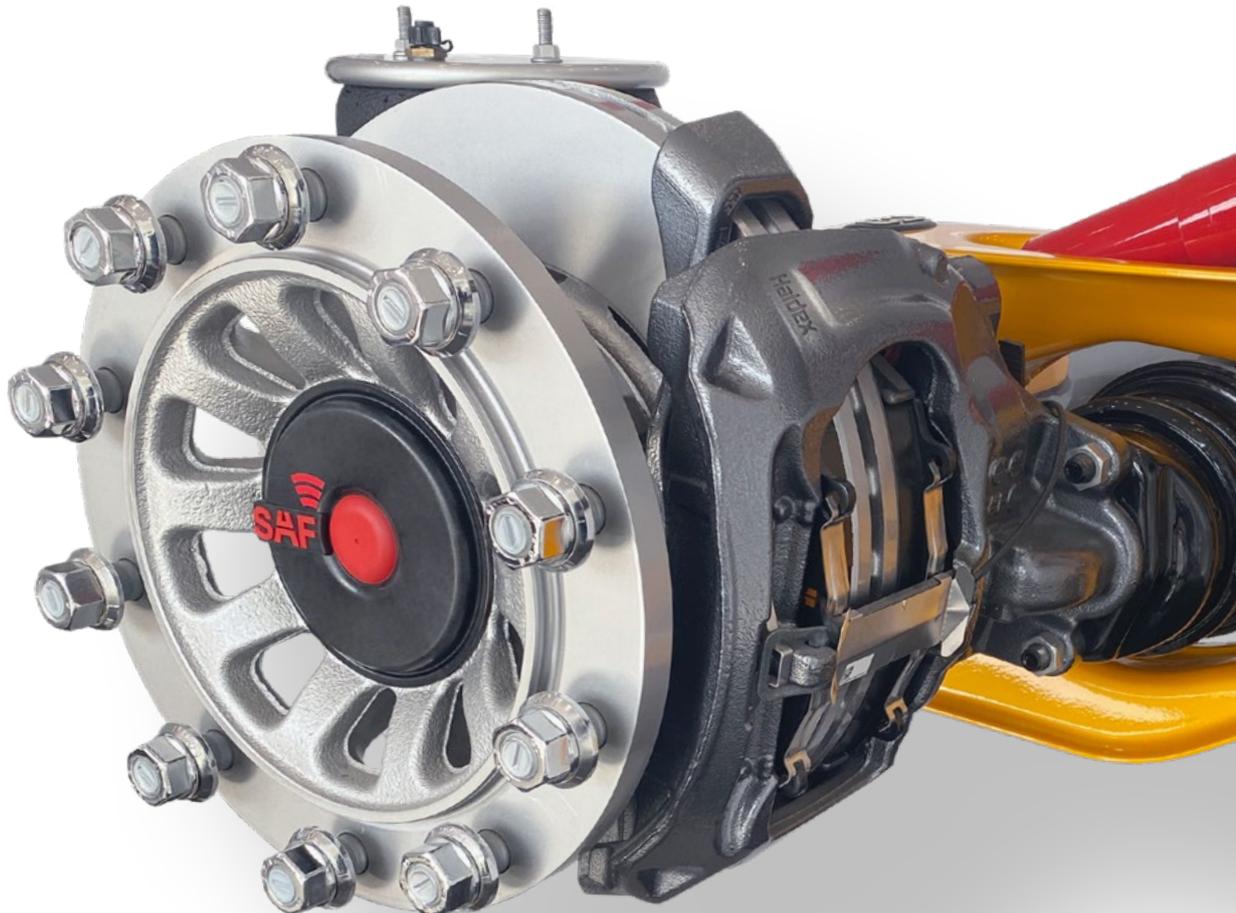


INVITATION TO THE ANNUAL  
GENERAL MEETING 2023



# Building the future – stronger together



**SAF-HOLLAND SE  
Bessenbach**

ISIN: DE000SAFH001  
WKN: SAFH00

Corporate Event Unique Identifier: SAF052023oHV

**Invitation to the ordinary Annual General Meeting 2023**

We hereby invite our shareholders to the ordinary Annual General Meeting of SAF-HOLLAND SE (“**Company**”) to be held on

**Tuesday, May 23, 2023, at 10:00 a.m. (CEST),**

at Stadthalle Lohr, Jahnstraße 8, 97816 Lohr am Main.

For the sole purpose of better readability, this invitation uses the generic masculine form. In the interest of equal treatment, all personal designations and terms apply to all genders. The abbreviated form of language is for editorial reasons only and does not imply any judgement.

**Note:** Where the following invitation refers to the requirements of the German Stock Corporation Act (“**AktG**”), a reference is not made to the requirements of the Council Regulation (EC) No. 2157/2001 of October 8, 2001 on the Statute for a European Company (SE) (“**SE Regulation**”) or the SE Implementation Act (“**SEAG**”) for reasons of clarity.

**I.**

**Agenda**

- 1. Presentation of the adopted annual financial statements of SAF-HOLLAND SE and the approved consolidated financial statements, as of December 31, 2022 in each case, of the combined management report for SAF-HOLLAND SE and the Group, the explanatory report of the Management Board on the disclosures pursuant to Sections 289a and 315a of the German Commercial Code (HGB) as well as the report of the Supervisory Board of SAF-HOLLAND SE for the financial year 2022 in each case**

The aforementioned documents will be available as of the convening of the Annual General Meeting and during the Annual General Meeting via the internet at “<https://corporate.safholland.com/en/>” under “Investor Relations” and the heading “General Meeting”. The documents will be explained in more detail at the Annual General Meeting.

The documents form part of the Annual Report 2022, with the exception of the adopted annual financial statements.

The Supervisory Board has approved the annual financial statements and the consolidated financial statements prepared by the Management Board. The annual financial statements are thus adopted in accordance with Section 172 AktG. The documents referred to under this agenda item are presented to the Annual General Meeting without the need for a resolution by the Annual General Meeting.

## **2. Resolution on the appropriation of retained earnings for the financial year 2022**

The Management Board and Supervisory Board propose that the Company's retained earnings from the financial year 2022 in the amount of EUR 47,755,542.52 be appropriated as follows:

Distribution of a dividend in the amount of EUR 0.60 per no-par value share entitled to a dividend	EUR 27,236,581.20
Profit carried forward to new account:	EUR 20,518,961.32

Should the number of no-par value shares entitled to a dividend for the financial year 2022 change prior to the Annual General Meeting, a corresponding adjustment would be made to the proposal for a resolution and put to vote at the Annual General Meeting. The proposal would provide for an unchanged dividend of EUR 0.60 per dividend-entitled no-par value share and a corresponding adjustment to the amounts for the total dividend payout and the profit carried forward.

The claim to the dividend is due on the third business day following the resolution of the Annual General Meeting, i.e., May 26, 2023.

## **3. Resolution on the discharge of the members of the Management Board**

The Management Board and the Supervisory Board propose the discharge of the members of the Management Board holding office in the financial year 2022 for this period.

#### **4. Resolution on the discharge of the members of the Supervisory Board**

The Management Board and the Supervisory Board propose the discharge of the members of the Supervisory Board holding office in the financial year 2022 for this period.

#### **5. Resolution on the election of the auditor for the annual financial statements and consolidated financial statements for the financial year 2023**

On the recommendation of its Audit Committee, the Supervisory Board proposes that PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt, be elected as the auditor of the annual financial statements and consolidated financial statements for the financial year 2023 and for any review of the half-year financial report and other interim financial information for the financial year 2023.

In accordance with Article 16 (2) paragraph 3 of the Regulation (EU) No. 537/2014 of the European Parliament and of the Council of April 16, 2014 (“**EU Statutory Audit Regulation**”), the Supervisory Board’s Audit Committee has declared that its recommendation is free from the undue influence of third parties and that no restriction has been imposed on it with regard to the selection of a particular statutory auditor or audit firm (Article 16 (6) of the EU Statutory Audit Regulation).

#### **6. Resolution on the election to the Supervisory Board**

The composition of the Supervisory Board is determined in accordance with (i) Article 40 (2) and (3) SE Regulation, (ii) Section 17 (1) SEAG, (iii) Section 21 (3) SE Participation Act and (iv) Article 11 (1) of the Company’s Articles of Association.

Pursuant to Article 11 (1) of the Articles of Association, the Supervisory Board consists of five members elected by the Annual General Meeting. Effective as of the end of December 12, 2022, Martina Merz resigned from office as the Deputy Chair and member of the Supervisory Board. At the request of the Chair of the Supervisory Board, Ms. Jurate Keblyte was appointed as a member of the Supervisory Board by the District Court of Aschaffenburg with immediate effect for the period until the end of this Annual General Meeting.

To ensure that the Supervisory Board still has the required number of members after the end of this Annual General Meeting in accordance with Article 11 (1) of the Articles of Association, it is necessary to elect one Supervisory Board member. The Annual

General Meeting is not bound by election proposals. Based on the recommendation of its Nomination and Remuneration Committee, the Supervisory Board proposes that

**Ms. Jurate Keblyte**, management board member of GRAMMER Aktiengesellschaft, born December 8, 1975, in Sakiu (Lithuania), residing in Haar, Germany,

be elected as a member of the Company's Supervisory Board, effective as of the end of this Annual General Meeting and for the period until the end of the Annual General Meeting that resolves on the discharge of actions for the financial year 2023.

Further information on the proposed candidate, including a curriculum vitae and details of memberships on other statutory supervisory boards and comparable domestic and foreign supervisory bodies of business entities, is provided after the agenda under "*II. Information on Agenda Item 6: Information on the Supervisory Board candidate proposed for election*". This information is also available as of the convening of and during the Annual General Meeting on the Company's website at "<https://corporate.safholland.com/en/>" under "Investor Relations" and the heading "General Meeting".

## **7. Resolution on the approval of the remuneration report for the financial year 2022**

Pursuant to Section 162 (1) sentence 1 AktG, the management board and supervisory board of listed companies are required to prepare a clear and comprehensible report each year on the remuneration granted and owed to each current or former individual member of the management board and supervisory board in the past financial year and to submit this report to the Annual General Meeting for approval pursuant to Section 120a (4) sentence 1 AktG. The remuneration report for the financial year 2022 was audited by the auditors in accordance with Section 162 (3) AktG to determine whether the legally required disclosures pursuant to Section 162 (1) and (2) AktG were made. The auditor's report on the remuneration report is attached to the remuneration report.

The remuneration report for the financial year 2022 and the auditor's report on the audit of the report are reproduced after the agenda under Section III. "*Information on Agenda Item 7: Remuneration report for the financial year 2022*" and will be available as of the convening of the Annual General Meeting on the Company's website at "<https://corporate.safholland.com/en/>" under "Investor Relations" and the heading

“General Meeting”. The remuneration report can also be accessed under the heading “General Meeting” during the Annual General Meeting.

The Management Board and Supervisory Board propose the approval of the remuneration report for the financial year 2022, which was prepared and audited in accordance with Section 162 AktG.

## 8. Resolution on the approval of a revised remuneration system for the members of the Management Board

Pursuant to Section 120a (1) AktG, the General Meeting of a listed company must adopt a resolution approving the remuneration system for the members of the Management Board adopted by the Supervisory Board pursuant to Section 87a (1) AktG whenever there is a significant change, but at least every four years.

The Supervisory Board last adopted a remuneration system for the members of the Company's Management Board effective March 15, 2022, which was approved by the Company's Annual General Meeting on May 19, 2022 with a majority of 97.59 %. Subsequently, the Supervisory Board has decided to amend two aspects of the remuneration system for the members of the Management Board previously established and approved by the Annual General Meeting with effect from May 23, 2023, and to submit the amended system to the Annual General Meeting for approval. The changes to the remuneration system for the members of the Management Board concern, first, an adjustment to the maximum remuneration as follows: As of January 1, 2024, the maximum remuneration for the chair of the Management Board shall be EUR 3,000,000.00 (previously EUR 1,984,000.00) and for the ordinary members of the Management Board EUR 1,500,000.00 (previously EUR 1,050,000.00). As a result of the Haldex acquisition, the duties and efforts of the members of the Management Board have increased. In addition, the reduction in the size of the Management Board (from three to two members) has expanded the workload for the two remaining members of the Management Board. Against this background, the Supervisory Board considers the increase in the maximum remuneration, which was determined with the assistance of a remuneration expert on the basis of a remuneration benchmark, to be appropriate and necessary. Second, the change to the remuneration system for the members of the Management Board concerns the following adjustment to the upper and lower limits for target achievement under the short-term variable incentive (STI): As of January 1, 2024, the lower limit shall be changed to 75 % (previously 50 %) and the upper limit to 150 % (previously 125 %). In the view of the Supervisory Board, a lower limit of 75 % is considered more appropriate and more in line with market practices. In addition, raising the lower limit will increase the incentive effect. The range between target achievement levels (75 % – 150 %) has been kept constant by increasing both values.

