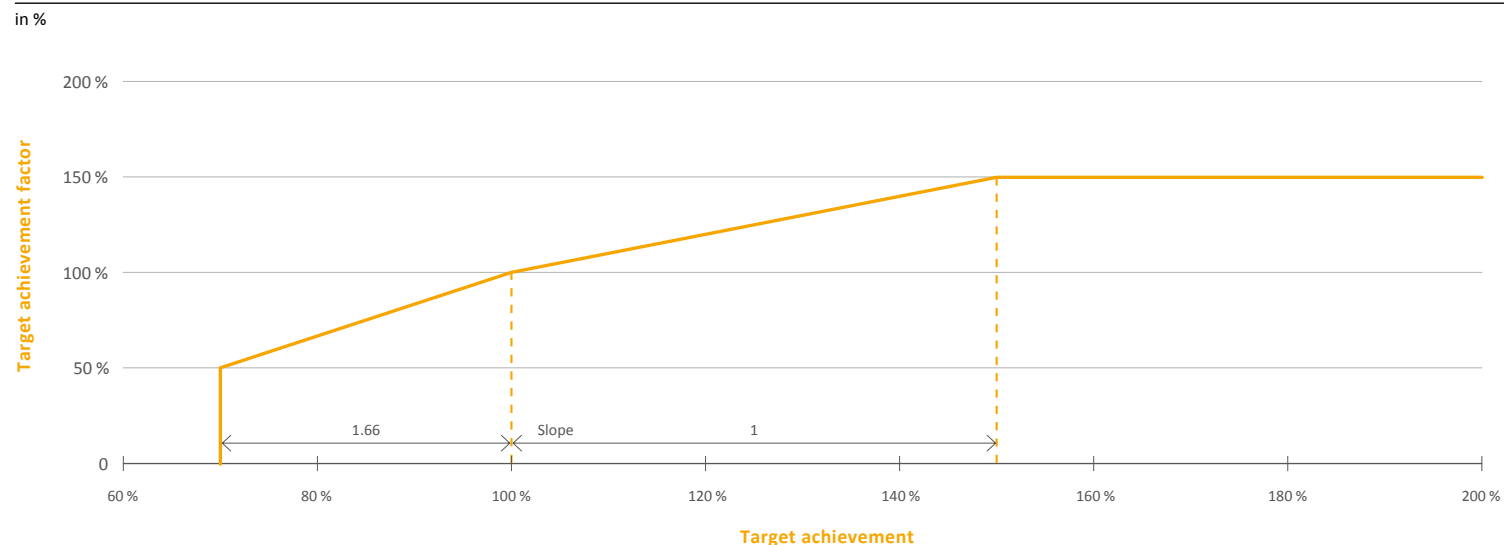
The calculation of the PSUP payout is as follows:



The prerequisite for exercising value appreciation rights is the achievement of a defined performance target. The performance target has been met when the Group has achieved an average minimum operating performance measured by the performance indicator "adjusted EBIT margin" during the entitlement period. A level of target achievement that is below 70% results in a target achievement factor of "0" and no payout.

The number of virtual shares at the beginning of the performance period is determined by dividing the respective endowment by the average share price in the last two months of the year preceding the grant. Upon expiration of the performance period, the number of virtual shares granted is adjusted by multiplying it by a target achievement factor. The target achievement factor is the ratio of the company's average performance (adjusted EBIT margin) during the performance period versus the average target value previously set for the performance period. The long-term variable remuneration is paid out with the payroll on the basis of the audited Consolidated Financial Statements.

The amount of the participants' payment entitlement is determined by multiplying the virtual shares with the average share price during the last two months of the performance period and the target achievement factor.

**LTI target achievement curve**

A potential payment may be temporarily withheld by the Supervisory Board should imminent or urgent financial factors at SAF-HOLLAND SE and/or a Group company make the payment impossible. Generally, the Supervisory Board is allowed to suspend or terminate the LTI plan at any time. Rights under plans already granted cannot be subsequently changed without the participant's consent.

