

Report of the Supervisory Board

Dear Shareholders,

The 2021 fiscal year was impacted by the death of Heinz Hermann Thiele, majority shareholder and member of the Supervisory Board. Mr. Thiele passed away suddenly and unexpectedly on February 23, 2021. With his entrepreneurial personality, his leadership, his tireless effort and his constant striving toward progress, Mr. Thiele shaped Knorr-Bremse like no one before him. Selflessly and in keeping with his enormous passion for the Company, he had previously taken it upon himself to advise and counsel the Executive Board on its management of the pandemic's economic impact from a position on the Supervisory Board. Mr. Thiele has bequeathed us an outstanding legacy for which we are very grateful. For the Supervisory Board, this is an obligation to guide the Company to a future of further success together with the Executive Board. Upholding his life's work is the expectation and duty of the Supervisory Board.

As Chairman of the Supervisory Board, I would like to take a look with you at the 2021 fiscal year, which – like the 2020 fiscal year before it – was characterized by the effects of the Covid-19 pandemic on the global economy as well as an extraordinary scarcity of raw materials and semiconductors. Simultaneously, 2021 was also marked by signs of continued economic recovery, particularly in our Commercial Vehicle Systems (CVS) division. In spite of the difficult economic environment overall, Knorr-Bremse was able to continue on its successful path. The preliminary results published on February 24, 2022, in particular the high level of received orders and the earnings per share well above expectations, are proof of this, and they enable the Company to distribute its highest dividend for a fiscal year since its IPO.

At the Annual General Meeting on May 20, 2021, Dr. Stefan Sommer was elected as a member of the Supervisory Board and filled the vacancy that had been left behind by Mr. Thiele on the Supervisory Board. In this process, the nomination of the Supervisory Board was based on the expertise profile developed by the Supervisory Board. As the former CEO of ZF Friedrichshafen AG and former member of the management board of Volkswagen AG with demonstrated experience in CVS, Dr. Sommer meets and complements the expertise profile in an outstanding way. The other shareholder representatives on the Supervisory Board were confirmed for a term of five years at the Annual General Meeting, meaning their terms will last until the Annual General Meeting in 2026. The employee representatives on the Supervisory Board were also confirmed in office in May 2021, with Sylvia Walter succeeding Günter Wiese, who retired from the Supervisory Board after 50 years of service at the Company and to whom I would like to extend my heartfelt gratitude.

The Company supports the newly elected members of the Supervisory Board in familiarizing themselves with their roles through a detailed onboarding program to provide them with a comprehensive overview of the Company and the global position, operations and



Prof. Dr. Klaus Mangold,
Chairman of the Supervisory Board

products of the two divisions. At the same time, as part of their orientation, newly elected members of the Supervisory Board receive meeting minutes of the last 12 months and the current corporate governance documentation of the Company.

The Supervisory Board regularly assesses how effectively it is fulfilling its duties as a whole as well as through its committees (i.e., an efficiency review under section D.13 of the German Corporate Governance Code). To this end, in the second quarter of the previous fiscal year, the Supervisory Board had an external efficiency review conducted on its work which included its members as well as the members of the Executive Board. The results of the efficiency review were discussed together with the Executive Board as part of the strategy meeting. In its conclusion, the external reviewer confirmed that the composition and working methods of the Supervisory Board and its committees are proper. The Supervisory Board addressed specific areas for potential improvement together with the Executive Board.

Collaboration of the Supervisory Board and Executive Board

In the reporting period, the Supervisory Board fulfilled its duties pursuant to law, the Articles of Association and the rules of procedure with great care. The Supervisory Board was directly involved in all decisions of fundamental importance to the Company. The recommendations and suggestions in relation to this that are provided in the German Corporate Governance Code (GCGC) were always considered. Deviations from these recommendations with regard to the compensation of the Executive Board were disclosed in the declaration of compliance with the GCGC published on December 9, 2021, and in an update published on March 30, 2022.

Additionally, the Supervisory Board advised the Executive Board on the management of the Company, on the preparation and implementation of acquisitions and divestments and on realizing further strategic projects. At the same time, the Supervisory Board monitored the senior management of the Executive Board on the basis of regular reports with which the Supervisory Board remained informed regarding business development, planning and risks.