The amended remuneration system for the members of the Management Board is reproduced after the agenda under Section IV. *“Information on Agenda Item 8: Remuneration system for the members of the Management Board”* and will be available

as of the convening of the Annual General Meeting on the Company's website at "<https://corporate.safholland.com/en/>" under "Investor Relations" and the heading "General Meeting". The amended remuneration system for the members of the Management Board will also be available under the heading "General Meeting" during the Annual General Meeting.

The Supervisory Board proposes to the Annual General Meeting - based on the recommendation of its Nomination and Remuneration Committee - to approve the amended remuneration system for the members of the Management Board of the Company.

**9. Resolution on the amendment of the remuneration of the members of the Supervisory Board and the corresponding amendment of Article 16 of the Articles of Association**

Pursuant to Section 113 (3) sentences 1 and 2 AktG, the Annual General Meeting of a listed company must pass a resolution on the remuneration of the members of the Supervisory Board at least every four years. The most recent resolution on the remuneration of the members of the Supervisory Board and the remuneration system on which it is based was passed with a majority of 99.95% by the Annual General Meeting of the Company on May 19, 2022.

The remuneration of the members of the Supervisory Board is specifically set out in Article 16 of the Company's Articles of Association. The remuneration of the members of the Supervisory Board shall be partially adjusted and for this purpose the relevant provisions of the Articles of Association shall be amended. It is proposed that the remuneration of the the members of the Supervisory Board be increased moderately as follows: The fixed annual remuneration for ordinary members of the Supervisory Board shall be EU 50,000.00 (previously EUR 40,000.00), EUR 120,000.00 (previously two and a half times EUR 40,000.00, i.e., EUR 100,000.00) for the chair of the Supervisory Board, and EUR 70,000.00 (previously 1.5 times EUR 40,000.00, i.e., EUR 60,000.00) for the deputy chair of the Supervisory Board. For membership on committees other than the Audit Committee, remuneration of EUR 7,500.00 (previously EUR 5,000.00) shall be granted. As a result of the increased size of the Company following the Haldex acquisition, the tasks of the members of the Supervisory Board and the time required to perform these tasks have also increased. This additional time and effort are to be taken into account by increasing the remuneration of the Supervisory Board, which was determined with the assistance of a remuneration expert on the basis of a remuneration benchmark. In addition, remuneration of EUR 25,000.00 (previously EUR 20,000.00) shall be paid for chairing the Audit Committee and EUR 10,000.00 (previously

EUR 5,000.00) for membership on the Audit Committee, thereby providing for an increase in remuneration. The appropriateness of the remuneration for a position on the Audit Committee was explicitly considered as part of the remuneration benchmarking. The survey came to the conclusion that the remuneration for work on the Audit Committee should be adjusted to the remuneration level that is customary in the market. The complexity of the work of the Audit Committee has also increased significantly in recent years, particularly as a result of the large number of regulatory changes. For this reason, the remuneration system for the Audit Committee should differ from that of the other committees.

The amended remuneration system for the members of the Supervisory Board is reproduced after the agenda under Section V. *“Information on Agenda Item 9: Remuneration system for members of the Supervisory Board”* and will be available as of the convening of the Annual General Meeting on the Company’s website at [“https://corporate.safholland.com/en/”](https://corporate.safholland.com/en/) under *“Investor Relations”* and the heading *“General Meeting”*. The amended remuneration system for members of the Supervisory Board will also be accessible here during the Annual General Meeting.

The Management Board and Supervisory Board propose that the amended remuneration system for members of the Supervisory Board of the Company set out in Section V. *“Information on Agenda Item 9: Remuneration system for members of the Supervisory Board”* and the amended Supervisory Board remuneration derived therefrom be resolved and Article 16 (1) to (3) of the Company’s Articles of Association be amended and restated as follows:

- "1. Each member of the Supervisory Board shall receive fixed annual remuneration of EUR 50,000.00, the chair of the Supervisory Board shall receive EUR 120,000.00, and the deputy chair of the Supervisory Board shall receive EUR 70,000.00.*
- 2. The chair of the Audit Committee shall receive additional annual remuneration of EUR 25,000.00. All other members of the Audit Committee shall receive additional annual remuneration of EUR 10,000.00.*
- 3. The chair of each additional committee shall receive additional annual remuneration of EUR 20,000.00, and all other members of an additional committee shall receive additional annual remuneration of EUR 7,500.00."*

The previous paragraphs 3 to 6 shall become paragraphs 4 to 7. In all other respects, Article 16 of the Company's Articles of Association shall remain unchanged.

**10. Resolution on the amendment of Article 19 of the Articles of Association to provide for virtual annual general meetings**

As a result of the "Act on the Introduction of Virtual General Meetings of Stock Corporations and Amendment of Cooperative and Insolvency and Restructuring Law Provisions" (Gesetz zur Einführung virtueller Hauptversammlungen von Aktiengesellschaften und Änderung genossenschafts- sowie insolvenz- und restrukturierungsrechtlicher Vorschriften) of July 20, 2022 (German Federal Law Gazette of July 26, 2022, page 1166 et seq.), the option to hold virtual general meetings – even after the expiry of the special statutory provisions due to the COVID-19 pandemic – has been permanently enshrined in the German Stock Corporation Act. Pursuant to Section 118a (1) sentence 1 AktG, the Articles of Association may provide for, or authorize the Management Board to provide for, annual general meetings to be held without the physical presence of the shareholders or their proxies at the location of the annual general meeting (virtual annual general meeting). Such a provision in the Articles of Association must be limited in time, with a maximum period of five years from entry of the relevant amendment to the Articles of Association in the commercial register of the Company.

Use is to be made of this option and a corresponding authorization of the Management Board is to be resolved.

The Management Board and Supervisory Board of the Company agree that the virtual Annual General Meeting format has proven its worth in recent years and that the option to hold general meetings virtually should be retained in the future. Virtual annual general meetings in the format provided for by the corresponding new provisions in the German Stock Corporation Act adequately safeguard the rights of shareholders and, in particular, provide for the direct interaction of shareholders and the management during the meeting via video communication and electronic communication channels in a manner similar to an annual general meeting in person.

This authorization of the Management Board is to be limited to two years. In order to ensure that the Company can also use the entire six-month period of Article 54 (1) sentence 1 SE Regulation for holding a virtual annual general meeting in 2025, the Management Board shall be instructed to apply for registration of the amendment to

the Articles of Association in such a way that it is not entered in the commercial register of the Company before June 30, 2023.

The legally possible authorization period of up to five years is not to be fully utilized. This will enable the shareholders to decide on a possible renewed authorization of the Management Board to hold a virtual annual general meeting at an earlier point in time than would be the case if the statutory framework were fully exhausted. During the two-year term of the authorization, the Management Board will decide anew for each annual general meeting whether and under what conditions it should be convened as a virtual annual general meeting. In doing so, it will take into account the relevant specific circumstances of the individual case and make its decision at its due discretion for the benefit of the Company and the shareholders. In doing so, the Management Board will also take into account the appropriate protection of shareholders' participation rights in its decision.

The Management Board and Supervisory Board therefore propose that the following resolution be adopted:

- a) Article 19 of the Articles of Association of the Company shall be supplemented by the following new paragraph 6:

*"6. The Management Board is authorized to provide that the annual general meetings of the Company to be held until the end of June 30, 2025, can be held without the physical presence of the shareholders or their proxies at the place of the annual general meeting (virtual annual general meeting)."*

In all other respects, Article 19 of the Company's Articles of Association remains unchanged.

- b) The Management Board is instructed to apply for registration of the amendment to the Articles of Association under Agenda Item 10 lit. a) in such a way that it is not entered in the commercial register of the Company before June 30, 2023.

**11. Resolution on the amendment of Article 20 of the Articles of Association concerning the chairship of the Annual General Meeting and the participation of members of the Supervisory Board in the Annual General Meeting**

The provisions of the Articles of Association relating to the chairing of the Annual General Meeting and the participation of members of the Company's Supervisory Board

in annual general meetings are to be amended with a view to virtual annual general meetings.

Pursuant to Article 131 (2) sentence 2 AktG, the Articles of Association may authorize the chair of the meeting to impose reasonable time limits on the shareholder's right to speak and ask questions and may specify further details in this respect. In order to ensure that the Annual General Meeting is conducted properly, the Articles of Association already contain a corresponding provision in Article 20 (3) on limiting the right to ask questions and speak. The existing provision in this respect is to be supplemented. It is to be clarified that this right of the chair of the meeting also applies to all formats of a virtual annual general meeting and accordingly also relates to follow-up questions as defined by Section 131 (1d) sentence 1 AktG and new questions as defined by Section 131 (1e) sentence 1 AktG.

In addition, the possibility provided for in Article 20 (5) sentence 2 of the Articles of Association for members of the Supervisory Board to participate in the Annual General Meeting by means of audio and video transmission shall also be extended in certain circumstances to the case of a virtual annual general meeting. If it is necessary for individual members of the Supervisory Board or all members to directly interact in the Annual General Meeting, this will be made possible by the direct connection of these members of the Supervisory Board by means of the two-way communication provided for. The reference to members of the Management Board in Article 20 (5) sentence 2 of the Articles of Association shall be omitted.

The Management Board and Supervisory Board therefore propose that the following resolution be adopted:

a) Article 20 (3) of the Company's Articles of Association shall be amended and reworded as follows:

*"3. The chair of the meeting shall be authorized to impose reasonable time limits on the right of shareholders to speak and to ask questions as defined by Section 131 (1) sentence 1 AktG, to ask follow-up questions as defined by Section 131 (1d) sentence 1 AktG and to ask new questions as defined by Section 131 (1e) sentence 1 AktG. In doing so, the chair of the meeting shall be guided by the need to ensure that the Annual General Meeting is conducted in an appropriate and reasonable amount of time."*

b) Article 20 (5) of the Company's Articles of Association shall be amended and reworded as follows:

"5. Members of the Supervisory Board shall attend the Annual General Meeting. If it is not possible for a member of the Supervisory Board to be present at the location of the Annual General Meeting due to business reasons or because of the great distance of the Annual General Meeting from the Supervisory Board member's place of residence, or if the Annual General Meeting is held as a virtual Annual General Meeting without the physical presence of shareholders or their proxies at the location of the Annual General Meeting, the Supervisory Board member may also participate in the Annual General Meeting by way of video and audio transmission."

In all other respects, Article 20 of the Company's Articles of Association remains unchanged.

## II.

### Information on Agenda Item 6:

#### Information on the candidate proposed for election to the Supervisory Board

#### Ms. Jurate Keblyte

<b>Personal data</b>	Date of birth: December 8, 1975 Place of birth: Sakiu, Lithuania Place of residence: Haar (Munich) Nationality: German
<b>Main occupation</b>	GRAMMER Aktiengesellschaft (since 08/2019) <ul style="list-style-type: none"> <li>Member of the Management Board and CFO</li> </ul>
<b>Professional career</b>	
Since 2019	GRAMMER Aktiengesellschaft, Ursensollen <ul style="list-style-type: none"> <li>Member of the Management Board and CFO</li> </ul>
2018 – 2019	Baltics Yachts OY Ab Ltd, Jakobstad (Finland) <ul style="list-style-type: none"> <li>Chief Financial and Operating Officer (CFOO)</li> </ul>
2017	elcomax GmbH, Munich <ul style="list-style-type: none"> <li>Member of the Management Board and CFO</li> </ul>
2010 – 2017	KUKA AG, Augsburg <ul style="list-style-type: none"> <li>Member of the Management Board and CFO of KUKA Robotics Division (2013 – 2017)</li> <li>Director Finance &amp; Controlling (2012 – 2013)</li> </ul>

	<ul style="list-style-type: none"> <li>• Director Controlling (2010 – 2012)</li> </ul>
2001 – 2010	<p>Giesecke &amp; Devrient GmbH, Munich</p> <ul style="list-style-type: none"> <li>• Head of Controlling, Division Banknote Printing (2005 – 2010)</li> <li>• Controlling, Division Banknote Printing (2003 – 2005)</li> <li>• Project Controlling, Business Unit Cards (2001 – 2003)</li> </ul>
<b>Mandates in listed companies</b>	None
<b>Mandates in unlisted companies</b>	<p>Ottobock SE &amp; Co. KGaA (Member of the Supervisory Board and Chairwoman of the Audit Committee)</p> <p>HAWE Hydraulik SE (Member of the Supervisory Board)</p>
<b>Mandates in Group companies</b>	None
<b>Education/Training</b>	<p>Master of Science in Management, Economics – Kaunas University of Technology (Lithuania)</p> <p>DESS Project and Process Management – Université d'Angers (France)</p>

**Competencies:**

		<b>Jurate Keblyte</b>
<b>Independence</b>	Independent according to GCGC	Yes
<b>Diversity</b>	Gender	Female
	Age group	46 – 55
	Nationality	German
	International experience	✓
	Educational background	M.Sc. Management
<b>Professional competencies</b>	Management/leadership	✓
	Strategic business development	✓

	Corporate development, organization and structuring	✓
	Knowledge of international markets	✓
	Industry-relevant technologies, products, services and new business models	
	Operations / operational excellence	✓
	Digitization / IT / software	✓
	Human resources / New Work	✓
	ESG / sustainability	✓
	Legal / compliance / corporate governance	✓
	Control systems (CMS, RMS, ICS, internal audit)	✓
	Accounting	✓
	Diploma	✓
	Restructuring / transformation	✓
	Financing / capital markets	✓
Experience on advisory or supervisory boards	✓	
<b>Designated expert</b>	Financial expert as defined by Section 100 (5) AktG	
	<i>Accounting expert</i>	
	<i>Auditing expert</i>	
	ESG expertise according to GCGC	

**Note:** A checked box corresponds to a self-assessment of at least 75% or 100% competency fulfillment.

The election proposal takes into account the objectives resolved by the Supervisory Board for its composition and aims to fulfill the competence profile and diversity concept developed by the Supervisory Board for the entire body. The Supervisory Board has assured itself of the proposed candidate's ability to devote the expected amount of time to serving on the Company's Supervisory Board.