The maximum payout under the terms of the PSUP is 200% of the grant (maximum value) in each case. This cap, in conjunction with the fixed base salary and the upper limit for short-term variable remuneration of 125%, constitutes the maximum limit of remuneration for Management Board members.

If a Management Board member leaves the company prior to the expiration of the performance period as a result of death, disablement, disability or reaching the contractually agreed retirement age, the member or their surviving dependents will receive any potential payout on a pro rata basis on the due date for the payment.

The loss of all rights under the PSUP occurs only in the case of extraordinary termination by the company. In the event of termination of the employment contract for any other reason, payment shall be made at the time of payment in the amount that the Management Board member would have been entitled to at the time of payment. This determination of the amount takes any pro rata reduction into account. In deviation from the above regulation, in the case of Alexander Geis, the virtual shares allocated for the years 2019, 2020 and 2021 are vested. This means that they are not reduced on a pro rata basis in the event the employment contract is terminated before the end of the respective assessment period.

**Grants in fiscal year 2023**

The LTI plan granted in 2023 is based on the following performance indicators (basis: mid-term planning 2023):

**Performance period 2023 – 2026**

Average target: Adjusted EBIT margin	8.7
Average share price (issue price)	EUR 8.90
Sustainability target	CO2 reduction by 10%

**Grants (target amount divided by the issue price)**

	Target amount in EUR thousand	No. of shares granted
Alexander Geis	507	56,929
Frank Lorenz-Dietz	220	24,719
Wilfried Trepels	0	0
Dr. André Philipp	0	0

**Target achievement and payout in 2023**

The following overview shows the relevant indicators for the LTI plan allocated in 2019, the corresponding target achievement and the resulting payout amount in 2023:

**Calculation of LTI – PSUP 2019**

	2019	2020	2021	2022	Average
Earnings					
Adjusted EBIT margin	6.20%	6.10%	7.50%	8.00%	6.95%
Share price Nov./Dec. 2017 2018	12.33				
PSUP target 2019	7.46%				
Target achievement	93.16				
Target achievement factor	88.45				

70% target achievement = 50% bonus

	100% target achievement in EUR thousand	No. of shares granted	Target achieve- ment factor	Grant price Nov./Dec. 2022	Target achievement in EUR thousand	Target achievement in %
Alexander Geis	340	27,575	0.8845	8.90	217	64
Frank Lorenz-Dietz	Due to entry on January 1, 2023, there is no entitlement to the Performance Share Unit Plan 2019-2022.					
Wilfried Trepels	Due to entry on February 15, 2022 there is no entitlement the Performance Share Unit Plan 2019-2022.					
André Philipp	170	13,788	0.8845	8.90	109	64

**Supplementary clauses****Malus and clawback clauses**

The Supervisory Board is permitted to take extraordinary developments and events appropriately into account. In such cases, the employment contracts of Management Board members provide for malus and clawback clauses. These largely concern the performance-based variable remuneration components and, above all, the LTI. Entitlements to remuneration may be cancelled in justified cases (malus). Alternatively, there is the option to reclaim a payment already made (clawback). The malus or clawback provision can apply when a Management Board member intentionally breaches a material duty and this breach of duty meets the definition of a “gross breach of duty,” justifying the member’s dismissal from the Management Board (Section 84 (3) of the German Stock Corporation Act (AktG).

In fiscal year 2023, the Supervisory Board did not see any reason to make use of the options to reduce the variable remuneration components, claw them back, or waive them entirely.

**Post-contractual non-compete clause**

Mr Geis' contract contains a post-contractual non-competition clause, which prohibits him from providing services to or for a competitor for a period of one year after leaving the company. He will receive compensation for this in accordance with Section 74 (2) HGB in the amount of 50% of the contractual services last received.

A contractual non-competition clause generally applies to all members of the Management Board during the terms of their contracts.

**Severance clause**

In the event of the early termination of the employment contract due to revocation of the appointment or any other cause of early termination, the decision of whether or not to grant a severance payment is at the company's discretion. Severance payments are always limited to a maximum of two years' total remuneration (i.e., annual base salary, short-term variable remuneration [STI] and long-term variable remuneration [LTI]). The calculation of the fixed annual remuneration is based on either the previous or the current year. When determining variable remuneration (STI and LTI), the amount of variable remuneration granted in the past fiscal year is to be used as a basis.

