



Corporate Governance Statement

pursuant to Sections 289f and 315d HGB

In this declaration, the Management Board and the Supervisory Board report on corporate governance at SAF-HOLLAND SE for the financial year from January 1, 2021, to December 31, 2021, in accordance with Sections 289f and 315d of the German Commercial Code (HGB) and Principle 22 of the German Corporate Governance Code in the version from December 16, 2019.

At SAF-HOLLAND, corporate governance stands for responsible management and supervision aimed at sustainable value creation that includes all divisions of the SAF-HOLLAND Group. Transparent reporting and corporate communications, corporate governance aligned to the interests of all stakeholders, cooperation based on trust between the Management Board, Supervisory Board and employees, and compliance with applicable law are the cornerstones of this corporate culture.

I. General information

SAF-HOLLAND SE has the legal form of a European Company (*Societas Europaea*, SE). As an SE with its registered office in Germany, SAF-HOLLAND SE is subject to European and German SE regulations and is subject to German stock corporation law. As a company listed on the stock exchange in Germany, the corporate governance of SAF-HOLLAND SE is based on the latest version of the German Corporate Governance Code. Corporate governance is determined by the Articles of Association, Rules of Procedure and internal policies.

SAF-HOLLAND SE has a dualistic management system, which provides for a strict personal and functional separation between the Management Board as the management body and the Supervisory Board as the supervisory body (two-tier board). The Management Board is responsible for managing the Company, while the Supervisory Board supervises and advises the Management Board. Both bodies work closely together in a spirit of trust for the benefit of the Company.

SAF-HOLLAND SE is a financial holding without business operations of its own. The management of the Company's business by the Management Board focuses primarily on the strategic orientation of SAF-HOLLAND and the supervision of the operations of each of its direct and indirect operating subsidiaries.

II. Declaration of Compliance with the German Corporate Governance Code

As of March 15, 2022, the Management Board and Supervisory Board of SAF-HOLLAND SE have adopted the following declaration in accordance with Section 161 (1) sentence 1 of the German Stock Corporation Act (AktG):



Declaration of Compliance by the Management Board and the Supervisory Board of SAF-HOLLAND SE concerning the recommendations of the “Government Commission German Corporate Governance Code” in accordance with Section 161 AktG

The Management Board and Supervisory Board of SAF-HOLLAND SE (the “Company”) hereby declare in accordance with Section 161 AktG that the Company has complied with the recommendations of the “Government Commission German Corporate Governance Code” issued on December 16, 2019 (“GCGC”) as published by the Federal Ministry of Justice and Consumer Protection in the official section of the Federal Gazette (Bundesanzeiger) on March 20, 2020, since March 22, 2021, the date on which a declaration of compliance was last issued, apart from the following exceptions:

- **Recommendation B.5 GCGC (age limit for members of the Management Board):** According to Recommendation B.5 GCGC, an age limit should be specified for members of the Management Board. This recommendation was not complied with over the entire reporting period. Due to the age structure of the Management Board and the terms of the service contracts of its members, the introduction of an age limit had no practical implications to date. However, at its meeting on March 22, 2021 the Supervisory Board set an age limit of 65 years.
- **Recommendation G.1, first bullet point GCGC (determination of maximum remuneration):** According to the first bullet point of Recommendation G.1 GCGC, the remuneration system should, among other things, specify a maximum remuneration for each individual member of the Management Board. This recommendation has so far been complied with in substance, but not formally over the entire reporting period. The upper limits of the variable components have been calculated to date as maximum percentage limit of the target value for variable remuneration and not been presented in absolute figures. The Supervisory Board of the Company approved a new remuneration system for the members of the Management Board effective March 22, 2021, which was approved by the Annual General Meeting on June 10, 2021, in accordance with Section 120a (1) AktG, and that presents the upper limits on remuneration and therefore fully complies with the recommendations of the GCGC. The new remuneration system applies to all service contracts signed or prolonged with members of the Management Board on or after March 22, 2021, and also to all current service contracts in place with members of the Management Board.

The Management Board and Supervisory Board of the Company declare their intention to fully comply with the recommendations of the GCGC in the future.

Bessenbach, March 15, 2022

The Management Board

The Supervisory Board



The Declaration of Compliance is available on the website of SAF-HOLLAND at <https://corporate.safholland.com/en/company/about-us/corporate-governance/declaration-of-compliance>. The declarations of compliance for the last five years (all of which have been issued voluntarily) can also be viewed at this address.

III. Management Board of SAF-HOLLAND SE

The Management Board manages the Company on its own responsibility with the aim of creating sustainable value and in the interest of the Company, taking into account the interests of the shareholders, employees and other groups associated with the Company (stakeholders).

1. Overview

In accordance with Art. 8 (1) sentence 1 of the Articles of Association, the Management Board of SAF-HOLLAND SE comprises of at least two persons. The Supervisory Board may set a higher number of Management Board members. The members of the Management Board are appointed by the Supervisory Board. As of December 31, 2021, the Management Board consisted of three members. The Management Board has not established any committees.