It is the conviction of the Supervisory Board that the members of the Supervisory Board as a whole shall continue to be familiar with the sector in which the Company operates as defined by Section 100 (5) last half-sentence AktG.

In the opinion of the Supervisory Board, there are no personal or business relationships between the proposed candidate and the Company, its Group companies, the corporate bodies of the Company or a shareholder directly or indirectly holding more than 10 % of the voting shares in the Company that would be relevant for the election decision of an objectively judging shareholder.

In the opinion of the Supervisory Board, the proposed candidate is to be classified as independent.

### **III.**

#### **Information on Agenda Item 7: Remuneration report for the financial year 2022**

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 2022. The report explains in detail the individual structure and amount of the various components of the Management 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). Compilation of the remuneration report pursuant to Section 162 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 2022. Inka Koljonen (CFO) left the Company on January 31, 2022. The Supervisory Board of SAF-HOLLAND SE appointed Wilfried Trepels as interim CFO with effect from May 16, 2022 at its meeting on May 6, 2022. Wilfried Trepels had already been the Chief Financial Officer of SAF-HOLLAND S.A. in the period 2005 to 2016. His responsibility includes the areas of Finance, Accounting and Controlling, Internal Audit, IT, Legal and Compliance as well as Investor Relations, Corporate & ESG Communications. The Management Board was therefore composed of the

following three members in the 2022 financial year: the CEO (Alexander Geis), the CFO (Wilfred Trepels) and the COO (Dr. André Philipp).

## **MANAGEMENT BOARD REMUNERATION**

### **BASIC PRINCIPLES OF REMUNERATION**

The current system of Management Board remuneration was passed by resolution of the Supervisory Board. 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 makes amendments to the remuneration system. In the event of substantial changes, and at least every four years, the remuneration system will be 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, and Company's performance and future prospects.

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.

### **REVIEW OF THE 2022 FINANCIAL YEAR FROM A REMUNERATION PERSPECTIVE**

In order to meet the requirements of the German Act Implementing the Second Shareholders' Rights Directive (ARUG II) and the recommendations of the German Corporate Governance Code (GCGC), the remuneration system was adjusted in 2021. These changes remained in place in 2022.

### **SUMMARY OF MANAGEMENT BOARD REMUNERATION IN 2022**

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 should 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, short-term variable remuneration also places sufficient emphasis on annual operating targets, which serve as the basis for future corporate development.

The financial performance criteria set for the STI at the beginning of the 2021 financial year were exceeded due to the very positive development of sales and earnings. The individual targets of each Management Board member were also met at the maximum, resulting in the payout of a total of 125 % of the target value of the STI 2021 to Alexander Geis and Dr. André Philipp in 2022 (see the table "Remuneration granted and owed" below).

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 payout for the LTI plan granted to the Management Board in 2018, which was due for payment in 2022, amounts to 54 % of the target. (See the table "Calculation of LTI – PSUP 2018" below).

No use was made in 2022 of the options provided in the remuneration system, which are in keeping with the legal requirements, to diverge temporarily from the remuneration system or claw back variable remuneration components.

The following table presents a summary of the components of the remuneration system applicable in 2022, 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 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 business.

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 2022:

### Target remuneration and maximum remuneration of Management Board members

		Alexander Geis		Inka Koljonen*		Wilfried Trepels*		André Philipp	
		Chairman of the Management Board since March 1, 2019		Ordinary Management Board member from September 1, 2020 to January 31, 2022		Ordinary Management Board member since May 16, 2022		Ordinary Management Board member since January 1, 2019	
All figures in kEUR		Target remuneration	Maximum remuneration	Target remuneration	Maximum remuneration	Target remuneration	Maximum remuneration	Target remuneration	Maximum remuneration
		Base salary 2022	734	734	31	31	244	244	375
Non-performance-based remuneration	Fringe benefits 2022	30	30	3	3	26	26	34	34
	Pension benefits 2022	0	0	0	0	0	0	0	0
<b>Total</b>		<b>764</b>	<b>764</b>	<b>34</b>	<b>34</b>	<b>270</b>	<b>270</b>	<b>409</b>	<b>409</b>
One-year variable remuneration	STI 2022	331	414	0	0	125	156	190	238
Multi-year variable remuneration	LTI 2022 - 2025	404	808	0	0	138	276	200	400
<b>Total</b>		<b>735</b>	<b>1,222</b>	<b>0</b>	<b>0</b>	<b>263</b>	<b>432</b>	<b>390</b>	<b>638</b>
<b>Total remuneration</b>		<b>1,499</b>	<b>1,986</b>	<b>34</b>	<b>34</b>	<b>533</b>	<b>702</b>	<b>799</b>	<b>1,047</b>

\*proportionate remuneration

In accordance with Section 87a 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 the 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 target amount
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 the 2022 financial year is therefore not possible until 2025 when the last remuneration component for the 2022 financial year has been determined and accrues to the Management Board member.

### 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 to all the other companies listed on the SDAX. For comparative purposes, SAF-HOLLAND is positioned within the respective peer group market 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. In the course of the 2022 review, this consultancy 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 Group's entire workforce in Germany on an FTE basis. Changes in the ratio of Management Board remuneration to the remuneration paid to the entire workforce is also viewed over time (vertical comparison of management remuneration). In addition, the Company's economic position and performance also need to be taken appropriately 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:

### Total remuneration paid (actual)

	2017	2018	2019	2020	2021	2022
<b>Management Board remuneration (kEUR)</b>						
Alexander Geis since March 1, 2019			868.0	788.0	1,074.0	1,249.0
YoY % change				-9.2	36.3	16.3
Inka Koljonen from September 1, 2020 to January 31, 2022				139.0	514.0	393.3
YoY % change					269.8	-23.5
Wilfried Trepels since May 16, 2022						269.0
YoY % change						
André Philipp since January 1, 2019			341.0	504.0	595.0	727.0
YoY % change				47.8	18.1	22.2
<b>Supervisory Board remuneration (kEUR)</b>						
Dr. Martin Kleinschmitt since April 1, 2013	60.0	91.0	101.2	108.5	115.0	120.5
YoY % change		51.7	11.2	7.2	6.0	4.8
Martina Merz since April 1, 2014	81.0	152.0	118.0	74.2	72.0	68.6*
YoY % change		87.7	-22.4	-37.1	-3.0	-4.7
Carsten Reinhardt since April 1, 2017	27.0	58.0	71.0	50.2	52.0	53.3
YoY % change		114.8	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

Gap in information for the years 2017-2019 is due to Board members that were either not yet appointed or other Board members were appointed during the period and have since departed and no longer received remuneration in 2021.

\* Pro rata calculation due to departure at the end of December 12, 2022.

	2017	2018	2019	2020	2021	2022	
Adjusted EBIT margin in %		8.0	6.9	6.2	6.1	7.5	8.0
YoY percentage point change			-1.1	-0.7	-0.1	1.4	6.7
SAF-HOLLAND SE result for the period in kEUR					2,027	20,624	23,985
YoY percentage point change						917.50	16.3

	2017	2018	2019	2020	2021	2022
Average employee remuneration in EUR	55,051.00	57,258.00	56,979.00	52,671.00	51,613.00	57,617.00
YoY % change		4.01	-0.49	-7.56	-2.01	11.63

The decline in employee remuneration in 2020 and 2021 resulted from the introduction of short-time work schedules due to the Covid-19 pandemic and the introduction of measures under the collective agreement to secure future viability.

## 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. To counterbalance this, the Company introduced a remuneration component in 2018 that is added to the base salary.

### Fringe benefits

The taxable fringe benefits granted to the Management Board consist primarily of the use of a Company car and the costs of coverage for occupational accident insurance. Furthermore, D&O insurance coverage is provided. In addition, subsidies for health and pension insurance are paid in accordance with the provisions of social security law.

## PERFORMANCE-BASED VARIABLE REMUNERATION

The performance-based remuneration components are the short-term incentive (STI), which relates to the performance in the respective financial 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 targets or the comparative parameters on which the variable remuneration is measured.

Both of the variable remuneration components in 2022 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 financial year and the degree to which the individual targets were attained. 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.

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 financial 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 financial year for which the respective STI was granted

Calculation of the STI payout:



## Structure in 2022

### Corporate targets

Three corporate targets were defined for the 2022 financial year:

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

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

A core element of the corporate strategy is profitable growth, whereas sales 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 a suitable 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.

### Individual and sustainability targets

For the 2022 financial year, 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 sustainable actions. The sustainability goal for 2022 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..

Due to the resignation of Inka Koljonen as of January 31, 2022, no targets were agreed at the beginning of the year for the 2022 financial year. In the case of Wilfried Trepels, who became SAF-HOLLAND's CFO on May 16, 2022, an actual target achievement of 100% was agreed to for the 2022 financial year on a pro rata basis.

The individual targets and the common sustainability target are listed in the following table:

Acting Management Board members	Focus area	Specific target	Planned target achievement	Actual target achievement
Alexander Geis (CEO) since March 1, 2019	Corporate 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 %
	Corporate 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	With the entry of Wilfried Trepels on the Management Board on May 16, 2022, an actual target achievement of 100% was set for the 2022 financial year on a pro rata basis.		100 %	100 %

<sup>1</sup> Due to the resignation of Inka Koljonen on January 31, 2022, a lump sum was determined for the STI target achievement.

## Target achievement

The following table presents the key performance indicators for the annual bonus 2022, their performance corridors and the corresponding target achievement, with the resulting overall target achievement, including the respective sums paid out, in detail:

		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	1,261.40	1,287.20	1,300.80	1,326.6	0.25	1,561.10	125	31.25		
	Group sales (EUR million)										
	Adjusted EBIT margin (in %)	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</b>
André Philipp – COO	Corporate targets	1,261.40	1,287.20	1,300.80	1,326.6	0.25	1,561.10	125	31.25		
	Group sales (EUR million)										
	Adjusted EBIT margin (in %)	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	With the entry of Wilfried Trepels on May 16, 2022, an actual target achievement of 100% was set for the 2022 financial year on a pro rata basis. The resulting payout amount was EUR 125,000.00.										
Inka Koljonen – 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> Reduced by 5 % based on a voluntary waiver under the collective agreement to future viability.

## 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 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 even more clearly aligned 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.

Participants receive phantom share units at the beginning of the performance period. With the existing LTI program, the remuneration system fulfills, from the perspective of the Supervisory Board, the requirements of comparable share ownership guidelines for the following reasons: (1) The performance of the phantom shares corresponds to the development of the real share price. (2) The members of the Management Board do not have any freedom with regard to the investments made from their remuneration but are, rather, obliged to invest in the phantom shares. (3) Due to the annual grant and four-year performance period, the value of the phantom shares held after a four-year build-up phase is equivalent to at least one year's base salary of a Management Board member.

The number of phantom 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 phantom shares granted is adjusted by multiplying it with 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.