If the contract with a Management Board member is terminated for good cause for which the member is responsible or terminated at the request of the member, no severance payment shall be made.

When severance payments are made, they are to be credited against the non-competition compensation.

**Disclosures on third-party benefits**

No benefits were promised or granted to the members of the Management Board by third parties in 2023.

**Change of control**

In the event of a change of control, every member of the Management Board has the right once to resign from office by observing a three-month notice period to the end of the respective month and to terminate the service contract on that same date. This extraordinary right of termination only exists within one month of the date on which the Management Board member becomes aware that a change of control has actually taken place. In the event of premature termination of the service contract due to a change of control, the Management Board member has no entitlement to severance pay.

**Share ownership guidelines**

The Executive Board is contractually obliged to purchase and hold shares in the company in the amount of a fixed annual salary. Virtual shares under the LTI programme are credited at 50% and shares already acquired by the company are credited at 100%. The build-up can take place within 48 months in four equal annual instalments. The corresponding regulations are contained in the so-called Share Ownership Guidelines. As a result, the interests of the Management Board and the shareholders are further aligned and the sustainable and long-term development of SAF HOLLAND is additionally rewarded.

In the view of the Supervisory Board, the existing LTI program fulfils the requirements of comparable Share Ownership Guidelines for the following reasons: (1) The performance of the virtual shares corresponds to the share price development. (2) The members of the Executive Board do not have freedom of choice regarding the investments from their remuneration, but are obliged to invest in the virtual shares. (3) Due to the annual award and the four-year performance period, the value of the virtual shares held after a four-year build-up phase is at least equal to that of an annual base salary of a member of the Executive Board.

**REMUNERATION GRANTED AND DUE**

The following table presents the individual remuneration granted and due to the current members of the Management Board in fiscal year 2023 pursuant to Section 162 (1) sentence 2 no. 1 of the German Stock Corporation Act (AktG).

		Alexander Geis				Frank Lorenz-Dietz				Wilfried Trepels				André Philipp			
		Chairman of the Management Board since February 26, 2019				Ordinary member of the Management Board since January 1, 2023				Ordinary member of the Management Board from May 16, 2022, to March 31, 2023				Ordinary member of the Management Board from January 1, 2019, to June 30, 2023			
		2022		2023		2022		2023		2022		2023		2022		2023	
		In EUR thousand	in %	In EUR thousand	in %	In EUR thousand	in %	In EUR thousand	in %	In EUR thousand	in %	In EUR thousand	in %	In EUR thousand	in %	In EUR thousand	in %
Non-performance-based remuneration	Base salary	734	59	795	56			390	90	244	90	98	21	375	52	72	13
	Fringe benefits	30	2	37	3			43	10	26	10	10	2	34	5	9	2
	Other remuneration <sup>4</sup>											125 <sup>2</sup>	26			130 <sup>4</sup>	24
<b>Total</b>		<b>764</b>	<b>61</b>	<b>832</b>	<b>59</b>	<b>0</b>	<b>0</b>	<b>433</b>	<b>100</b>	<b>270</b>	<b>100</b>	<b>233</b>	<b>49</b>	<b>409</b>	<b>57</b>	<b>211</b>	<b>39</b>
One-year variable remuneration	STI 2021	393	31							0	0			226	31		
	STI 2022			360	26			0	0							221	41
	STI 2023											50 <sup>3</sup>	11				
Multi-year variable remuneration	LTI 2018 – 2021	92	8							0	0			92	12		
	LTI 2019 – 2022			217	15			0	0							109	20
	LTI 2022 & 2023											193 <sup>3</sup>	40				
<b>Total</b>		<b>485</b>	<b>39</b>	<b>577</b>	<b>41</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>243</b>	<b>51</b>	<b>318</b>	<b>43</b>	<b>330</b>	<b>61</b>
<b>Total remuneration</b>		<b>1,249</b>	<b>100</b>	<b>1,409</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>433</b>	<b>100</b>	<b>270</b>	<b>100</b>	<b>476</b>	<b>100</b>	<b>727</b>	<b>100</b>	<b>541</b>	<b>100</b>

<sup>1</sup> Including the amount deducted based on a voluntary waiver under the collective agreement to secure future viability.