The Management Board determines the Company's business policy and develops the Company's strategic direction, coordinates this with the Supervisory Board and ensures its implementation. The Management Board also ensures compliance with the legal provisions and the Company's internal policies. The Management Board also ensures appropriate risk management and risk controlling within the Company.

Members of the Management Board are obliged to act in the interests of the Company and may not pursue any personal interests in their decisions. In particular they may not exploit any business opportunities to which the Company is entitled for themselves. They may only undertake ancillary activities, in particular supervisory board mandates outside the SAF-HOLLAND Group, with the approval of the Supervisory Board. Each member of the Management Board is obliged to disclose conflicts of interest to the Supervisory Board without delay and to inform the other members of the Management Board. No conflicts of interest were reported in the 2021 financial year. While employed by SAF-HOLLAND, members of the Management Board are subject to a comprehensive non-competition clause.

2. Composition

As of December 31, 2021, the Management Board of SAF-HOLLAND SE comprised the following members:

- **Alexander Geis** (*1974)
 - Chairman of the Management Board and Chief Executive Officer
 - First appointment (effective date): July 1, 2020
 - Appointed until: June 30, 2023
 - Appointments to statutory supervisory boards or comparable German or foreign supervisory bodies of business enterprises (as of December 31, 2021): none
- **Inka Koljonen** (*1973)
 - Member of the Management Board and Chief Financial Officer (until January 31, 2022)
 - First appointment (effective date): September 1, 2020
 - Appointed until: August 31, 2023, resigned on January 31, 2022
 - Appointments to statutory supervisory boards or comparable German or foreign supervisory bodies of business enterprises (as of December 31, 2021): none
- **Dr. André Philipp** (*1969)
 - Member of the Management Board and Chief Operating Officer
 - First appointment (effective date): July 1, 2020
 - Appointed until: June 30, 2023
 - Appointments to statutory supervisory boards or comparable German or foreign supervisory bodies of business enterprises (as of December 31, 2021): none

The curricula vitae of the members of the Management Board are published on SAF-HOLLAND's website at <https://corporate.safholland.com/en/company/management/management-board> required. Information on the remuneration of the members of the Management Board can be found in the Annual Report 2021 in the Remuneration Report.

a) Targets for female representation on the Management Board and at senior management level below the Management Board

In accordance with Section 111 (5) AktG in conjunction with Section 9 (1) c) ii) of the Council Regulation on the Statute for a European Company, the Supervisory Board has set a target for female representation on the Management Board of SAF-HOLLAND SE of at least 25.00 per cent and determined that this target must be achieved by the end of June 30, 2025.

With regard to female representation at the management level below the Management Board of SAF-HOLLAND SE, the Management Board has set a target in accordance with Section 76 (4) AktG in conjunction with Section 9 (1) lit. c) ii) Council Regulation on the Statute for a European Company of 22.22 per cent and determined that this target must be achieved by the end of June 30, 2025.

The management level below the Management Board of the Company consists of the employees of SAF-HOLLAND SE who hold the job title "Vice President" or "Director". This management level



currently includes nine employees, of whom three are female (this corresponds to a share of 33.33 per cent). As SAF-HOLLAND SE has a small number of employees and a flat management structure, there is only one management level below the Management Board of the Company, so that a target figure for female representation was only set for this management level.

The aforementioned targets were achieved in the 2021 financial year in each case.

b) Diversity concept for the Management Board

The composition of the Management Board is based on the members' professional qualifications for the assumed area of responsibility, their proven leadership experience and their achievements and knowledge demonstrated thus far. In addition to these criteria, the Supervisory Board also pays attention to the diversity of the Management Board when making new appointments. The Management Board understands this as mutually complementary, different profiles and characters of the candidates, their expertise and experience, the knowledge of different cultures, educational and professional backgrounds as well as age and gender.

The members of the Management Board are expected to meet the following profile:

- Members of the Management Board should have many years of management experience, ideally with experience from different activities.
- The Management Board as a whole should have management experience in an international context.
- The Management Board should have members with solid experience in the fields of production, finance and sales but also in the fields relevant to the respective product segment.

For all appointments considering all circumstances, the Supervisory Board also decides on a case-by-case basis which personality should join the Management Board and considers the best possible composition of a complementary leadership team.

All of the above criteria have been fulfilled or will be observed. The composition of the Management Board of SAF-HOLLAND SE meets the requirements of the diversity concept expected of the Management Board.

The age limit for members of the Management Board of SAF-HOLLAND SE is set at 65 years (recommendation B.5. of the German Corporate Governance Code in the version issued on December 16, 2019).

c) Long-term succession planning

The topic of long-term succession planning on the Management Board is addressed regularly by the Supervisory Board, together with the Management Board (at least once a year and more frequently if required). For example, the succession planning for the Management Board was discussed at the meeting of the Supervisory Board in September 2021 within the framework of the annual performance review of the Management Board.