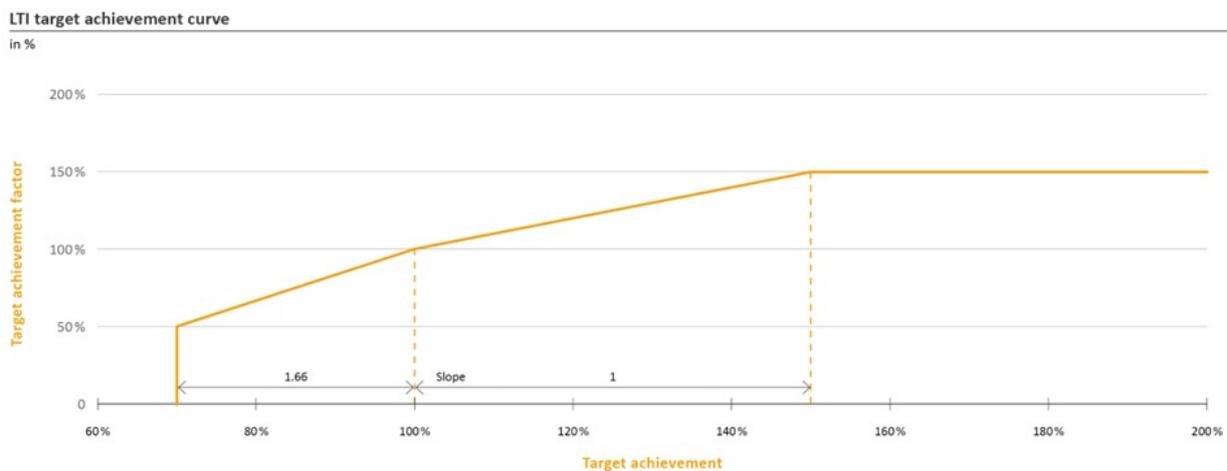
The amount of the participants' payment entitlement is determined by multiplying the phantom shares with the average share price during the last two months of the performance period and the target achievement factor.

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.



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 the Management Board member would have been entitled to at the time of payment. This determination of the amount takes into account any pro rata reduction. In deviation from the above regulation, 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 the 2022 financial year

The LTI plan granted in 2022 is based on the following performance indicators (basis: mid-term planning 2022):

### Performance period 2022 – 2025

Average target: Adjusted EBIT margin	8.33%
Average share price (issue price)	EUR 12.22
Sustainability target	Increase in employment conditions of 10%

### Grants (target amount divided by issue price)

	Target amount in kEUR	No. of shares granted
Alexander Geis	404	33,061
Dr. André Philipp	200	16,367
Wilfried Trepels	138	12,935
Inka Koljonen	-	-

## Target achievement and payout in 2022

The following overview shows the relevant indicators for the LTI plan allocated in 2018, the corresponding target achievement and the resulting payout amount in 2022:

### Calculation of LTI – PSUP 2018

	2018	2018	2020	2021	Average
Earning Adjusted EBIT margin	6.90%	6.20%	6.10%	7.50%	6.68%
Share price Nov./Dec. 2017	16.91				
PSUP target 2018	7.85%				
Target achievement	85.03				
Target achievement factor	74.95				

70 % target achievement = 50 % bonus

1 % target achievement = 1.66 % target achievement factor

	100% target achievement in kEUR	No. of shares granted	Target achievement factor	Grant price Nov/Dec 2021	Target achievement in kEUR	Target achievement in %
Alexander Geis	170	10,053	0.7495	12.22	92	54
Dr. André Philipp	170	10,053	0.7495	12.22	92	54
Inka Koljonen						

## 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 canceled 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 (39) AktG).

In the 2022 financial year, 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

The employment contracts of Mr. Geis and Dr. Philipp contain a post-contractual non-competition clause, which prohibits these Management Board members from working for or rendering services to a competitor for a period of one year after leaving the Company. As consideration, they receive non-contractual compensation in accordance with Section 74 (2) HGB of 50 % of their last drawn contractual remuneration package.

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 current year. When determining variable remuneration (STI and LTI), the amount of variable remuneration granted in the prior financial 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 shall 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 2022.

### **Change of control**

In the event of a change of control, each member of the Management Board has the right once to resign from office with 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**

In its meeting on March 15, 2022 and following the preparation of the Nomination and Remuneration Committee, the Supervisory Board adopted a remuneration system that incorporates the existing regulations and additionally provides share ownership guidelines for the Management Board members. This further aligns the Management Board's interests with those of the shareholders and additionally rewards the sustainable and long-term development of SAF-HOLLAND.

## REMUNERATION GRANTED AND DUE

The following table presents the individual remuneration granted and due to the current members of the Management Board in the 2022 financial year pursuant to Section 162 (1) sentence 2 no. 1 AktG.

		Alexander Geis				Wilfried Trepels				Inka Koljonen				André Philipp			
		Chairman of the Management Board since March 1, 2019				Ordinary member of the Management Board since May 16, 2022				Ordinary member of the Management Board from September 1, 2020 to January 31, 2022				Ordinary member of the Management Board since January 1, 2019			
		2021		2022		2021		2022		2021		2022		2021		2022	
		In kEUR	In %	In kEUR	In %	In kEUR	In %	In kEUR	In %	In kEUR	In %	In kEUR	In %	In kEUR	In %	In kEUR	In %
Non-performance-based remuneration	Base salary	734	68	734	59			244	90	375	73	31	8	375	58	375	52
	Fringe benefits	28	3	30	2			26	10	38	7	3	1	32	5	34	5
	Pension benefits	0	0	0	0			0	0	0	0	0	0	0	0	0	0
<b>Total</b>		<b>762</b>	<b>82</b>	<b>764</b>	<b>61</b>			<b>270</b>	<b>100</b>	<b>413</b>	<b>80</b>	<b>34</b>	<b>9</b>	<b>407</b>	<b>63</b>	<b>409</b>	<b>57</b>
One-year variable remuneration	STI 2019																
	STI 2020	225	21							63	12			123	19		
	STI 2021			393	31			0	0			209	53			226	31
Multi-year variable remuneration	LTI 2016 – 2019																
	LTI 2017 – 2020	87	8							38	8			65	10		
	LTI 2018 – 2021			92	8			0	0			150	38			92	12
<b>Total</b>		<b>312</b>	<b>29</b>	<b>485</b>	<b>39</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>101</b>	<b>20</b>	<b>359</b>	<b>91</b>	<b>188</b>	<b>29</b>	<b>318</b>	<b>43</b>
Other	Special bonus 2020	0	0	0	0	0	0	0	0	0	0	0	0	50	8	0	0
<b>Total remuneration</b>		<b>1,074</b>	<b>100</b>	<b>1,249</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>270</b>	<b>100</b>	<b>514</b>	<b>100</b>	<b>393</b>	<b>100</b>	<b>645</b>	<b>100</b>	<b>727</b>	<b>100</b>

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

The following table presents the respective target remuneration for the acting members of the Management Board for the financial years 2021/2022. This includes the target remuneration granted for the financial year upon 100 % target achievement, supplemented by the disclosures for the individually attainable minimum and maximum remuneration. In addition, the remuneration received for the financial year pursuant to the definition given in the GCGC issued on February 7, 2017 is presented as the actual remuneration

**Target achievement and remuneration received in accordance with the German Corporate Governance Code (GCGC) for the 2022 financial year**  
(in kEUR)

	Alexander Geis					Wilfried Trepels					Inka Koljonen					Dr. André Philipp				
	2021 (target)	2022 (target)	2022 (Min)	2022 (Max)	2022 actual	2021 (target)	2022 (target)	2022 (Min)	2022 (Max)	2022 actual	2021 (target)	2022 (target)	2022 (Min)	2022 (Max)	2022 actual	2021 (target)	2022 (target)	2022 (Min)	2022 (Max)	2022 actual
Base salary	734	734	734	734	734	0	244	244	244	244	375	31	31	31	31	375	375	375	375	375
Special bonus	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Fringe benefits	28	30	30	30	30	0	26	26	26	26	38	3	3	3	3	32	34	34	34	34
<b>Total</b>	<b>762</b>	<b>764</b>	<b>764</b>	<b>764</b>	<b>764</b>	<b>0</b>	<b>270</b>	<b>270</b>	<b>270</b>	<b>270</b>	<b>413</b>	<b>34</b>	<b>34</b>	<b>34</b>	<b>34</b>	<b>407</b>	<b>409</b>	<b>409</b>	<b>409</b>	<b>409</b>
One-year variable remuneration	331	331	0	414	393	0	125	125	125	0	190	0	0	0	209	190	190	0	238	226
Multi-year variable remuneration	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
LTI program 2018 – 2021	0	0	0	0	92	0	0	0	0	0	0	0	0	0	150	0	0	0	0	92
LTI program 2021 – 2024	404	0	0	0	0	0	0	0	0	0	200	0	0	0	0	200	0	0	0	0
LTI program 2022 – 2025	0	404	0	808	0	0	138	0	275	0	0	0	0	0	0	200	0	400	0	0
<b>Total</b>	<b>735</b>	<b>735</b>	<b>0</b>	<b>1,222</b>	<b>485</b>	<b>0</b>	<b>263</b>	<b>125</b>	<b>400</b>	<b>0</b>	<b>390</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>359</b>	<b>390</b>	<b>390</b>	<b>0</b>	<b>638</b>	<b>318</b>
Pension benefits	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total remuneration</b>	<b>1,497</b>	<b>1,499</b>	<b>764</b>	<b>1,986</b>	<b>1,249</b>	<b>0</b>	<b>533</b>	<b>395</b>	<b>670</b>	<b>270</b>	<b>803</b>	<b>34</b>	<b>34</b>	<b>34</b>	<b>393</b>	<b>797</b>	<b>799</b>	<b>409</b>	<b>1,047</b>	<b>727</b>

## REMUNERATION OF THE SUPERVISORY BOARD

The remuneration paid to the members of the Supervisory Board is governed by Article 16 of the Articles of Association of SAF-HOLLAND SE. It is commensurate to the tasks of the Supervisory Board and the situation of the Company.

Under the current remuneration system, the members of the Supervisory Board and its chairperson receive a fixed annual remuneration payable after the end of the financial year, which means that the fixed annual remuneration for 2022 will be paid out in the year 2023. Performance-based or share-based remuneration components are not granted.

- Each member of the Supervisory Board receives a fixed annual remuneration of EUR 40,000.
- The chair of the Supervisory Board receives a fixed annual remuneration of EUR 100,000.
- The deputy chair of the Supervisory Board receives a fixed annual remuneration of EUR 60,000.

The above considers the greater time expenditure of the chair and deputy chairperson when determining the amount of remuneration.

For their activities on Supervisory Board committees, each chairperson of a committee is also granted additional remuneration of EUR 20,000 and each additional member of a committee is granted additional annual remuneration of EUR 5,000. This also takes into sufficient account the greater time expenditure.

For their participation in meetings of the Supervisory Board, members receive an attendance fee of EUR 1,000 per meeting. For their participation in a committee meeting, members receive an attendance fee of EUR 500 per meeting.

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 financial year shall receive the appropriate remuneration on a pro rata basis. This also applies to the remuneration for the chairpersons of committees.

In 2022, no advances or loans were extended to Supervisory Board members or to former Supervisory Board members.

The total remuneration of the Supervisory Board members for 2022 amounted to EUR 378,900 (previous year: EUR 377,000). The 2022 Supervisory Board remuneration is distributed among the individual members as follows:

## Remuneration granted and owed to the Supervisory Board in 2022 (kEUR)

Member of the Supervisory Board	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)				2022	2021
	2022	In %	2021	In %	2022	In %	2021	In %	2022	In %	2021	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 *	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>

\* Pro rata calculation due to departure at the end of December 12, 2022

## OUTLOOK FOR THE 2023 FINANCIAL YEAR FROM A REMUNERATION PERSPECTIVE

### MANAGEMENT BOARD REMUNERATION

Due to the merger of SAF-HOLLAND and Haldex, a renewed external review of the Management Board's remuneration and the maximum remuneration in 2023 is necessary. For this purpose, the Supervisory Board has mandated an external consultant to review the remuneration. Based on the resulting findings, the next step will be to make an adjustment to the maximum compensation. The level of possible target achievement within the scope of the STI will also be adjusted to allow in the future for a target achievement level of 75 %-150 %.

### LTI sustainability criteria

The Supervisory Board also decided to add an ESG target to the LTI agreement for the members of the Management Board.

Conducting an employee survey on the topic of "good working conditions" in 2022 was defined as a non-financial goal. Based on the results of this global survey, various measures to improve working conditions are scheduled to be implemented in 2023 and 2024. Subsequently, a new survey in 2025 seeks an improvement in the survey results of 10 % compared to 2022. In general, the aim is to improve global working conditions and thereby

increase the appeal of SAF-HOLLAND as an employer, particularly in the area of health-related factors.

### **SUPERVISORY BOARD REMUNERATION**

On May 19, 2022, the Company's Annual General Meeting passed a resolution also on the remuneration of the Supervisory Board members and on the underlying remuneration system, with a majority of 99.95 %.