This was also the case recently with regard to the Knorr-Bremse Group's business in Russia in light of the sanctions imposed on that country due to the war between it and Ukraine. The Supervisory Board was constantly guided by the principles of responsible and sound corporate governance. The focus of its monitoring and advisory activities was on the legality, propriety, expediency and efficiency of senior management and Group management. The individual advisory and supervisory tasks of the Supervisory Board are governed by the rules of procedure of the Supervisory Board, which stipulate, for example, that the Supervisory Board be closely involved in corporate planning and discussions of strategic projects. Furthermore, a catalog of approval requirements applies to certain Executive Board decisions, some of which necessitate comprehensive preliminary review and consideration of complex matters from a supervisory and advisory perspective. In doing so, the Supervisory Board and its committees complied closely with the rules of its own business judgment. In fiscal 2021, several transactions were presented to the Supervisory Board for approval, for example the issuance of a syndicated loan of € 750 million and the acquisition of EVAC, a manufacturer of wastewater systems for trains. The Supervisory Board was involved via its Strategy Committee in particular in the potential acquisition of automotive supplier HELLA GmbH & Co. KGaA.

The Executive Board regularly, immediately and comprehensively reported to the Supervisory Board by means of written and oral reports, both in and outside of meetings. The reports contained all relevant information on the strategic development, planning, business development within the year and position of the Company, risk situation and risk management, compliance, competitors of Knorr-Bremse AG (peers), situation in the capital market including expectations of analysts and investors and current events. We discussed the business transactions important for the Company as well as its further development together with the Executive Board. The Supervisory Board was included in a timely manner in all decisions of fundamental importance for the Company. The Executive Board also informed the Supervisory Board about urgent matters between the regular meetings. Additionally, as the Chairman of the Supervisory Board, I also received reports from the Executive Board on the current business situation and on significant business transactions of the Company as part of detailed and intensive dialog in regular business reviews. I held regular discussions with important investors on the topics and questions of the Supervisory Board.

In fiscal 2021, we maintained a consistently high attendance rate at our meetings. The average attendance at full-board meetings was 97.6%, which was even greater than the already high attendance rate in the year before (96.5%). Only two members of the Supervisory Board were unable to attend the seven total meetings and in both cases they only missed one each. They did, however, vote on the resolutions by proxy. The following attendance records show regular, near-full attendance by the members of the Supervisory Board and its committees and therefore attest to the high degree of commitment in the work done by the Supervisory Board.

1.01 MEETING ATTENDANCE OF THE SUPERVISORY BOARD MEMBERS IN FISCAL 2021

Name	Supervisory Board (full board)	Executive Committee	Audit Committee	Nomination Committee	Strategy Committee
Prof. Dr. Klaus Mangold					
(Chairman)	7 (7)	12 (12)	6 (7)	3 (3)	6 (6)
Kathrin Dahnke	7 (7)		7 (7)	2 (3)	
Dr. Thomas Enders	7 (7)				3 (6)
Dr. Stefan Sommer	4 (4)				6 (6)
Julia Thiele-Schürhoff	7 (7)			3 (3)	
Dr. Theodor Weimer	7 (7)	8 (9)			
Franz-Josef Birkeneder					
(Deputy Chairman)	7 (7)	12 (12)	7 (7)		6 (6)
Michael Jell	6 (7)	11 (12)			
Werner Ratzisberger	7 (7)		7 (7)		
Annemarie Sedlmair	7 (7)				
Erich Starkl	6 (7)				
Günter Wiese	3 (3)				
Sylvia Walter	4 (4)				
Meeting attendance in %	97.62 %	95.83 %	96.43 %	88.89 %	87.5 %

(in parentheses: number of meetings held during the term of the respective Supervisory Board or committee member)

Discussions of the Supervisory Board and its committees

The meetings and decisions of the Supervisory Board as a whole are usually prepared by the Executive Committee and the Audit Committee. The Supervisory Board established a Mediation Committee whose services were not needed during the reporting period. The Nomination Committee convened for a total of three meetings during the reporting period (more about this below). Ms. Dahnke, Dr. Sommer and I – as the committee chair – provided regular detailed reports to the Supervisory Board regarding the work of the Nomination, Audit and Executive Committees as well as the Strategy Committee, which was established in May 2021. The significant topics of discussions are detailed in the following.

The shareholder and employee representatives regularly held separate advance meetings prior to the Supervisory Board meetings. The Chief Executive Officer and other members of the Executive Board took part in these meetings on an ad hoc basis. The Supervisory Board regularly followed its meetings with discussions at which the Executive Board was not present. Depending on the topic, there were also meetings of the Supervisory Board without any attendance by the Executive Board at all.