3. Working procedures of the Management Board

The Supervisory Board has issued Rules of Procedure for the Management Board, which inter alia includes the business allocation plan with the division of departments between the individual members of the Management Board. The responsibilities of the members of the Management Board as of December 31, 2021, were as follows:

Member of the Management Board	Responsibilities
Alexander Geis – CEO	<ul style="list-style-type: none"> • Group Management Board • Strategy • Compliance • Global Key Accounts • Global Human Resources incl. Regions • Global Sourcing • M&A • Collaboration Supervisory Board • Internal/ External Communication • Digital strategy • Regions • R&D and Innovation
Inka Koljonen – CFO	<ul style="list-style-type: none"> • Global Finance incl. Regions • Group Consolidation, Controlling & Tax • Group Treasury & Accounting • Global IT incl. Regions • Strategic Projects • Collaboration Supervisory Board • Investor Relations, Corporate & ESG Communications • Compliance • Legal • Corporate Audit Services • Data Protection

Dr. André Philipp - COO	<ul style="list-style-type: none"> • Global Operations • Global Manufacturing • Global HSEQ • Global Lean • Global Capex • Operations EMEA • Operations Americas • Operations APAC • CSR
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The Rules of Procedure set out the principle of joint responsibility of the Management Board for the overall management of the Company and the responsibility of the full Management Board for certain matters of particular importance and scope. In all other respects, each member of the Management Board is responsible for managing the area of responsibility assigned to him or her in accordance with the business allocation plan. The Chairman of the Management Board coordinates the areas of responsibility objectively among each other. At the same time, the Chairman is responsible for monitoring the individual areas of responsibility within the Management Board. In particular, the Chairman must ensure that the management of the areas of responsibility is uniformly aligned with the goals and plans set by the resolutions of the Management Board.

The members of the Management Board are obliged to inform each other on an ongoing basis, in particular at the meetings of the Management Board, about important transactions, plans, developments and measures in their area of responsibility, as well as about special risks or impending losses.

As a rule, the Management Board passes its resolutions at face-to-face meetings. The Management Board meets regularly – usually every four weeks. Meetings must be held when the interests of the Company require it or when a member of the Management Board requests that a meeting be called.

By order of the Chairman of the Management Board, meetings may also be held in the form of a telephone conference or by other electronic means (especially video conference) and individual members of the Management Board may be connected by telephone or by other electronic means if no member of the Management Board immediately objects to this procedure. In such cases, resolutions may be adopted by telephone or by other electronic means of communication.

As an exception, resolutions may also be adopted outside meetings in writing, orally, by telephone, by fax, by email or by some other customary means of communication, or in a combination of these forms, or in a combination of a meeting and the adoption of a resolution outside a meeting, if a member of the Management Board requests and no other member of the Management Board immediately objects to this procedure. If a member of the Management Board has not participated in such a resolution, he or she must be immediately informed of the resolutions adopted.



A Management Board comprising two members only has a quorum when both members participate in the vote to pass the resolution. A Management Board comprising three or more members only has a quorum when at least half the members participate in the vote to pass the resolution.

The Management Board meetings are convened, coordinated and chaired by the Chairman of the Management Board. In the event that the Chairman is absent or prevented from attending, he is deputised by the Chief Operating Officer.

Where possible, resolutions of the Management Board are passed unanimously. If the Management Board only consists of two members, it may only pass resolutions by unanimous vote. If unanimity cannot be reached, the resolution shall be adopted by a simple majority of the votes cast, unless other majorities are mandatory by law, the Articles of Association of the Company or the Rules of Procedure for the Management Board. In the event of a tie, the Chairman of the Management Board shall have the casting vote. This does not apply if and as long as the Management Board consists of just two members.

Minutes are taken of the meetings and resolutions of the Management Board and these are signed by the Chairman of the Management Board and the keeper of the minutes.

Each member of the Management Board is entitled to invite individuals who are not members of the Management Board to discuss individual items unless the full Management Board objects.

4. Cooperation with the Supervisory Board

The Management Board and the Supervisory Board work closely together in a spirit of trust for the benefit of the Company.

The Management Board informs the Supervisory Board regularly, promptly and comprehensively in written or verbal form about all issues relevant for SAF-HOLLAND regarding its strategy, business planning and the situation of the Company, the development of its business, its risk position and risk management, as well as compliance, and also about any deviations in the course of business from the established plans and targets and the reasons for this. The Supervisory Board monitors and advises the Management Board regarding the management of the Company. The Supervisory Board is directly involved in all decisions of fundamental importance.

The Supervisory Board has defined the duties of the Management Board to provide information and report to the Supervisory Board in an information policy.