In order to take into account the increased demands on supervisory board members of listed companies and the greater complexity of the Group due to the takeover of Haldex, changes in the Supervisory Board remuneration are to be proposed to the Annual General Meeting 2023. These changes are based on the customary remuneration structures in comparable companies and include the following:

- An increase in the annual fixed remuneration to EUR 120,000 for the chair of the Supervisory Board, to EUR 70,000 for the deputy chairperson, and to EUR 50,000 and for the members of the Supervisory Board
- An increase in the annual fixed remuneration to EUR 25,000 for the chair of the Audit Committee
- An increase in the annual fixed remuneration to EUR 10,000 for the members of the Audit Committee and to EUR 7,500 for the members of the Nomination and Remuneration Committee.

### **REPORT OF THE INDEPENDENT AUDITOR ON THE FORMAL AUDIT OF THE REMUNERATION REPORT PURSUANT SECTION 162 (3) AKTG**

To SAF-HOLLAND SE, Bessenbach

#### **AUDIT OPINION**

We have formally audited the remuneration report of the SAF-HOLLAND SE, Bessenbach, for the financial year from January 1 to December 31, 2022 to determine whether the disclosures pursuant to Section 162 (1) and (2) of the German Stock Corporation Act (AktG) have been made in the remuneration report. In accordance with Section 162 (3) AktG, we have not audited the remuneration report in terms of its content.

In our opinion, the information required by Section 162 (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 AUDIT OPINION**

We conducted our formal audit of the remuneration report in accordance with Section 162 (3) AktG and the Institute of Public Auditors in Germany (IDW) Auditing Standard: The formal audit of the remuneration report in accordance with Section 162 (3) AktG (IDW AuS 870). Our responsibility under that provision and the 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 Assurance Standard: Requirements to quality control for audit firms (IDW Qualitätssicherungsstandard – IDW QS 1). 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 SUPERVISORY BOARD**

The Management Board and Supervisory Board are responsible for the preparation of the remuneration report, including the related disclosures, that are in compliance with the requirements of Section 162 AktG. They are also responsible for such internal controls as they determine necessary to enable the preparation of a remuneration report, including the related disclosures, that is free from material misstatement, whether due to fraud or error.

### **RESPONSIBILITY OF THE AUDITOR**

Our objective is to obtain reasonable assurance about whether the information required by Section 162 (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 Section 162 (1) and (2) AktG, the formal completeness of the remuneration report. In accordance with Section 162 (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 17, 2023

PricewaterhouseCoopers GmbH  
Wirtschaftsprüfungsgesellschaft

Stefan Hartwig  
Wirtschaftsprüfer  
(Certified Public Auditor)

ppa. Richard Gudd  
Wirtschaftsprüfer  
(Certified Public Auditor)

#### IV.

#### Information on Agenda Item 8:

#### Remuneration system for members of the Management Board

##### A. Principles of the remuneration system for members of the Management Board of SAF-HOLLAND SE

The remuneration system for the Management Board contributes to the furtherance of the business strategy of SAF-HOLLAND SE. The structure of the remuneration system should motivate the members of the Management Board to reach the strategic and financial goals laid out in Strategy 2025. Moreover, the system encourages the Management Board of SAF-HOLLAND SE to always give priority to the long-term development of the Company. As part of the steady development of the Company, added value should be created for customers, shareholders, employees and for the Company itself.

The remuneration system for members of the Management Board is intended to be simple, clear and comprehensible. It complies with the requirements of the German Stock Corporation Act and the recommendations of the German Corporate Governance Code as amended on April 28, 2022 ("GCGC"). Explained below are the system's main features in terms of its structure and amount of Management Board remuneration.

The remuneration system for members of the Management Board applies to all employment contracts entered into or prolonged with the Company's members of the Management Board on or after May 23, 2023.

## **B. Procedure for setting the remuneration system**

### **Fundamental aspects of remuneration**

The system of management board remuneration is determined by the Supervisory Board. For this purpose, the Supervisory Board is supported by its Remuneration and Nomination Committee. The committee develops recommendations for the system of Management Board remuneration, which are discussed and decided by the Supervisory Board. Where needed, the Supervisory Board can draw on external consultants, making sure they are independent.

Every year the Supervisory Board reviews the remuneration of each individual member of the Management Board in terms of amount and structure. The remuneration system for the members of the Management Board is reviewed by the Supervisory Board every two years. Resolutions on remuneration are generally prepared by the Remuneration and Nomination Committee. If necessary, the Remuneration and Nomination Committee may recommend to the Supervisory Board to make amendments to the remuneration system. In the event of substantial changes, and at least every four years, the remuneration system will be submitted to the Annual General Meeting for approval.

If the Annual General Meeting does not approve the remuneration system submitted to it for approval, a revised remuneration system is to be submitted at the next Annual General Meeting for approval by resolution.

### **Appropriateness of remuneration**

When determining the amount of total remuneration, the Supervisory Board ensures that it is appropriate in view of the tasks and performance of the respective Management Board member. The criteria for assessing the appropriateness of the remuneration are the individual duties and performance of the members of the Management Board. When setting the total remuneration, the Supervisory Board ensures that the customary level of remuneration does not exceed the level paid at a suitable peer group of 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 other companies listed on the SDAX. For comparative purposes, SAF-HOLLAND is positioned in the respective peer group on the basis of sales, headcount and market capitalization. Based on this positioning, the remuneration paid to members of the Management Board is reviewed to ensure that it is in line with the market. For this purpose, the Supervisory Board is supported by an

independent external executive remuneration expert. To determine whether the total Management Board remuneration conforms internally within the Company, the Supervisory Board considers the pay levels and employment conditions of the Company's employees, including the senior management and the workforce as a whole. The ratio of the Management Board remuneration to the remuneration of the senior management and the workforce as a whole over time is also considered (vertical comparison of remuneration). The Company's economic position and performance shall also be given due consideration.

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

According to Section 87a (2) sentence 2 AktG, the Supervisory Board may temporarily deviate from the remuneration system of the Management Board if this is necessary for the long-term well-being of the Company. This includes for example, a need to adjust the remuneration system to provide an adequate incentive if the business strategy is significantly changed or there are far-reaching changes to the economic situation (such as a severe economic crises, war or pandemic) under which the original performance criteria and/or indicators of the remuneration system lapse, provided that the specific impacts of such circumstances could not have been foreseen. It is expressly stated that general unfavorable market developments do not constitute an exception that would justify any deviation from the remuneration system.

In terms of procedure, any such deviation requires a resolution of the Supervisory Board that expressly stipulates in a suitable form the duration of the deviation, the deviation as such, but also the grounds for the deviation (i.e., why the deviation is necessary for the long-term well-being of the Company). The components of the remuneration system that can be deviated from in exceptional circumstances are the method, the rules on determining the structure of remuneration and its amount, as well as the individual components, including, but not limited to, the performance criteria. Objectively, the Supervisory Board can deviate from the respective shares of the individual remuneration components as well as from their respective criteria. Similarly, it may set the base salary differently on a case-by-case basis if this is necessary for the well-being

of the Company, but not beyond the maximum amount set by the Annual General Meeting.

The remuneration system does not provide for the possibility of special remuneration (special bonuses) for the members of the Management Board (e.g., sign-on and retention bonuses or payments for special tasks or extraordinary performance). No subsequent changes may be made to the targets or the comparative parameters pursuant to G.8 of the GCGC.

### Total target remuneration and maximum remuneration

The target total remuneration is calculated in such a way that, as a rule, the target amounts of the variable remuneration components roughly correspond to the share of the fixed remuneration components (base salary and fringe benefits). Furthermore, within the variable remuneration components, the share of long-term variable remuneration components should exceed the share of short-term variable remuneration components. As a rule, of the total target remuneration of the individual Management Board member, a share of approx. 47 % is to be accounted for by the annual base salary and 3 % by fringe benefits. The STI should account for around 23 % and the long-term incentive (LTI) for around 27 %. The percentage weighting may vary by around 2 to 3 percentage points for all components of remuneration. In the event of any future adjustments to the remuneration of the members of the Management Board, the Supervisory Board has decided to make these primarily in the area of variable components in order to increase the proportion of variable remuneration elements.

### Target remuneration



Maximum remuneration was defined for the sum of the abovementioned remuneration components in accordance with Section 87a AktG and amounts to EUR 1,984,000.00 for the chair of the Management Board and EUR 1,050,000.00 for the ordinary members of the Management Board. This includes the fixed base salary, fringe benefits and cap of the variable remuneration components. From January 1, 2024, the maximum remuneration for the chair of the Management Board shall be EUR 3,000,000.00 and EUR 1,500,000.00 for the ordinary members of the Management Board.

Overview of the maximum remuneration of the members of the Management Board:

	Chairman of the Management Board	Ordinary member of the Management Board
Maximum target remuneration according to § 87a para. 1 sent. 2 No. 1 Stock Corporation Act (AktG)	1.984.000€	1.050.000€

### C. Remuneration system components

The total remuneration of the members of the Management Board of SAF-HOLLAND SE for the activities they perform in accordance with their employment contracts consists of non-performance-related fixed and performance-related variable remuneration components. The following provides a summary of the individual remuneration components.

Summary of the remuneration system components and structure:

Remuneration Component	Brief Summary	Purpose and connection to the strategy
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 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>
Fringe benefits	<ul style="list-style-type: none"> <li>Particularly use of company car, subsidies for health and long-term care insurance</li> </ul>	
Short-term variable remuneration	<ul style="list-style-type: none"> <li>As a rule, 50% 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 for the year</li> </ul>
Long-term variable remuneration	<ul style="list-style-type: none"> <li>Grants of virtual share units (Performance Share Unit Plan)</li> <li>Performance targets: <ul style="list-style-type: none"> <li>Development of share price</li> <li>Business performance</li> <li>ESG 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>

## **Non-performance-related fixed remuneration**

### **Fixed annual base salary**

The base salary represents a fixed compensation 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. To counterbalance this, Company introduced a remuneration component in the 2018 financial year that is added to the base salary.

### **Fringe benefits**

The taxable fringe benefits granted to the Management Board consist primarily of the use of company cars and the costs of coverage for occupational accident insurance. Furthermore, D&O insurance cover is provided. In addition, subsidies towards health and pension insurance are paid in accordance with the provisions of social security law.

## **Performance-related variable remuneration**

The variable remuneration paid to members of the Management Board is linked to the performance and aligned towards the short and long-term development of the Company. The variable performance-related remuneration consists of a short-term component and a long-term component. The short-term incentive (STI) relates to performance in the respective financial year, and the long-term incentive (LTI) represents share-based variable remuneration measured on performance over a number of years. The two components are based on different assessment bases and have different performance parameters, corresponding to their respective performance periods. These variable performance-related components are granted on the basis of financial and non-financial performance criteria. Both components of variable remuneration are presented in detail below.

### **Short-term incentive (STI)**

The short-term variable remuneration or short-term incentive (STI) is linked to the measurable performance of the Company over the past financial year and the degree to which individual goals are attained. The STI is calculated using financial and non-financial

performance criteria, which are based on the key performance indicators explained below and individual targets derived from them.

In terms of the corporate targets, the three parameters are Group sales, the Net Working Capital ratio and the adjusted EBIT margin. The share of corporate targets amounts to 75 %. With the help of the individual targets, the individual performance of each Management Board member is taken into account in the remuneration. Individual goals consist of non-financial goals. The individual goals likewise consist of three goals and are weighted at 25 % of the total. Depending on their current relevance and the needs of the Company, various individual sustainability goals are selected from the areas of strategic business development, corporate culture, diversity, employees and leadership, environment and corporate social responsibility.

Overview of the targets and their percentage weighting:

Type of target	Target definition	Weighting in %
Corporate targets	<ul style="list-style-type: none"> <li>- Group sales</li> <li>- Adjusted EBIT</li> <li>- Net Working Capital ratio</li> </ul>	<ul style="list-style-type: none"> <li>- 25%</li> <li>- 25%</li> <li>- 25%</li> </ul>
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>	<ul style="list-style-type: none"> <li>- 25%</li> </ul>
Total amount		<ul style="list-style-type: none"> <li>- 100%</li> </ul>

The Supervisory Board sets the performance targets on the basis of the corporate planning submitted by the Management Board before the beginning of the financial year for which the short-term incentive is granted.

As a rule, a lower limit of 50 % and an upper limit of 125 % apply to target achievement. From 2024, the lower limit shall be set at 75 % and the upper limit at 150 %. Should the sum of the weighted individual target achievement be below 50 % (or from 2024 below 75 %) (threshold), a pro rata target bonus will not be paid. The amount of remuneration payable is calculated by multiplying the percentage of target achievement by the target bonus amount. In the year of joining and leaving the Company, the Management Board member is entitled to a pro rata bonus. This can be fixed at 100 % for the year of entry in the event of entry during the year. The short-term variable remuneration is paid out in the following year of the relevant financial year.