<sup>2</sup> According to the service contract, Mr. Trepels receives a fixed target achievement of 100% for the pro rata financial year 2022.

<sup>3</sup> Due to the resignation of Mr. Wilfried Trepels on March 31, 2023, the STI claims 2023 as well as the LTI claims 2022 and 2023 were settled on a lump sum basis.

<sup>4</sup> Due to Mr. André Philipp's resignation from office on March, 2023 the remuneration from this point on will be presented as "other remuneration".



### SUPERVISORY BOARD REMUNERATION

The currently valid remuneration paid to the members of the Supervisory Board is governed by Article 16 of the Articles of Association of SAF-HOLLAND SE. It has been in force since the company's Annual General Meeting on May 23, 2023, at which the proposed system of remuneration for Supervisory Board members and the proposed amendment to Section 16 of the Articles of Association were approved by a majority of 99.97%. The remuneration of the Supervisory Board is designed as purely fixed remuneration and is commensurate with the tasks of the Supervisory Board and the situation of the company. No performance-related or share-based remuneration components are granted.

#### Remuneration of the Supervisory Board

FIXED REMUNERATION OF THE SUPERVISORY BOARD					
Chairman EUR 120,000		Deputy Chairman EUR 70,000		Member EUR 50,000	
COMMITTEE WORK REMUNERATION					
Audit Committee			Nomination and Remuneration Committee		
Chairman EUR 25,000		Member EUR 10,000	Chairman EUR 20,000		Member EUR 7,500

The remuneration system therefore takes the greater time commitment of the Chairman and his deputy into account. The increased time required for committee work, both for their chairmen and their members, is also appropriately reflected in the remuneration.

For their participation in meetings of the Supervisory Board, members receive an attendance fee of EUR 1,000.00 per meeting. For their participation in a committee meeting, members receive an attendance fee of EUR 500.00 per meeting. The attendance fee is only paid once for several meetings held on the same day. Attendance of a meeting also includes attendance of a meeting held by telephone or video conference or participation in a meeting by telephone or video conference.

Under the current remuneration system, the members of the Supervisory Board receive fixed annual remuneration and the members of the Audit Committee and the Nomination and Remuneration Committee receive additional remuneration for their work on the respective committees. The Chair and Deputy Chair of the Supervisory Board as well as the Chair of the Audit Committee and other committees receive additional remuneration. The remuneration of the Supervisory Board is as follows:

The company shall ensure that liability insurance exists for the benefit of the Supervisory Board members. In addition to the remuneration described in the above paragraphs, the company shall reimburse Supervisory Board members for any expenses reasonably incurred in the exercise of their Supervisory Board mandate and any value-added taxes payable on their remuneration and expenses.

Supervisory Board members who are members of the Supervisory Board or one of its committees or hold the office of chair or deputy chairperson for only part of the fiscal year shall receive the appropriate remuneration on a pro rata basis. This also applies to the remuneration for the chairpersons of committees.

The remuneration is paid after the end of the Annual General Meeting that receives the Consolidated Financial Statements for the fiscal year for which the remuneration is paid or decides on their approval. The remuneration for the financial year 2022 was paid in 2023, the remuneration for the financial year 2023 will therefore be paid after the Annual General Meeting 2024.

No advances or loans were extended to Supervisory Board members or to former Supervisory Board members in 2023.

The total remuneration of the Supervisory Board members for 2023 amounted to EUR 442,897.00 (previous year: EUR 378,900.00).