For transactions and measures of fundamental importance, the Supervisory Board has defined the cases that require Supervisory Board approval and laid these down in the Rules of Procedure for the Management Board. In addition, the Supervisory Board may, by resolution, make other transactions or measures not listed in the Rules of Procedure for the Management Board subject to approval by the Supervisory Board.

5. Corporate governance practices

a) Compliance system and comprehensive Code of Conduct

Corporate integrity has the highest priority at SAF-HOLLAND. For this reason, the Group views compliance not merely as the act of adhering to the applicable national and international laws and regulations. Rather, SAF-HOLLAND sees itself as under an obligation to uphold ethical and moral values. For this reason the company has established a Compliance department to help employees and managers meet these requirements. The various compliance processes are laid out in the process management manual.

The Compliance & Legal Affairs department oversees compliance management and reports directly to the Chief Financial Officer. The design and effectiveness of the measures and processes are also the subject of reviews conducted by the Internal Audit department. The Management Board is responsible for the compliance of compliance-relevant measures and processes, legal requirements and the Company's internal guidelines. Within the Supervisory Board it is primarily the Audit Committee that regularly addresses compliance issues, ensuring a reporting line to the Supervisory Board.

In addition, there is a Compliance Committee, whose chairperson informs the Chairperson of the Audit Committee in the event of a breach of compliance by the CEO, CFO or the COO and which reports to the Audit Committee on the activities of the committee at regular intervals. Members of the Compliance Committee are experienced executives in the fields of Compliance & Legal Affairs, Human Resources and Internal Audit.

The Group-wide whistleblower system gives employees the opportunity to provide anonymous and protected information about any legal violations in the Company. The whistleblower system is available on the website of SAF-HOLLAND at <https://corporate.safholland.com/en/sustainability/corporate-governance-compliance/report-compliance-incidents>. This system is also available to third parties. The Compliance Committee processes any incoming reports.

The Code of Conduct comprises the compliance requirements for SAF-HOLLAND, which are binding for the Company and the management, as well as each individual employee. The Code of Conduct is available on the website of SAF-HOLLAND at <https://corporate.safholland.com/en/sustainability/corporate-governance-compliance/code-of-conduct>.

Among other matters, the Code of Conduct regulates such items as the following:

- prohibition of illegal business practices, such as cartel infringements and breach of competition rules, bribery, corruption and insider transactions
- avoidance of conflicts of interest
- prohibition of unlawful discrimination, child labour or forced labour

- breach of confidentiality and intellectual property of third parties
- the right of all employees to fair treatment, equal opportunities and occupational health and safety
- protection of the environment and conserving natural resources
- comprehensive and legally compliant protection of personal data against unauthorised access
- obligation to keep proper accounting and financial reporting
- compliance with current export controls and customs duties.

In addition to the two primary languages of the Group, English and German, the Code of Conduct is also available to employees in Mandarin, French, Hindi, Italian, Malay, Portuguese, Russian, Spanish and Thai.

In the event of questions or suspicion of a breach of the Code of Conduct, employees may contact the Compliance & Legal Affairs department at any time or leave an anonymous message in the whistleblower system.

Group-wide guidelines regulate other compliance issues, such as the handling of inducements, human rights issues and insider information. In case of changes in the legal framework, the relevant information is updated and the employees affected are informed, also within the course of training.

b) Suggestions of the German Corporate Governance Code in the version dated December 16, 2019

SAF-HOLLAND SE also voluntarily complies with the suggestions of the German Corporate Governance Code (GCGC) in the version of December 16, 2019, deviating only in the following cases:

In accordance with suggestion A.5 of the GCGC, in the event of a takeover bid the Management Board should convene an Extraordinary General Meeting at which the shareholders discuss the bid and, if necessary, resolve on measures under company law. Convening an Annual General Meeting is an organisational challenge for listed companies – even taking into account the shortened deadlines provided for in the German Securities Acquisition and Takeover Act (WpÜG). It seems questionable whether the effort involved is also justified in cases where no relevant resolutions of the Annual General Meeting are envisaged. An Extraordinary General Meeting shall therefore only be convened in the cases indicated.

In accordance with suggestion D.8 sentence 2 of the GCGC, attending meetings of the Supervisory Board and the committees via telephone and video conferences should not be the rule. At SAF-HOLLAND SE, it is the norm to attend meetings in person. Attending them by telephone is the exception. Due to the special circumstances of the COVID-19 pandemic, most of the meetings of the Supervisory Board and its committees in the 2021 financial year were held as virtual meetings.

c) Executive Committee

The Management Board is supported by an Executive Committee. In addition to the members of the Management Board, the Executive Committee also comprises the presidents of the various regions. The Executive Committee acts as an extended management body and provides assistance to the Management Board, particularly with regard to the operational management of the regions. The Executive Committee meets at regular intervals and discusses the coordination and management of the SAF-HOLLAND Group's activities.

IV. Supervisory Board of SAF-HOLLAND SE

The Supervisory Board is responsible for supervising and advising the Management Board in its management of the Company.