The target achievement factor is calculated from the individual measured target achievement factors based on their weighting. Multiplying the overall target achievement factor by the STI target amount produces the STI payout amount. The above-mentioned lower and upper limits of 50% and 125% (75% and 150% as of 2024) apply. Payment is made at the end of the first quarter of the following financial year for which the respective STI was granted. Prior to payment, it is mandatory that the consolidated financial statements for the financial year are approved by the Supervisory Board.

Calculation of the STI payout:



### Long-term incentive (LTI)

The long-term variable remuneration or long-term incentive (LTI) is a variable share-based remuneration component whose objective is to increase the value of the Company in the long-term. The aim of the LTI is to create a sustainable connection between the interests of the Company's management and senior management with the interests of the shareholders of SAF-HOLLAND SE. This is realised by means of the Performance Share Unit Plan (PSUP) introduced in 2013 that takes into account both company performance and share price performance and, since 2022, also non-financial targets. The PSUP provides for a performance period of four years. With the aid of the PSUP, the interests of the members of the Management Board and the shareholders are to be even more closely aligned with a view to achieving a sustainable increase in the value of the Company. 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 Management Board. In addition, the PSUP ensures long-term commitment of the Management Board to the Company and increases its motivation.

The participants receive virtual shares at the beginning of the performance period.

The number of virtual shares at the beginning of the performance period is determined by dividing the respective grant 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 with a target-achievement factor. The target achievement factor is calculated as the ratio of the average realised corporate performance (adjusted EBIT margin) and the sustainability target during the performance period to the average target value previously set for both targets for the performance period. The weighting of the corporate performance is 80 % and that of the sustainability target 20 %.

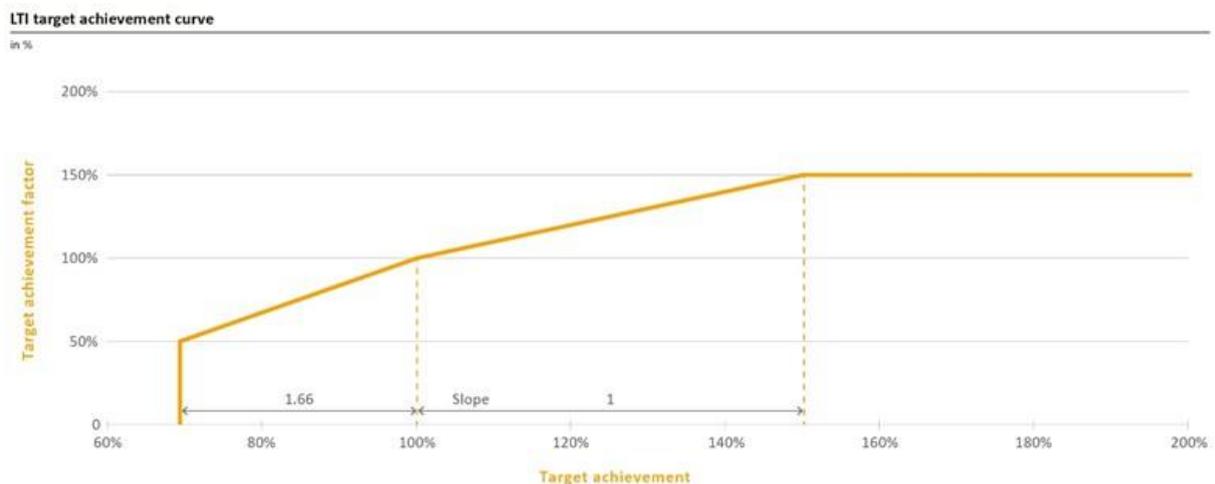
The long-term variable remuneration is paid out with the payroll on the basis of the audited consolidated financial statements.

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.

The calculation of the PSUP payout is as follows:



The prerequisite for exercising appreciation rights is the achievement of a defined performance target. The performance target is fulfilled if during the entitlement period the Group has achieved an average minimum operating performance measured by the performance indicators "adjusted EBIT" and a sustainability target. A level of target achievement that is below 70 % results in a target achievement factor of "0" and no



payout.

A potential payment may be temporarily withheld by the Supervisory Board if imminent and urgent financial factors to which SAF-HOLLAND SE and/or a Group company are exposed make a 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 value of the PSUP is 200 % of the value of the allocation in each case (maximum value). This cap in conjunction with the fixed base salary and the upper limit of 125 % (or 150 % from 2024) of the short-term variable remuneration thus form a maximum limit for the remuneration of members of the Management Board.

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

The loss of all rights under the PSUP is limited to the case of termination for good cause by the Company. If the service contract is terminated for other reasons, a payment is made on the payment date at the amount that the Management Board member is entitled to on the payment date on a pro rata temporis basis. Notwithstanding the above rule, the virtual shares allocated for the years 2019, 2020 and 2021 are vested. This means that they will not be reduced on a pro rata temporis basis if the service contract is terminated before the end of the respective assessment period.

#### **D. Supplementary clauses**

##### **Malus and clawback**

The Supervisory Board is permitted to take into account extraordinary developments and events to an appropriate extent. In such cases, the service contracts with the members of the Management Board provide for a malus and a clawback provision. This applies in particular to the granting of performance-related variable components, and in this respect, mainly to the LTI. In justified cases, entitlements to variable remuneration may be canceled (malus). Another option is to reclaim a payment already made (clawback). If it transpires that a member of the Management Board has intentionally breached a material duty and this breach of duty meets the definition of a "gross breach of duty" justifying their dismissal from the Management Board (Section 84 (3) AktG), the malus or clawback provision may apply.

A gross breach of duty may exist, for example, in the following cases:

- A violation of Section 93 AktG or other legal obligations
- A breach of a material contractual duty
- A violation of the Company's core conduct principles e.g. the Compliance-Policy or SAF-HOLLAND Code of Conduct

It is not necessary for the Company to prove that it has suffered any loss as a result of the breach of duty. Asserting these clawback or malus rights and the extent to which they are exercised lies at the discretion of the Supervisory Board. The clawback or malus rights are also enforceable even if the appointment to the Management Board or the employment relationship has already ended at the time the right is asserted. However, clawback or malus rights are generally not exercised if there has not been any financial loss or reputational harm to the Company. Clawback or malus rights lapse if more than 2.5 years have elapsed since the date of the violation. The defence allowed by Section 818 (3) of the German Civil Code (BGB) is excluded.

If it is not possible to clawback or withhold an amount not exceeding 50 % of the allocated virtual shares under the LTI, or not to the extent required, the Company may also withhold STI payments as a secondary option. However, it is not permitted to clawback any STI payments already granted. Any other claims for damages asserted by the Company against the member of the Management Board shall remain unaffected by the aforementioned provisions.

The assignment or pledging of remuneration claims arising from the service contracts of members of the Management Board is subject to the prior approval of the Supervisory Board.

### **Share ownership guidelines**

In its meeting on March 15, 2022 and after preparation by the Nomination and Remuneration Committee, the Supervisory Board supplemented the existing regulations in the remuneration system with the addition of share ownership guidelines for members of the Management Board. According to these guidelines, the chair of the Management Board is obliged to acquire SAF-HOLLAND shares in the amount of 150 % of base annual remuneration (gross) and each ordinary member of the Management Board in the amount of 100 % of base annual remuneration (gross) and to hold these shares for the duration of their appointment. Existing shareholdings will be taken into account. Virtual shares received by the Management Board member under the long-term incentive (LTI) program are also counted at 50 % towards the aforementioned shareholding requirement. The required shareholding may be built up over a period of

four years. The basis for calculating the value of the shareholding is the purchase price of the shares at the time of acquisition. After the end of the build-up phase, each Management Board member must provide evidence of his shareholding on an annual basis.

The shareholding rules further align the interests of the Management Board as well as the shareholders, and the sustainable and long-term development of SAF-HOLLAND is additionally rewarded.

### **Post-contractual non-competition clause**

The employment contracts of the chair of the Management Board and some of the ordinary members of the Management Board generally contain a post-contractual non-competition clause, which prohibits these members from working for or rendering services to a competitor for a period of one year after leaving the Company. In return, they receive remuneration in accordance with Section 74 (2) (HGB) amounting to 50 % of the last contractual benefits received.

A contractual non-competition clause during the term of the contract generally applies to all members of the Management Board.

### **Contract term**

The term of the service contracts with members of the Management Board is extended for the full duration of their appointment and is prolonged for the duration of any reappointment. Taking into account the requirements of the GCGC, the period of appointment or contract for the first appointment of a Management Board member is generally a maximum of three years. In the case of reappointment, the term of appointment or contract is extended by a maximum of five years, taking into account the requirements of stock corporation law under Section 84 AktG.

In the event of termination of the Management Board office, in particular, by revocation of the appointment or resignation from office, the employment contract shall end automatically upon expiry of a period of three months to the end of the month (“expiry period”) without the need for termination (condition subsequent). The expiry period shall commence upon receipt of the resignation by the respective party to the declaration. In the event of revocation or resignation, the Company may immediately release the Management Board member from the obligation to perform the service while continuing to pay the remuneration.

## **Severance agreement**

Whether a severance payment is granted or not in the event of premature termination of the service contract due to revocation of the appointment to the Management Board or due to any other premature termination lies at the discretion of the Company. Any severance payment is limited to a maximum of two years' total remuneration (i.e. annual base salary, variable short-term incentive (STI) and variable long-term incentive (LTI)). The calculation of the fixed annual remuneration is based on the previous year or the current year. When considering variable remuneration (STI and LTI), the amount of variable remuneration of the previous financial year is to be applied.

No severance payment is made in the event of a termination of a contract with a member of the Management Board for culpable due cause on the part of that member or termination of the contract at the wish of the member of the Management Board.

Severance payments shall be credited against the vesting period.

## **Change of control**

In the event of a change of control, each member of the Management Board has a single right to resign from office upon three months' notice 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. A change of control exists, for example,

- if one or more third parties acquire at least 30 % of the voting rights in the Company through the purchase of shares or in any other way,
- in the case of a merger (Section 2 of the Transformation Act [UmwG]),
- in the event of the transfer of the Company's assets (Section 174 (1) or (2) UmwG),
- in the event of a legal transfer of the main assets to third parties that do not belong to the SAF-HOLLAND Group, or
- upon conclusion of a control agreement by the Company as a dependent company.

## Secondary employment

The acceptance of any secondary employment, whether paid or unpaid, requires the prior written consent of the Company. The same applies to lectures, publications and expert opinions. Also included in this category are appointments to supervisory boards at other companies, advisory boards and honorary offices in organizations in which the Company itself is not a member or similar bodies.

In sum, a member of the Management Board may not hold more than two supervisory board mandates or perform comparable functions in non-Group listed companies and may not chair the supervisory board of a non-Group listed company. This ensures that neither the time involved, nor the remuneration granted conflicts with the tasks to be performed for SAF-HOLLAND SE.

Any consent given to accept such secondary employment or office may be revoked at any time taking any required notice to terminate the secondary employment or office into consideration.

## V.

### Information on Agenda Item 9:

#### Remuneration system for members of the Supervisory Board

##### 1. Wording of the Articles of Association

The remuneration of members of the Supervisory Board is governed by Article 16 of the Company's Articles of Association. Subject to the entry of the amendment to the Articles of Association proposed under Agenda Item 9 in the Company's commercial register, Article 16 reads as follows:

- "1. *Each member of the Supervisory Board shall receive fixed annual remuneration of EUR 50,000.00, the chair of the Supervisory Board EUR 120,000.00, and the deputy chair of the Supervisory Board EUR 70,000.00.*
2. *The chair of the Audit Committee shall receive additional annual remuneration of EUR 25,000.00. Each additional member of the Audit Committee shall receive additional annual remuneration of EUR 10,000.00.*
3. *The chair of each further committee shall receive additional annual remuneration of EUR 20,000.00, and each other member of a further committee shall receive additional annual remuneration of EUR 7,500.00.*

4. *For participation in a meeting of the Supervisory Board, the respective member shall receive an attendance fee of EUR 1,000.00 per meeting. For participation in a meeting of a committee, the respective member shall receive an attendance fee of EUR 500.00 per meeting. For several meetings held on the same day, the attendance fee shall be paid only once. Attendance at a meeting also includes participation in a meeting held by telephone or video conference or participation in a meeting held by telephone or video conference.*
5. *The Company shall ensure that liability insurance exists for the benefit of Supervisory Board members. In addition to the remuneration pursuant to the above paragraphs, the Company shall reimburse Supervisory Board members for expenses reasonably incurred in the exercise of their Supervisory Board office as well as for any value-added tax payable on their remuneration and expenses.*
6. *Supervisory Board members who are members of the Supervisory Board for only part of a financial year or who hold the office of chair or deputy chair of the Supervisory Board shall receive corresponding pro rata remuneration. This shall apply mutatis mutandis to remuneration as chair of a committee.*
7. *The remuneration pursuant to paragraphs 1 and 2 shall become due after the end of the shareholders' meeting which receives the consolidated financial statements relating to the financial year for which the remuneration is paid or decides on their approval."*

## **2. Contribution of remuneration to promoting business strategy and long-term development**

The system complies overall with the requirements of the German Corporate Governance Code as amended on April 28, 2022.

