

## REMUNERATION REPORT 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 (Wilfried 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" on page 39).

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" on page 37).

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> <li>Provides an incentive to board members to focus on successfully implementing the business priorities for the year</li> <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>
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>	
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>	

**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 the 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	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 entire Group 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 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.

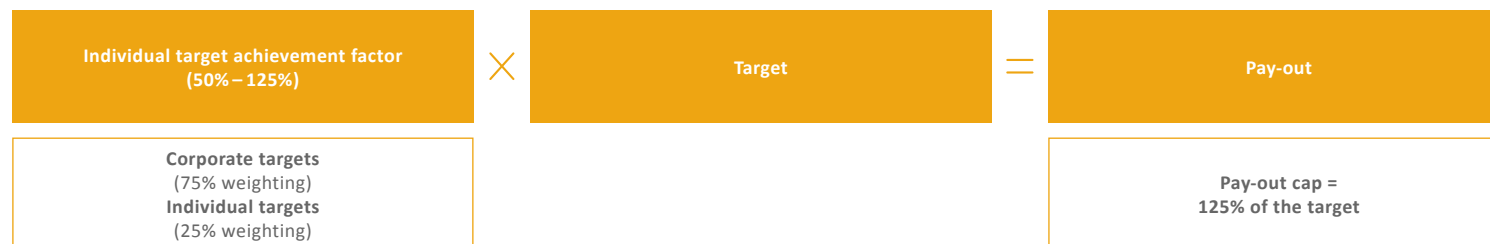
**Overview of the targets and their percentage weighting:**

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			Target achievement	Actual achievement
	Focus area	Specific target		
Alexander Geis (CEO) Since March 1, 2019	Business development	Project planning and development for new plant (India) with higher capacity	100%	125%
	Project innovation	Global launch of a new type of axle	100%	100%
	CSR	Adaption of CSR reporting to meet CSRD requirements	100%	125%
Dr. André Philipp (COO) since January 1, 2019	CSR	Creation of a global CO <sub>2</sub> database	100%	125%
	Business development	Project Sprint – construction of a new plant in Mexico	100%	125%
	CSR	Adaption of CSR Reporting to meet CSRD requirements	100%	125%
Wilfried Trepels (CFO) since May 16, 2022	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 In EUR	Payout amount In EUR	
Alexander Geis – CEO	Corporate targets	Group sales (EUR m)	1,261.40	1,287.20	1,300.80	1,326.6	0.25	1,561.10	125	31.25			
		Adjusted EBIT margin (in %)	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			
						100%				<b>114.58</b>	<b>331,000</b>	<b>379,260<sup>2</sup></b>	
	André Philipp – COO	Corporate targets	Group sales (EUR m)	1,261.40	1,287.20	1,300.80	1,326.6	0.25	1,561.10	125	31.25		
			Adjusted EBIT margin (in %)	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			
						100%				<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 <sup>1</sup> – CFO	Due to the resignation of Inka Koljonen as of January 1, 2022, no new targets were agreed upon.												

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

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

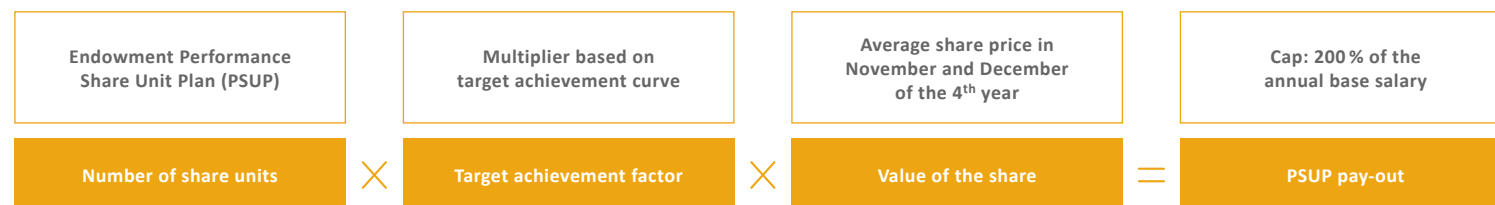
Participants receive phantom share units at the beginning of the performance period. With the existing LTI program, the remuneration system fulfills, from the perspective of the Supervisory Board, the requirements of comparable share ownership guidelines for the following reasons: (1) The performance 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.