1. Overview

In accordance with Art. 11 (1) sentence 1 of the Articles of Association, the Supervisory Board of SAF-HOLLAND SE consists of five members. The members of the Supervisory Board are elected by the Annual General Meeting by a simple majority. Elections to the Supervisory Board are regularly held as individual elections.

The Supervisory Board appoints the members of the Management Board and sets their remuneration. The Supervisory Board may revoke the appointment of a member of the Management Board for good cause.

The Supervisory Board supervises and advises the Management Board regarding the management of the Company. The Supervisory Board is involved in decisions of fundamental importance for SAF-HOLLAND SE.

At regular intervals, the Supervisory Board discusses issues of strategy, planning, business development, the risk situation, risk management and compliance of the Company as well as other major events that are of material importance for the assessment of the Company's position and performance, and for the management of the Company and the Group. It examines the annual and consolidated financial statements, the combined management report of SAF-HOLLAND SE and the Group, and the proposal for the appropriation of retained earnings. It adopts the annual financial statements of SAF-HOLLAND SE and approves the consolidated financial statements, based on the results of the preliminary review conducted by the Audit Committee and taking into account the auditor's reports. The Supervisory Board passes resolutions on the Management Board's proposal for the appropriation of retained earnings and the Supervisory Board's report to the Annual General Meeting.

The members of the Supervisory Board are bound to act in the best interests of the Company. In all their decisions, the members of the Supervisory Board must neither pursue personal interests nor exploit business opportunities for themselves, for a related natural or legal person or for another

institution or association on whose behalf they act . Each member of the Supervisory Board must disclose any existing and potential conflicts of interest to the Supervisory Board without delay.

Information on conflicts of interest that have arisen and how they have been dealt with is provided in the Report of the Supervisory Board. No conflicts of interest were reported in the 2021 financial year. In the event of material conflicts of interest involving a member of the Supervisory Board that are not merely temporary, the respective member of the Supervisory Board shall step down from the Supervisory Board.

New members of the Supervisory Board go through an onboarding programme. Among other items, the onboarding programme includes an introduction to the corporate governance framework, the business activities and the strategic orientation of the Company, as well as preparatory discussions with members of the Management Board and the Executive Committee.

The members of the Supervisory Board shall ensure that they have sufficient time available to discharge their duties. If a member is simultaneously a member of the management board of a listed company, he or she should not hold, in aggregate, more than two supervisory board mandates in non-Group listed companies or comparable functions, and no chairmanship of a supervisory board in a non-Group listed company. A member of the Supervisory Board who is not a member of any management board of a listed company shall not hold more than five supervisory board mandates at non-Group listed companies or comparable functions, with an appointment as chairman of a supervisory board being counted twice.

2. Composition

As of December 31, 2021, the Supervisory Board of SAF-HOLLAND SE comprised the following members:

- **Dr. Martin Kleinschmitt (*1960)**
 - Chairman of the Supervisory Board
 - Member since: July 1, 2020
 - Elected until: the end of the Annual General Meeting 2024
 - Main activity: member of the Executive Board of Noerr Consulting AG¹ and Partner of Noerr Partnergesellschaft mbB¹
 - Appointments to the statutory supervisory boards or comparable German or foreign supervisory bodies of other business enterprises (as of December 31, 2021):
 - G&H Bankensoftware AG¹: Chairman of the Supervisory Board
 - SAF-HOLLAND GmbH¹: Chairman of the Supervisory Board

- **Martina Merz (*1963)**
 - Deputy Chairwoman of the Supervisory Board
 - Member since: July 1, 2020
 - Elected until: the end of the Annual General Meeting 2024
 - Main activity: Chairwoman of the Executive Board of thyssenkrupp AG²
 - Appointments to the statutory supervisory boards or comparable German or foreign supervisory bodies of other business enterprises (as of December 31, 2021):
 - AB Volvo²: member of the Board of Directors
- **Matthias Arleth (*1967)**
 - Member since: July 1, 2020
 - Elected until: the end of the Annual General Meeting 2024
 - Main activity: Chairman of the Group Management of Mahle GmbH¹ (since January 1, 2022)
 - Appointments to the statutory supervisory boards or comparable German or foreign supervisory bodies of business enterprises (as of December 31, 2021): none
- **Ingrid Jägering (*1966)**
 - Member since: July 1, 2020
 - Elected until: the end of the Annual General Meeting 2024
 - Main activity: member of the Management Board and CFO of LENOI AG²
 - Appointments to the statutory supervisory boards or comparable German or foreign supervisory bodies of other business enterprises (as of December 31, 2021):
 - Hensoldt AG²: member of the Supervisory Board and Chairwoman of the Audit Committee
 - Wegemann Unternehmens-Holding GmbH & Co. KG¹: Deputy Chairman of the Shareholders' Council
 - SAF-HOLLAND GmbH¹: member of the Supervisory Board