In accordance with the recommendation in G.18 sentence 1 of the German Corporate Governance Code, only fixed remuneration components plus attendance fees and reimbursement of expenses are envisaged for the remuneration of Supervisory Board members, and no variable remuneration elements. The fixed remuneration strengthens the independence of the Supervisory Board members and thus makes an indirect contribution "to the long-term development of the Company" (see Section 87a (1) Sentence 2 No. 2 AktG).

At the same time, the remuneration system incentivizes members of the Supervisory Board to work proactively to "promote business strategy" (see Section 87a (1)

sentence 2 No. 2 AktG) by taking appropriate account, in accordance with G.17 of the German Corporate Governance Code, of the greater time commitment of the chair, who is particularly closely involved in discussing strategic issues (D.5 of the German Corporate Governance Code), and of the deputy chair of the Supervisory Board, as well as of the chair and members of committees.

### 3. Remuneration components

The fixed remuneration components, the base remuneration, the additional remuneration for committee activities and the attendance fee for meeting days and telephone conferences, are summarized as follows (see the existing wording of the Articles of Association):

Remuneration component	Chair	Deputy Chair	Ordinary member	
Base remuneration	EUR 120,000.00	EUR 70,000.00	EUR 50,000.00	
Remuneration component				
Attendance fee per meeting of the Supervisory Board	EUR 1,000.00			
Remuneration component	Chair of the Audit Committee	Ordinary member of the Audit Committee	Chair of another committee	Ordinary member of another committee
Committee activity	EUR 25,000.00	EUR 10,000.00	EUR 20,000.00	EUR 7,500.00
Attendance fee per meeting of a committee	EUR 500.00	EUR 500.00	EUR 500.00	EUR 500.00

In the event that a Supervisory Board member does not belong to the Supervisory Board for the entire financial year, remuneration shall be granted on a pro rata temporis basis. The Company also ensures that liability insurance is taken out for the benefit of members of the Supervisory Board. In addition, the Company reimburses the expenses

reasonably incurred in the exercise of the office. In addition, the Company reimburses any value-added tax payable on remuneration and the reimbursement of expenses.

#### **4. No variable remuneration, no remuneration-related legal transactions**

As the remuneration system does not include any variable remuneration components, disclosures pursuant to Section 87a (1) sentence 2 nos. 4, 6, 7 AktG are not required.

The remuneration of members of the Supervisory Board is set directly in the Articles of Association, so that no contractual remuneration-related legal transactions as defined by Section 87a (1) sentence 2 no. 8 AktG have been concluded.

#### **5. Deferral periods**

The base remuneration and the additional remuneration for the chair of a committee are payable after the end of the Annual General Meeting that receives or decides on the approval of the consolidated financial statements for the financial year for which the remuneration is paid. The remuneration system does not provide for deferral periods for the payment of remuneration components.

#### **6. Consideration of employee remuneration and employment conditions**

A legally binding connection is not enshrined in the Articles of Association, does not correspond to the functional diversity of the non-operating Supervisory Board and would unduly restrict the shareholders' freedom of decision on the remuneration of the Supervisory Board.

#### **7. Determination, implementation and review of the remuneration system**

The remuneration system and the specific remuneration of the members of the Supervisory Board are determined by the Annual General Meeting, which passes resolutions on the remuneration of the members of the Supervisory Board at least every four years in accordance with Section 113 (3) AktG. A confirming resolution is permissible and requires a simple majority of the votes cast. If the Annual General Meeting does not pass a confirming resolution, a revised remuneration system is to be submitted at the next Annual General Meeting for approval by resolution. A material change to the remuneration system anchored in the Articles of Association and the remuneration of members of the Supervisory Board requires a majority resolution equivalent to the majority required to amend the Articles of Association.

The remuneration of the Supervisory Board is regularly reviewed by the management, in particular by the Nomination and Remuneration Committee of the Supervisory Board, which deals with remuneration. In particular, the time required, the scope of the duties to be performed and the financial situation of the Company are taken into account, as well as the compatibility of the remuneration with any new legal requirements, the recommendations of the German Corporate Governance Code, expectations of the capital market and the market appropriateness of the remuneration. If the Management Board and Supervisory Board see cause for change in this respect, they will propose an adjusted remuneration system to the Annual General Meeting. The remuneration system is submitted to the Annual General Meeting for resolution at least every four years.

Conflicts of interest in connection with the remuneration system of the Supervisory Board have not occurred in the past. Any conflicts of interest in connection with the review of the remuneration system are counteracted by the statutory system of competences, as the final decision-making authority on Supervisory Board remuneration is assigned to the Annual General Meeting and a resolution proposal is submitted to it by both the Management Board and the Supervisory Board, i.e., a system of mutual control is already provided for in the statutory regulations. In addition, the general rules for conflicts of interest apply, according to which such conflicts must in particular be disclosed and dealt with appropriately.

In addition, shareholders have the opportunity, subject to the statutory requirements, to make the remuneration system and the remuneration of Supervisory Board members, together with any proposed changes, an agenda item for the Annual General Meeting or to submit corresponding (counter) motions.

## **VI.**

### **Further information and notes**

#### **1. Total number of shares and voting rights at the time of Annual General Meeting convocation**

At the time of convening the Annual General Meeting, the Company's share capital amounted to EUR 45,394,302.00, divided into 45,394,302 no-par value bearer shares with a notional interest in the share capital of EUR 1.00 per share. The Company does not currently hold any treasury shares. At the time of convening the Annual General Meeting, the total number of voting rights thus amounted to 45,394,302.

## 2. Requirements for attending the Annual General Meeting and exercising voting rights

Only those shareholders who have duly registered for the Annual General Meeting and provided proof of their shareholding are entitled to attend the Annual General Meeting and exercise their voting rights.

Registration and proof of share ownership must be in text form (Section 126b BGB) and in the German or English language. Proof of share ownership issued by the ultimate intermediary in accordance with Section 67c (3) AktG shall be sufficient proof of the shareholder's share ownership. The proof of share ownership must refer to the beginning of the 21<sup>st</sup> day prior to the Annual General Meeting, which would be at the beginning of May 2, 2023, 0:00 hours (CEST) (record date). Registration and proof of share ownership must be received by the Company no later than May 16, 2023, 24:00 hours (CEST), using one of the following contact options:

**SAF-HOLLAND SE**

c/o Better Orange IR & HV AG  
Haidelweg 48  
81241 Munich  
Germany

or

by fax: +49 89 8896906-33

or

by email: [anmeldung@better-orange.de](mailto:anmeldung@better-orange.de)

Vis-à-vis the Company, only those persons who have provided proof of share ownership as of the record date shall be deemed shareholders for the purpose of attending the Annual General Meeting and exercising voting rights. The entitlement to participate in the Annual General Meeting and the scope of voting rights are determined solely on the basis of the shareholder's shareholding on the record date. The record date is not associated with any block on the saleability of the shareholding. Even in the event of a full or partial sale of the shareholding after the record date, only the shareholder's shareholding on the record date is relevant for participation in the Annual General Meeting and the scope of voting rights. This means that sales of shares after the record date shall have no effect on the entitlement to participate in the Annual General Meeting or on the scope of voting rights. The same applies to the acquisition of

additional shares after the record date. Persons who do not yet hold any shares on the record date and only become shareholders thereafter are only entitled to attend and vote if they are authorized or have been authorized to exercise their rights. The record date has no significance for dividend entitlement.

Admission tickets to participate in the Annual General Meeting shall be sent to shareholders after the receipt of their registration and proof of share ownership in due form and in a timely manner using one of the above contact options. Unlike registration for the Annual General Meeting and proof of share ownership, the admission tickets are merely organizational aids and not a prerequisite for attending the Annual General Meeting and exercising voting rights. To ensure the timely receipt of the admission tickets, we ask shareholders to request an admission ticket from their custodian bank as early as possible. In these cases, the required registration and proof of share ownership will be provided directly by the custodian bank. Shareholders who have requested an admission ticket from their custodian bank in good time do not need to take any further action.

### **3. Procedure for voting by proxy**

Shareholders may also have their voting rights exercised at the Annual General Meeting by a person assigned with power of attorney, e.g., an intermediary, a shareholders' association, a voting advisor or another person of their choice. If the shareholder authorizes more than one person, the Company may reject one or more of these.

The granting of power of attorney, its revocation and the proof of authorization vis-à-vis the Company must be in text form (Section 126b BGB). Intermediaries as defined by Section 67a (4) AktG, shareholders' associations, proxy advisors or other persons as defined by Section 135 (8) AktG, insofar as they themselves have been granted power of attorney, may require different procedures, which would need to be obtained from them in each case.

The power of attorney may be declared to the proxy or declared or evidenced to the Company. If the power of attorney is granted, amended or revoked by declaration to the Company, the declaration may be addressed to one of the following contact options:

**SAF-HOLLAND SE**  
c/o Better Orange IR & HV AG  
Haidelweg 48  
81241 Munich

Germany

or

by email: safholland@better-orange.de

To be able to clearly assign the power of attorney, the full name or company, place of residence or business address, and admission ticket number of the shareholder must be stated.

Proof of power of attorney may also be furnished by the proxy presenting the power of attorney at the admission check-in on the day of the Annual General Meeting. The revocation of the power of attorney may also be effected by the shareholder personally attending the Annual General Meeting or by issuing a power of attorney to another proxy.

The Company will provide the form that can be used to grant power of attorney together with the admission ticket after registration has been completed. The form for granting power of attorney can also be downloaded from the Company's website at "<https://corporate.safholland.com/en/>" under "Investor Relations" and the heading "General Meeting". Power of attorney forms will also be available during the Annual General Meeting.

Proper registration and proof of share ownership are still required even if a power of attorney has been granted (see Section VI. No. 2 "*Requirements for attending the Annual General Meeting and exercising voting rights*"). This does not preclude the granting of powers of attorney after registration and proof of share ownership.

#### **4. Procedure for voting by company-appointed proxy**

We offer our shareholders the option to be represented by a company-appointed proxy who exercises voting rights exclusively in accordance with the instructions of the respective shareholder. In addition to the power of attorney, these company-appointed proxies must also be given instructions on how to exercise voting rights. They cannot exercise voting rights at their own discretion but only upon instructions issued by the shareholder. If no explicit instructions have been issued, or if the instructions are contradictory or unclear, the company-appointed proxy shall abstain from voting on the relevant resolution items; this also always applies to other motions. If an individual vote is to be held on an agenda item without this having been communicated in advance of the Annual General Meeting, an instruction on this agenda item as a whole shall also be

deemed to be a corresponding instruction for each item on the individual vote. Please note that company-appointed proxies cannot accept instructions to speak, ask questions, propose motions, or make statements for the record, either in advance of or during the Annual General Meeting. Company-appointed proxies may also not exercise any other shareholder rights, with the exception of exercising voting rights.

The authorization of company-appointed proxies and the issue of instructions must be in text form (Section 126b of the German Civil Code [BGB]). The same applies to the amendment or revocation of the proxy or the instructions. The power of attorney and instruction form for company-appointed proxies is printed on the admission ticket sent to shareholders after the registration and proof of share ownership have been received by the Company in due form and on time. A corresponding proxy and instruction form can also be downloaded from the Company's website at "<https://corporate.safholland.com/en/>" under "Investor Relations" and the heading "General Meeting".

The granting of power of attorney to company-appointed proxies, the issue of instructions, or their amendment or revocation must be received by the Company no later than May 22, 2023, 24:00 hours (CEST) using one of the following contact options:

**SAF-HOLLAND SE**

c/o Better Orange IR & HV AG

Haidelweg 48

81241 Munich

Germany

or

by email: [safholland@better-orange.de](mailto:safholland@better-orange.de)

After the close of May 22, 2023, 24:00 hours (CEST), shareholder attending the Annual General Meeting or their proxies may issue powers of attorney and instructions to company-appointed proxies on-site until the opening of voting at the Annual General Meeting by submitting a power of attorney and instruction form at the meeting's entrance and exit check.

The authorization of company-appointed proxies does not preclude personal participation in the Annual General Meeting. If a shareholder wishes to attend and exercise his or her shareholder rights in person or through another proxy despite having

already authorized a company-appointed proxy, attendance in person or attendance through a proxy shall be deemed to be a revocation of the authorization of the company-appointed proxy.