The presentation of the Supervisory Board remuneration for 2023 now follows the concept of the payment-oriented view, analogous to the presentation of the Executive Board remuneration, and is distributed among the individual members as follows:

**Remuneration granted and owed to the Supervisory Board in 2023 (in EUR thousand) for the 2022 financial year**

Supervisory Board member	Components of total remuneration												Total remuneration	
	Fixed remuneration of Supervisory Board as a whole (% of total remuneration)				Committee work remuneration (% of total remuneration)				Attendance fees (% of total remuneration)				2023	2022
	2023	in %	2022	in %	2023	in %	2022	in %	2023	in %	2022	in %		
Dr. Martin Kleinschmitt	100.0	83%	100.0	87%	10.0	8%	0.0	0%	10.5	9%	15.0	13%	120.5	115.0
Martina Merz <sup>1</sup>	56.9	83%	60.0	83%	4.7	7%	0.0	0%	7.0	10%	12.0	17%	68.6	72.0
Carsten Reinhardt	40.0	75%	40.0	77%	5.3	10%	0.0	0%	8.0	15%	12.0	23%	53.3	52.0
Ingrid Jägering	40.0	59%	40.0	58%	20.0	29%	20.0	29%	8.0	12%	9.0	13%	68.0	69.0
Matthias Arleth	40.0	58%	40.0	58%	20.0	29%	20.0	29%	8.5	12%	9.0	13%	68.5	69.0
<b>TOTAL</b>	<b>276.9</b>	<b>73%</b>	<b>280.0</b>	<b>74%</b>	<b>60.0</b>	<b>16%</b>	<b>40.0</b>	<b>11%</b>	<b>42.0</b>	<b>11%</b>	<b>57.0</b>	<b>15%</b>	<b>378.9</b>	<b>377.0</b>

<sup>1</sup> Proportionate calculation due to the departure at the end of December 12, 2022.

**Remuneration granted and owed to the Supervisory Board in 2024 (in EUR thousand) for the 2023 financial year**

Supervisory Board member	Components of total remuneration												Total remuneration	
	Fixed remuneration of Supervisory Board as a whole (% of total remuneration)				Committee work remuneration (% of total remuneration)				Attendance fees (% of total remuneration)				2024	2023
	2024	in %	2023	in %	2024	in %	2023	in %	2024	in %	2023	in %		
Dr. Martin Kleinschmitt	120,0	82 %	100,0	83 %	17,5	12 %	10,0	8 %	8,5	6 %	10,5	9 %	146,0	120,5
Martina Merz <sup>1</sup>	-	-	56,9	83 %	-	-	4,7	7 %	-	-	7,0	10 %	-	68,6
Ingrid Jägering	70,0	68 %	40,0	59 %	25,0	24 %	20,0	29 %	7,5	7 %	8,0	12 %	102,5	68,0
Carsten Reinhardt	50,0	73 %	40,0	75 %	11,0	16 %	5,3	10 %	7,5	11 %	8,0	15 %	68,5	53,3
Matthias Arleth	40,0	58 %	40,0	58 %	20,0	29 %	20,0	29 %	8,5	12 %	9,0	13 %	68,5	69,0
Jurate Keblyte	37,4	75 %	-	-	6,5	13 %	-	-	6,0	12 %	-	-	49,9	-
<b>TOTAL</b>	<b>327,4</b>	<b>74 %</b>	<b>276,9</b>	<b>73 %</b>	<b>80,0</b>	<b>18 %</b>	<b>60,0</b>	<b>16 %</b>	<b>35,5</b>	<b>8 %</b>	<b>42,0</b>	<b>11 %</b>	<b>442,9</b>	<b>378,9</b>

<sup>1</sup> Proportionate calculation due to the departure at the end of December 12, 2022.

<sup>2</sup> Pro rata temporis calculation due to entry on 03.04.2023.

The remuneration is paid after the end of the Annual General Meeting that receives the Consolidated Financial Statements for the fiscal year for which the remuneration is paid or decides on their approval. The remuneration for the financial year 2022 was paid in 2023, the remuneration for the financial year 2023 will therefore be paid after the Annual General Meeting 2024.

### OUTLOOK FOR FISCAL YEAR 2024 FROM A REMUNERATION PERSPECTIVE

#### MANAGEMENT BOARD REMUNERATION

As resolved at the 2023 Annual General Meeting, the maximum remuneration will be adjusted in 2024. Furthermore, the upper and lower limits for target achievement under the short-term incentive (STI) are to be changed so that a target achievement level of 75% to 150% is possible in the future. In addition, the appropriateness of the Management Board's remuneration will be reviewed again by an external consultant in 2024. The level of possible target achievement within the scope of the STI will also be adjusted to allow for a target achievement level of 75%-150% in the future.