¹ not listed on the stock exchange

² listed

- **Carsten Reinhardt (*1967)**
 - Member since: July 1, 2020
 - Elected until: the end of the Annual General Meeting 2024
 - Main activity: independent senior consultant
 - Appointments to the statutory supervisory boards or comparable German or foreign supervisory bodies of other business enterprises (as of December 31, 2021):
 - Grundfos Holding A/S¹: Deputy Chairman of the Board of Directors, member of the Audit Committee, member of the Remuneration and Executive Development Committee, member of the M&A Committee
 - Tegimus Holding GmbH¹: Chairman of the Advisory Board
 - Beinbauer Automotive GmbH & Co. KG¹: member of the Advisory Board
 - WEZAG GmbH¹: member of the Advisory Board
 - Michigan Capital Advisors¹: member of the Advisory Board
 - Braemar Energy Ventures¹: member of the Strategic Advisory Board

¹ not listed on the stock exchange

² listed

The résumés of the members of the Supervisory Board are published on SAF-HOLLAND's website at <https://corporate.safholland.com/en/company/about-us/management/supervisory-board> and updated annually. Information on the remuneration paid to the members of the Supervisory Board can be found in the Annual Report 2021 in the Remuneration Report.

In the opinion of the Supervisory Board, all members of the Supervisory Board are independent within the meaning of the German Corporate Governance Code in the version issued on December 16, 2019. Ms. Jägering and Dr. Kleinschmitt possess expertise in the application of accounting principles and internal control procedures and are familiar with auditing.

a) Staffing goals and competence profile

The Supervisory Board of SAF-HOLLAND SE has committed itself to the following guidelines for its composition:

- At least one member should have expertise in accounting and one other member should have expertise in auditing (two financial experts).
- There should be at least one member with a non-European background or extensive experience in the markets outside of Europe.
- The Supervisory Board of SAF-HOLLAND SE should have a mix of genders and diversity in its composition.
- The basic age limit for the members of the Supervisory Board is set at 70 years of age.



- Conflicts of interest should be avoided when appointing members to the Supervisory Board of SAF-HOLLAND SE.
- No person who performs a board function or advisory function for significant competitors of the Company may become a member of the Supervisory Board.
- As a rule, members of the Supervisory Board of SAF-HOLLAND SE should not be on the Board for more than 12 years.

All of the above criteria have been or will be met.

Furthermore, the composition of the Supervisory Board of SAF-HOLLAND SE should ensure that the Board, as a whole, possesses the knowledge, expertise and professional experience needed to perform its duties properly and be familiar with the sector in which the Group operates. The Supervisory Board of SAF-HOLLAND SE has therefore set a competence profile that, among other factors, considers the specific situation of the Company, its international structure, the future development of its markets and the product portfolio. This profile will be continuously refined over time.

The Supervisory Board of SAF-HOLLAND SE should, as a whole possess competence and expertise in the following fields in order to perform its mandate:

- 1) Financial competence
 - (a) Accounting
 - (b) Auditing
 - (c) Financing and capital market
- 2) Product/technology and market competence as well as CSR competence
 - (a) Familiarity with relevant international markets
 - (b) Industry-relevant technologies, products, services and new business models
 - (c) Operations & Operational Excellence
 - (d) Sustainability & CSR
- 3) Strategy and leadership competence
 - (a) Strategic business development
 - (b) Management & leadership
 - (c) HR & transformation
 - (d) Business development, organisation and structuring
 - (e) Restructuring and crisis competence
- 4) Control competence
 - (a) Risk management

- (b) Legal affairs/compliance
- (c) Corporate governance
- (d) Experience in advisory or supervisory boards

The Supervisory Board of SAF-HOLLAND SE is of the opinion that the Board, as a whole, adequately fulfils the competence profile. Furthermore, there is at least one expert on the Supervisory Board for each of the defined competences.

b) Target figure for female representation on the Supervisory Board

In accordance with Section 111 (5) AktG in conjunction with Section 9 (1) c) ii) of the Council Regulation on the Statute for a European Company, the Supervisory Board has set a target for female representation of at least 40.00 per cent and determined that this target must be achieved by the end of June 30, 2025.

The above target was achieved in the 2021 financial year.

c) Information on the diversity concept for the Supervisory Board

The diversity concept for the Supervisory Board should ensure that its members personally possess the requisite knowledge, competencies, and professional experience to perform their tasks and duties professionally. It comprises the following components:

- the fixed targets for the composition of the Supervisory Board
- the competence profile for the Supervisory Board
- the target for female representation on the Supervisory Board of at least 40.00 per cent.

The diversity concept is implemented in the course of the election of members to the Supervisory Board as well as during the search for suitable candidates for the Supervisory Board. In the case of new appointments, a review is also undertaken to determine which competencies on the Supervisory Board could be strengthened.