Proper registration and proof of share ownership are also required when authorizing company-appointed proxies (see Section VI. No. 2 "*Requirements for attending the Annual General Meeting and exercising voting rights*").

## 5. Information on other shareholder rights

- a) Additions to the agenda at the request of a minority pursuant to Article 56 sentence 2 and sentence 3 SE Regulation., Section 50 (2) SEAG, and Section 122 (2) AktG

Pursuant to Article 56 sentence 2 and sentence 3 SE Regulation and Section 50 (2) SEAG, which corresponds in content to Section 122 (2) sentence 1 AktG, shareholders whose shares alone or together reach the pro rata amount of EUR 500,000.00 of the share capital (this corresponds to 500,000 shares) may request that items be placed on the agenda and published. Each new item must be accompanied by a statement of reason or by a draft resolution. The request must be addressed in writing to the Management Board of the Company and must be received by the Company in accordance with Section 122 (2) sentence 3 AktG at least 30 days before the Annual General Meeting, i.e., no later than April 22, 2023, 24:00 hours (CEST). Requests for additions received later than this time will not be considered. Such requests should be addressed to the following:

### **SAF-HOLLAND SE**

The Management Board  
Hauptstraße 26  
63856 Bessenbach  
Germany

A 90-day holding period prior to the date of the Annual General Meeting as required by Section 122 (1) sentence 3 AktG is not set as a prerequisite for applying to add a further item to the Annual General Meeting agenda of an SE in keeping with Section 50 (2) SEAG.

Any additional agenda items subject to mandatory public announcement will be published in the German Federal Gazette without delay after they are received and forwarded to those media channels for publication where it can be expected

that they disseminate information throughout the European Union. They will also be published on the Company's website at "<https://corporate.safholland.com/en/>" under "Investor Relations" and the heading "General Meeting" and communicated to shareholders in accordance with Section 125 (1) sentence 3 AktG.

- b) Countermotions and election proposals from shareholders pursuant to Sections 126 (1) and 127 AktG

Each shareholder is entitled to submit countermotions to the resolutions proposed by the management on the agenda items and to make proposals for the election of members of the Supervisory Board or auditors. Such motions and election proposals (together with any reasons) are to be sent only to one of the following contact options:

**SAF-HOLLAND SE**

c/o Better Orange IR & HV AG  
Haidelweg 48  
81241 Munich  
Germany

or

by fax: +49 89 8896906-55

or

by email: [antraege@better-orange.de](mailto:antraege@better-orange.de)

Countermotions and election proposals addressed otherwise will not be considered.

Countermotions and election proposals received by the Company no later than May 8, 2023, 24:00 hours (CEST), will be made available to the other shareholders without delay via the Company's website at "<https://corporate.safholland.com/en/>" under "Investor Relations" and the heading "General Meeting". The publication of countermotions and election proposals will include the name of the shareholder and any reasons given. Any comments by the management will also be published under the heading "General Meeting". A countermotion and any statement of reason need not be made

available under the conditions of Section 126 (2) AktG. Section 126 AktG applies mutatis mutandis to a shareholder's proposal for the election of members of the Supervisory Board or auditors pursuant to Section 127 AktG. In addition, election proposals pursuant to Section 127 AktG shall only be made accessible if they contain the information pursuant to Section 124 (3) sentence 4 AktG and Section 125 (1) sentence 5 AktG.

Important to note is that countermotions and election proposals that were submitted to the Company in advance and in due time will only be considered by the Annual General Meeting if they are made verbally at the meeting. The right of shareholders entitled to participate to submit countermotions and election proposals on agenda items during the Annual General Meeting without prior communication to the Company remains unaffected.

c) Right to information pursuant to Section 131 AktG

At the Annual General Meeting, each shareholder or proxy may request information from the Management Board on the Company's affairs to the extent that such information is necessary for a proper evaluation of an agenda item (Section 131 (1) AktG).

The duty to provide information also extends to the legal and business relations of the Company with an affiliated company and to the situation of the Group and the companies included in the consolidated financial statements. The Management Board may refuse to provide information on the grounds set out in Section 131 (3) AktG.

Pursuant to Article 20 (3) of the Company's Articles of Association, the chair of the meeting is authorized to impose reasonable time limits on shareholders' rights to speak and ask questions.

d) Other explanations

Other explanations on the rights of shareholders pursuant to Article 56 sentences 2 and 3 SE Regulation, Section 50 (2) SEAG, and Sections 122 (2), 126 (1), 127, 131 (1) AktG are available on the Company's website at "<https://corporate.safholland.com/en/>" under "Investor Relations" and the heading "General Meeting".

## 6. Data privacy for shareholders and their proxies

As the responsible party as defined by Article 4 No. 7 of Regulation (EU) 2016/679 of the European Parliament and of the Council of April 27, 2016 on the protection of individuals with regard to the processing of personal data, on the free movement of such data and repealing Directive 95/46/EC (General Data Protection Regulation – “GDPR”), the Company processes personal data (surname and first name and address; email address, if applicable; the number of shares, class of shares, type of share ownership, admission ticket number, unique identifier issued to the shareholder by the ultimate intermediary, the vote cast at the Annual General Meeting, number of the shareholder's securities account, the content of the questions asked by the shareholder and the content of their answers, and speeches; if applicable, the surname, first name and address of the proxy appointed by the respective shareholder or of the third party nominated by the shareholder and its the Legal Entity Identifier (LEI code) provided by the ultimate intermediary, the granting of power of attorney to it, and any objection raised to resolutions of the Annual General Meeting) on the basis of the data protection provisions applicable in Germany in order to enable shareholders and their proxies to exercise their rights at the Annual General Meeting.

The Company is represented by the members of its Management Board Alexander Geis and Frank Lorenz-Dietz. The Company can be contacted using the following contact options:

**SAF-HOLLAND SE**  
Hauptstraße 26  
63856 Bessenbach

or

by phone: +49 (0)6095/301-0

or

by email: [info@safholland.de](mailto:info@safholland.de)

Insofar as this personal data was not provided by the shareholders as part of their registration for the Annual General Meeting, their custodian bank holding their securities account or the respective ultimate intermediary as defined by Section 67c (3) AktG shall transmit their personal data to the Company. The personal data of

shareholders and their proxies shall be processed exclusively for the purpose of handling their participation in the Annual General Meeting and only to the extent absolutely necessary to achieve this purpose. The legal basis for this processing is Article 6 (1) lit. (c) GDPR in conjunction with Section 67e (1) AktG. The Company shall store this personal data only for as long as is necessary for the aforementioned purpose or insofar as the Company is entitled or obliged to store personal data on the basis of legal requirements. For data collected in connection with the Annual General Meeting, the storage period is typically up to three years. If a shareholder is no longer a shareholder of the Company, the Company will only store his or her personal data for a maximum of twelve months on the basis of Section 67e (2) sentence 1 AktG and subject to other statutory provisions. Longer storage by the Company is also permissible as long as this is necessary for legal proceedings; the legal basis in this respect is Section 67e (2) sentence 2 AktG, where applicable in conjunction with Article 6 (1) sentence 1 lit. f) GDPR.

The Company's service providers commissioned for the purpose of organizing the Annual General Meeting, receive only the personal data from the Company that is required for the performance of the commissioned service. These service providers process the data exclusively on behalf of and in accordance with the instructions of the Company (Article 28 GDPR).

In other respects, personal data will be made available to shareholders and their proxies as well as to third parties in connection with the Annual General Meeting within the framework of the statutory provisions. In particular, shareholders and their proxies attending the Annual General Meeting will be entered in the list of attendees of the Annual General Meeting to be drawn up pursuant to Section 129 (1) sentence 2 AktG, stating their name, place of residence, number of shares and type of ownership. This data may be inspected by other shareholders and participants in the Annual General Meeting during the Annual General Meeting and by shareholders for up to two years thereafter in accordance with Section 129 (4) sentence 2 AktG. With regard to the transmission of personal data to third parties in connection with the announcement of shareholder requests for additions to the agenda as well as countermotions and election proposals by shareholders, reference is made to the above explanations in Section VI. No. 5 "*Information on further rights of shareholders*".

With regard to the processing of personal data, shareholders and their proxies may request from the Company access to their personal data pursuant to Article 15 GDPR, rectification of their personal data pursuant to Article 16 GDPR, erasure of their personal data pursuant to Article 17 GDPR, restriction of the processing of their personal data

pursuant to Article 18 GDPR and transfer of certain personal data to them or to a third party designated by them (right to data portability) pursuant to Article 20 GDPR.

**Information on the right to object to processing pursuant to Article 6 (1) sentence 1 lit. f) GDPR**

Shareholders and their proxies have the right to object at any time, on grounds relating to their particular situation, to the processing of personal data relating to them which is carried out based on Article 6 (1) sentence 1 lit. f) GDPR (Article 21 (1) GDPR). The personal data concerned shall then no longer be processed by the controller unless the controller can demonstrate compelling legitimate grounds for the processing which override the interests, rights and freedoms of the respective shareholder or authorized representative, or the processing serves the purpose of asserting, exercising or defending legal claims.

Shareholders and their proxies may exercise these rights free of charge vis-à-vis the Company by using one of the following contact options:

**SAF-HOLLAND SE**  
Hauptstraße 26  
63856 Bessenbach

or

by email: [datenschutz@safholland.de](mailto:datenschutz@safholland.de)

In addition, pursuant to Article 77 GDPR, shareholders and their authorized representatives shall have a right of appeal to the data protection supervisory authority, in particular of the (federal) state in which they are domiciled or have their permanent place of residence, or of the federal state of Bavaria in which the Company has its registered office.

You can reach our company data protection officer at:

**SAF-HOLLAND SE**  
Hauptstraße 26  
63856 Bessenbach

or

by email: [datenschutz@safholland.de](mailto:datenschutz@safholland.de)

**7. Website on which the information pursuant to Section 124a AktG is accessible**

This invitation to the Annual General Meeting, the documents to be made available to the Annual General Meeting and further information in connection with the Annual General Meeting can be accessed via the Company's website at "<https://corporate.safholland.com/en/>" under "Investor Relations" and the heading "General Meeting" as of the convening of the Annual General Meeting.

Any countermotions, election proposals and requests for additions from shareholders received by the Company and subject to publication will also be made available on the above website. The results of the voting will also be published under the heading "General Meeting" subsequent to the Annual General Meeting.

Bessenbach, April 2023

**SAF-HOLLAND SE**

**The Management Board**

**Information on Agenda Item 6: Information on the candidate proposed for election to the Supervisory Board Ms. Jurate Keblyte**



**Jurate Keblyte**

Member of the Supervisory Board of SAF-HOLLAND SE (since 04/2023)  
 Candidate for election until the end of the Annual General Meeting 2024

<b>Personal details</b>	Date of birth: December 8, 1975  Place of birth: Sakiu (Lithuania)  Nationality: German
<b>Main activity</b>	GRAMMER AG (since 08/2019) <ul style="list-style-type: none"> <li>• Member of the Management Board and CFO</li> </ul>
<b>Professional career</b>	
Since 2019	GRAMMER AG, Ursensollen <ul style="list-style-type: none"> <li>• Member of the Management Board and CFO</li> </ul>
2018 – 2019	Baltics Yachts OY Ab Ltd., Jakobstad (Finland) <ul style="list-style-type: none"> <li>• Chief Financial and Operating Officer (CFOO)</li> </ul>

2017	<p>Elcomax GmbH, Munich</p> <ul style="list-style-type: none"> <li>• Member of the Management Board and CFO</li> </ul>
2010 – 2017	<p>KUKA AG, Augsburg</p> <ul style="list-style-type: none"> <li>• Member of the Management Board and CFO of KUKA Robotics Division (2013-2017)</li> <li>• Director Finance &amp; Controlling (2012-2013)</li> <li>• Director Controlling (2010-2012)</li> </ul>
2001 – 2010	<p>Giesecke &amp; Devrient GmbH, Munich</p> <ul style="list-style-type: none"> <li>• Head of Controlling, Division Banknote Printing (2005-2010)</li> <li>• Controlling, Division Banknote Printing (2003-2005)</li> <li>• Project Controlling, Business Unit Cards (2001-2003)</li> </ul>
<b>Mandates in listed companies</b>	None
<b>Mandates in non-listed companies</b>	<p>Ottobock SE &amp; Co. KGaA (since 06/2021)</p> <ul style="list-style-type: none"> <li>• Member of the Supervisory Board</li> <li>• Chairwoman of the Audit Committee</li> </ul> <p>HAWE Hydraulik SE (since 06/2019)</p> <ul style="list-style-type: none"> <li>• Member of the Supervisory Board</li> </ul>
<b>Mandates in Group companies</b>	None
<b>Education</b>	<p>Master of Science in Management, Economics – Kaunas University of Technology (Lithuania)</p> <p>DESS Project- and Process Management – Université d'Angers (France)</p>