#### LTI sustainability criteria

As a non-financial target the LTI – Performance Period 2024-2027: 4 years plan - that a 10% reduction in CO<sub>2</sub> emissions in the EMEA region compared to 2024 has been achieved in four years.

#### SUPERVISORY BOARD REMUNERATION

On March 24, 2023, the members of the Supervisory Board have made a voluntary commitment to purchase shares. This voluntary commitment stipulates that in the first five years of their membership on the Supervisory Board, the members of the Supervisory Board will each acquire SAF-HOLLAND SE shares for 20% of their annual fixed remuneration (basic remuneration) and hold them for at least the duration of their membership. The voluntary commitment provides for a total of 100% of the fixed remuneration to be invested in shares over the five-year term. The first share purchase of 20% for the 2022 financial year. The second share purchase for the 2023 financial year will take place after the 2024 Annual General Meeting. With this voluntary commitment, the members of the Supervisory Board want to create a further element for aligning their interests with the long-term corporate success of SAF-HOLLAND SE.

## REPORT OF THE INDEPENDENT AUDITOR ON THE FORMAL AUDIT OF THE REMUNERATION REPORT PURSUANT TO § 162 ABS. 3 AKTG

To SAF-HOLLAND SE, Bessenbach

### OPINION

We have formally audited the remuneration report of the SAF-HOLLAND SE, Bessenbach, for the financial year from January 1 to December 31, 2023 to determine whether the disclosures pursuant to § [Article] 162 Abs. [paragraphs] 1 and 2 AktG [Aktiengesetz: German Stock Corporation Act] have been made in the remuneration report. In accordance with § 162 Abs. 3 AktG, we have not audited the content of the remuneration report.

In our opinion, the information required by § 162 Abs. 1 and 2 AktG has been disclosed in all material respects in the accompanying remuneration report. Our opinion does not cover the content of the remuneration report.

### BASIS FOR THE OPINION

We conducted our formal audit of the remuneration report in accordance with § 162 Abs. 3 AktG and IDW [Institut der Wirtschaftsprüfer: Institute of Public Auditors in Germany] Auditing Standard: The formal audit of the remuneration report in accordance with § 162 Abs. 3 AktG (IDW AuS 870 (09.2023)). Our responsibility under that provision and that standard is further described in the “Auditor’s Responsibilities” section of our auditor’s report. As an audit firm, we have complied with the requirements of the IDW Quality Management Standard: Requirements to quality management for audit firms [IDW Qualitätsmanagementstandard - IDW QMS 1 (09.2022)]. We have complied with the professional duties pursuant to the Professional Code for German Public Auditors and German Chartered Auditors [Berufssatzung für Wirtschaftsprüfer und vereidigte Buchprüfer - BS WP/vBP], including the requirements for independence.

### RESPONSIBILITY OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD

The management board and the supervisory board are responsible for the preparation of the remuneration report, including the related disclosures,

that complies with the requirements of § 162 AktG. They are also responsible for such internal control as they determine is necessary to enable the preparation of a remuneration report, including the related disclosures, that is free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

### AUDITOR’S RESPONSIBILITIES

Our objective is to obtain reasonable assurance about whether the information required by § 162 Abs. 1 and 2 AktG has been disclosed in all material respects in the remuneration report and to express an opinion thereon in an auditor’s report.

We planned and performed our audit to determine, through comparison of the disclosures made in the remuneration report with the disclosures required by § 162 Abs. 1 and 2 AktG, the formal completeness of the remuneration report. In accordance with § 162 Abs 3 AktG, we have not audited the accuracy of the disclosures, the completeness of the content of the individual disclosures, or the appropriate presentation of the remuneration report.

Frankfurt am Main, March 8, 2024

### PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft

Stefan Hartwig  
Wirtschaftsprüfer  
(German Public Auditor)

Richard Gudd  
Wirtschaftsprüfer  
(German Public Auditor)