All of the above criteria have been met or will be respected. The composition of the Supervisory Board of SAF-HOLLAND SE meets the requirements of the diversity concept. The proposals made to the Annual General Meeting for the election of Supervisory Board members comply with the statutory regulations and the requirements of the diversity concept.

3. Working methods of the Supervisory Board

The Supervisory Board has adopted Rules of Procedure.

The Supervisory Board meets as needed, with at least two meetings being convened in every half of the calendar year. The key points of the meetings convened in the reporting year are summarised in the Report of the Supervisory Board.



The Chair of the Supervisory Board coordinates the activities of the Supervisory Board, convenes and chairs its meetings and represents the interests of the Supervisory Board externally.

Resolutions of the Supervisory Board are generally passed at meetings attended in person. However, unless set otherwise by the Chairman of the Supervisory Board, it is permitted to convene meetings of the Supervisory Board in the form of a video conference or conference call or allow individual members of the Supervisory Board to attend by video transmission or by telephone and, in such cases, also to pass resolutions or cast a vote by video conference and/or transmission or by conference call. Absent members of the Supervisory Board or members who do not participate via conference call may also participate in the passing of resolutions by the Supervisory Board by casting a vote in writing and having it submitted by another member of the Supervisory Board. In addition, they can cast their vote in advance of the meeting, during the meeting or after the meeting within a reasonable deadline set by the Chairman of the Supervisory Board orally, by telephone, by fax, by email or by some other customary means of communication.

Resolutions can also be passed outside of meetings in writing, by fax, by email or by some other customary means of communication and in combination with the formal terms named above if the Chairman of the Supervisory Board orders this requirement upon reasonable notice or all members of the Supervisory Board participate in passing the resolution.

The Supervisory Board is only deemed to have a quorum when at least half of all members of the entire Board participate in the passing of a resolution and all members of the Board have been invited to the meeting. In all cases at least three members must participate in the passing of a resolution.

It is only permitted to pass a resolution on an item on the agenda that was not included in the invitation to the meeting if no member of the Supervisory Board objects.

Unless the law mandatorily requires otherwise, resolutions of the Supervisory Board are passed by a simple majority of the votes cast. If a vote by the Supervisory Board is tied, the vote cast by the Chairman of the Supervisory Board is the deciding vote.

Minutes must be kept of the resolutions and meetings of the Supervisory Board, which are to be signed by the Chairman of the Supervisory Board.

The Supervisory Board may draw on experts and respondents at its meetings to discuss individual matters.

The Supervisory Board meets on a regular basis also without the Management Board.

4. Committees and their working methods

The Supervisory Board has formed two committees, an Audit Committee and a Nomination and Remuneration Committee.

a) Audit Committee

The Supervisory Board has established an Audit Committee that in particular addresses the review of the accounting, the monitoring of the accounting process, the effectiveness of the internal control system, the risk management system, the internal audit system, the audit of the financial statements and compliance. In addition, the Audit Committee submits a recommendation to the Supervisory Board for the engagement of an auditor of the financial statements and prepares the Supervisory Board's proposal to the Annual General Meeting for the election of the auditor of the financial statements.

The Audit Committee monitors the independence and qualification of the auditor of the financial statements and any non-audit service. It issues the audit engagement, sets the audit focus and concludes the fee agreement. The Audit Committee regularly monitors the quality of statutory audit.

The Audit Committee consisted of the following members as of December 31, 2021:

- Ingrid Jägering (Chairwoman)
- Dr. Martin Kleinschmitt and
- Carsten Reinhardt

b) Nomination and Remuneration Committee

The Nomination and Remuneration Committee selects candidates to be proposed to the Annual General Meeting for election to the Supervisory Board on the basis of the goals passed by the Supervisory Board for its composition and competence profile and proposes these candidates to the Supervisory Board. Moreover, it evaluates the independence of the candidates.

The Nomination and Remuneration Committee is also responsible for selecting candidates for positions on the Management Board and prepares the recommendations for the Supervisory Board. In the process, the Nomination and Remuneration Committee takes into due consideration the balance and diversity of knowledge, expertise and experience of all members of the Management Board and also the aspect of diversity. It also defines the target percentage representation of female Management Board members.

The Nomination and Remuneration Committee consisted of the following members as of December 31, 2021:

- Matthias Arleth (Chairman)
- Dr. Martin Kleinschmitt and
- Martina Merz

c) Working methods of the committees

The Rules of Procedure for the Supervisory Board concerning the working methods of the Supervisory Board apply equally to the working methods of the committees.

5. Self-assessment of the Supervisory Board

The Supervisory Board has decided to have a self-assessment conducted by an external and independent service provider every two years. In the intervening years, a discussion on the development of the work of the Supervisory Board is planned that particularly focuses on the progress made in the fields of action defined in the prior year.