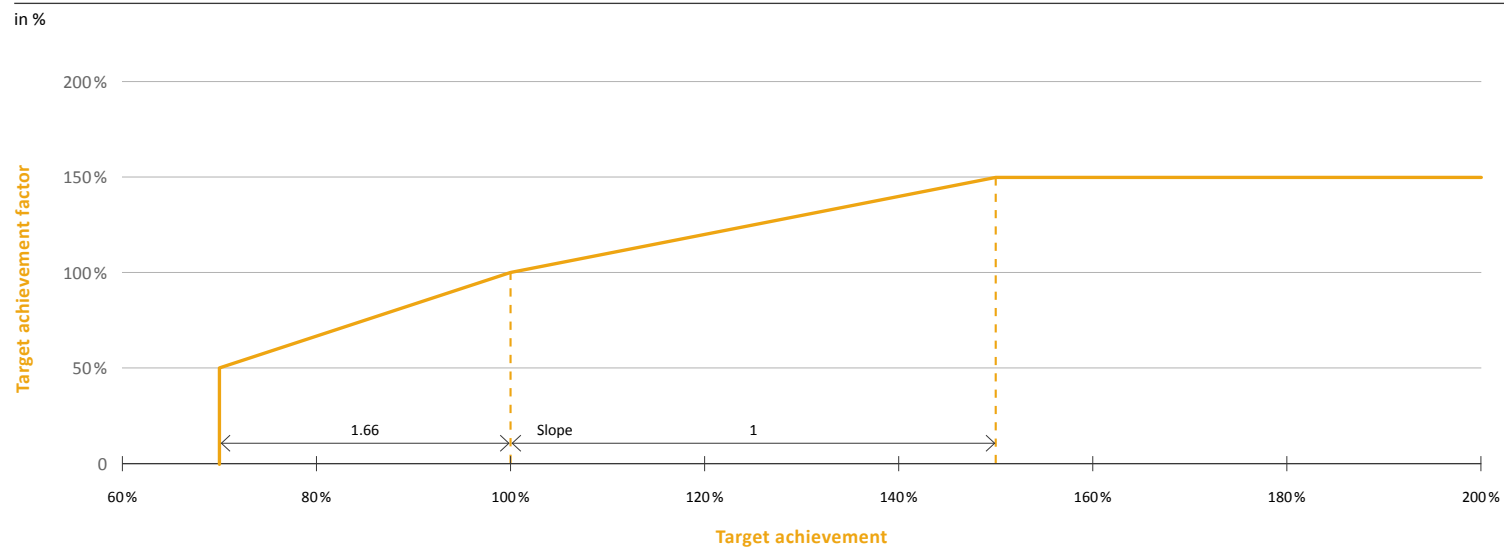
The amount of the participants' payment entitlement is determined by multiplying the phantom shares with the average share price during the last two months of the performance period and the target achievement factor.

#### 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.

#### LTI target achievement curve



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

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

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

The loss of all rights under the PSUP occurs only in the case of extraordinary termination by the Company. In the event of termination of the employment contract for any other reason, payment shall be made at the time of payment in the amount 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
Earnings-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 EUR	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 stock-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 chairperson 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)**

Supervisory Board member	Components of total remuneration												Total remuneration	
	Fixed remuneration of Supervisory Board as a whole (% of total remuneration)				Committee work remuneration (% of total remuneration)				Attendance fees (% of total remuneration)				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>

## 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 TO 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  
(German Public Auditor)

ppa. Richard Gudd  
Wirtschaftsprüfer  
(German Public Auditor)