

ADJUSTMENT OF THE REMUNERATION OF THE MANAGEMENT BOARD OF SAF-HOLLAND SE

OVERVIEW OF THE PROPOSED CHANGES

The company's Annual General Meeting on June 10, 2021 approved the remuneration system for the members of the Management Board with a **majority of 99.16%**.

The changes proposed to the 2022 Annual General Meeting concern the addition of share ownership guidelines for the members of the Management Board to the existing remuneration system and the addition of a sustainability performance target to the long-term variable remuneration (long-term incentive - LTI). This further aligns the interests of the Management Board and the shareholders and additionally rewards the sustainable and long-term development of the company.

The proposed amendments are summarised below:

(1) Short-term variable remuneration (STI) – Increased transparency through the introduction of a fixed lower limit

Current remuneration system	New remuneration system	Explanation
As a rule, a minimum level of 75% and a maximum level of 125% apply to target achievement. If the sum of the weighted individual target achievement is below 75% (threshold), no pro rata payment of the target bonus is granted. In exceptional cases, the Supervisory Board may set a minimum level of 50%.	As a rule, a minimum level of 50% and a maximum level of 125% apply to target achievement. If the sum of the weighted individual target achievement is below 50% (threshold), no pro rata payment of the target bonus is granted.	<p>The introduction of a fixed minimum level, which cannot be changed by the Supervisory Board even in exceptional cases, increases transparency by eliminating the Supervisory Board's discretionary powers.</p> <p>The target achievement corridor shall be extended to align with the corridor size of other companies. In the evaluation of target achievement, each individual target is evaluated individually, with a minimum limit of 50% for the target achievement of each target. If the target achievement is below 50%, the value for the respective individual target is 0.</p> <p>The fact that developments such as the COVID 19 pandemic, wars or similar cannot be influenced by the Executive Board should be taken into account.</p>

(2) Long-term variable remuneration – Introduction of an ESG target

Current remuneration system	New remuneration system	Explanation
The share-based variable remuneration component is a Performance Share Unit Plan (PSUP) introduced in 2013, which takes into account both company performance and share price development .	The share-based variable remuneration component is a Performance Share Unit Plan (PSUP) introduced in 2013, which, in addition to company performance and share price development, now also takes into account non-financial targets from the 2022 financial year onwards .	The inclusion of non-financial targets demonstrates SAF-HOLLAND's social responsibility and at the same time documents how important sustainable corporate action is to the Supervisory Board and the Management Board.

(3) Share Ownership Guidelines - new

Current remuneration system	New remuneration system	Explanation
Currently there are not share ownership guidelines.	<ul style="list-style-type: none"> • Commitment of the Chairman of the Management Board: Acquisition of SAF-HOLLAND shares in the amount of 150% of a basic annual remuneration (gross). • Commitment of an ordinary member of the Management Board: Acquisition of SAF-HOLLAND shares in the amount of 100% of one year's basic remuneration (gross) • Holding period: Duration of the Management Board appointment • Already existing shareholdings will be taken into account • Offsetting of virtual shares received by the Management Board member under the long- 	Interests of the Management Board of Directors as well as the shareholders are further aligned and the sustainable and long-term development of SAF-HOLLAND is additionally rewarded.

	<p>term incentive (LTI) programme at 50% against the aforementioned shareholding portfolio</p> <ul style="list-style-type: none"> • The prescribed number of shares can be accumulated over a period of four years. • The basis of assessment for the value of the share portfolio is the purchase price of the shares at the time of acquisition • After the end of the build-up phase, each member of the Management Board must provide annual evidence of his or her shareholdings 	
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Note: All other components of the remuneration system of the Management Board shall remain unchanged.