The Supervisory Board's latest comprehensive self-assessment was carried out by an external and independent service provider in the fourth quarter of 2020. The focus of the assessment was primarily on the composition of the Supervisory Board, its organisation and working methods, and its supervising activities. It was based on an extensive questionnaire. Furthermore, the self-assessment was extended in the 2020 financial year to include the Management Board's perspective on the work of the Supervisory Board.

At its meeting in November 2021, the Supervisory Board discussed the progress made in the most recently defined fields of action and defined additional measures to further develop its work. In addition, the thematic priorities for the Supervisory Board's work in financial year 2022 were set in the course of this discussion.

V. Share transactions by members of the Management Board and the Supervisory Board

According to Art. 19 Regulation (EU) No 596/ 2014 of the European Parliament and of the Council of April 16, 2014 on Market Abuse (Market Abuse Regulation), members of the Management Board and the Supervisory Board are legally obliged to disclose own-account transactions in shares of SAF-HOLLAND SE or related derivatives or other related financial instruments if the total amount of the transactions conducted by the member or persons closely associated with them reaches or exceeds the sum of EUR 20,000.00 within a calendar year. The transactions reported to SAF-HOLLAND SE in the past financial year were duly published and are available on SAF-HOLLAND's website at <https://corporate.safholland.com/en/investor-relations/publications/announcements>.

VI. Transparency and communication

SAF-HOLLAND SE is committed to full, equitable and timely communication with its shareholders and the public to ensure maximum transparency and the equal dissemination of information. The dates of regular financial reporting and other important events, such as the Annual General Meeting, are available in the financial calendar. SAF-HOLLAND also has all annual and quarterly reports, ad-hoc statements and press releases and notifiable changes in voting rights available in both German and English on the SAF-HOLLAND website. The website gives interested parties the chance to find out more about the Group, its organisational structure, financing structure, Articles



of Association, members of the Management Board and Supervisory Board and upcoming and previous Annual General Meetings.

Upon publication of the SAF-HOLLAND SE's annual financial statements, the Company hosts an analyst and investor conference. Likewise, after publication of the quarterly results, the Company regularly hosts conference calls. Recordings of these conference calls are also available on the website.

VII. Accounting

The consolidated financial statements of SAF-HOLLAND SE as of December 31, 2021 have been prepared by the Executive Board on the basis of the International Financial Reporting Standards (IFRS), as applicable in the European Union, as well as the supplementary German statutory provisions pursuant to Section 315e (1) of the German Commercial Code (HGB), and the separate financial statements of SAF-HOLLAND SE as of December 31, 2021 have been prepared in accordance with the provisions of the German Commercial Code (HGB). The consolidated financial statements and the Group management report are published within 90 days after the end of the financial year (December 31), and the mandatory interim financial information (half-year report and quarterly statements) within 45 days after the end of each quarter or half-year respectively.

The annual financial statements and the consolidated financial statements, each as of December 31, 2021, were audited by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt, the auditor elected by the Annual General Meeting 2021. Before awarding the audit engagement, the Management Board was assured by the auditor of its independence and objectivity. After preparation by the Audit Committee, the annual financial statements and the consolidated financial statements were discussed, reviewed and adopted/approved by the Supervisory Board.

VIII. Annual General Meeting

The shareholders of SAF-HOLLAND SE exercise their rights of control and co-determination at the Annual General Meeting. Among other items, the Annual General Meeting decides on the appropriation of retained earnings, discharge of the members of the Management Board and the Supervisory Board, the appointment of the auditor of the financial statements, amendments to the Articles of Association and certain capital measures, and elects shareholder representatives to the Supervisory Board.

In addition, the remuneration system for members of the Management Board is submitted to the Annual General Meeting for approval if significant changes are made, but at least every four years.

Shareholders may exercise their voting rights at the Annual General Meeting either in person, by proxy, or by a proxy appointed by SAF-HOLLAND SE. The Management Board is authorised to allow shareholders to cast their votes without attending the Annual General Meeting in writing or by means of electronic communication (postal vote). The Management Board is also authorised to allow shareholders to participate in the Annual General Meeting without being present at its venue



and without a proxy and to exercise all or some of their rights in whole or in part by means of electronic communication (online participation).

The Annual General Meeting on June 10, 2021, was conducted as a virtual Annual General Meeting on account of the extraordinary circumstances posed by the COVID-19 pandemic without the physical attendance of the shareholders or their proxies pursuant to Section 1 (2) GesRuaCOVBekG (Act on Measures to Combat the Impacts of the COVID-19 Pandemic within the Scope of Corporate, Cooperative, Association, Foundation and Condominium Law from March 27, 2020 (Federal Law Gazette I No. 14 2020, p. 570), the scope of which was prolonged until December 31, 2021, by the Regulation on Prolonging Measures to Combat the Impacts of the COVID-19 Pandemic within the Scope of Corporate, Cooperative, Association, Foundation and Condominium Law from October 20, 2020 (Federal Law Gazette I No. 48 2020, p. 2258)