Significant topics of Supervisory Board work

In the reporting period, a total of seven Supervisory Board meetings took place, which were largely held – in compliance with the applicable social distancing and hygiene regulations – as in-person meetings in Munich and, in one case, in Aldersbach, and also by videoconference in individual cases. In the following, you will find a summary of the significant topics covered at the meetings:

1. The Supervisory Board held its first meeting without Mr. Thiele on March 3, 2021, with the latter having passed away beforehand on February 23, 2021. His place at the Supervisory Board's table remained vacant at this meeting. We held a moment of silence as a tribute to this excellent entrepreneur and person and to express our commiseration and deepest empathy to his family. The Supervisory Board then dealt with the preliminary earnings situation for 2020 as well as the guidance for 2021 as a whole. Additionally, it decided on the short-term incentive (STI) target achievement of the Executive Board in the prior fiscal year, taking into account in particular the economic effects of the Covid-19 pandemic as an extraordinary event by correcting the so-called STI curve.
2. At its balance sheet meeting on March 30, 2021, the Supervisory Board dealt with the results of the audit of the annual financial statements and the recommendation of the Executive Board on the appropriation of net profit, which recommended a distribution of a dividend amounting to € 1.52 per share for the 2020 fiscal year. Additionally, the Supervisory Board addressed the preparation of the virtual Annual General Meeting, in particular the nomination of Dr. Sommer as a new member of the Supervisory Board and the approval of the basic points of an employee share program that was introduced in September with a high degree of participation among employees.

Another focus of the meeting was the approval of the new concept for STI of the Executive Board, which – on the one hand – replaces net working capital with free cash flow as the relevant STI performance indicator and – on the other hand – also takes internal and external ESG criteria into account for 20% of Executive Board compensation. For the current fiscal year, the Supervisory Board approved the STI financial targets and the strategic EPS target for the share-based long-term incentive (LTI). The Executive Board compensation system, after adjusting the STI, was submitted for approval at the Annual General Meeting on May 20, 2021, and described in detail in the respective invitation to the AGM. Additionally, a current detailed description of the system and the payments made and/or the claims earned under it can also be found in the Compensation Report.

After thorough consideration by the Executive Committee beforehand, the Supervisory Board decided on March 30, 2021, to appoint Dr. Claudia Mayfeld to the Executive Board effective as of May 1, 2021, for a period of three years. This appointment simultaneously took into account the new legal requirements for minimum female representation on the executive boards of listed companies and did so at a very early stage. Dr. Mayfeld is responsible for the newly created area of Integrity and Legal Affairs, as well as HR on an interim basis since the departure of the CEO.

3. At its meeting on May 19, 2021, the Supervisory Board dealt with the current business situation and, based on the preparation done by the Executive Committee, with the preparations for the virtual Annual General Meeting held the following day. Additionally, the Supervisory Board resolved to establish a Strategy Committee under the leadership of Dr. Sommer, which immediately began work following the inauguration of the newly elected Supervisory Board on May 20. Details on the work, tasks and members of the Strategy Committee are explained in the following. The composition of the other committees (Executive, Audit, Nomination and Mediation) was confirmed by the newly elected Supervisory Board, as well as my two deputies Franz-Josef Birkeneder and Dr. Theodor Weimer and myself in our respective leadership roles. Ms. Dahnke, to whom I would like to extend my particular gratitude, will continue to chair the Audit Committee as a financial expert.
4. During its two-day strategy meeting on July 8 and 9, the Supervisory Board first discussed the decision made and publicly announced by the Executive Board on July 7, 2021, for Knorr-Bremse not to pursue the potential acquisition of HELLA GmbH & Co. KGaA. The discussions also focused on the strategic direction of the two divisions, strategic financial planning and the central innovation projects in CVS and Rail Vehicle Systems (RVS). Furthermore, discussions also addressed business in North America and the Asia-Pacific region, with the inclusion of the local management. Finally, the Supervisory Board discussed with the Executive Board the results of the external efficiency review on its working methods that was performed in the second quarter. The basis for this review was extensive one-on-one talks with all members of the Supervisory Board and Executive Board and the Head of the Corporate Office. Part of the results included specific areas for potential improvement, which were pointed out at the meeting and discussed by the Supervisory Board together with the Executive Board.
5. At its meeting on October 14, the Supervisory Board granted the required approval for a syndicated loan of € 750 million that is coupled with a sustainability rating. The sustainability strategy of the Knorr-Bremse Group and the measures derived from it continued to be an integral part of the agenda over the remainder of the year. The Supervisory Board discussed topics including the implementation of sustainability standards within the Knorr-Bremse Group's supply chains and the assessment of the Company's ESG criteria by external agencies. The latter will also join internal ESG targets in becoming a factor in the variable Executive Board compensation beginning in fiscal 2022. The Supervisory Board also discussed the Knorr-Bremse Group's sustainability reporting and the staffing of the CSR department in light of the Group-wide implementation of ambitious ESG targets.
6. On December 9, 2021, the Supervisory Board dealt with annual planning for 2022 and medium-term planning (2022-2024) for the Group as well as the two divisions and approved this planning after in-depth discussion. Additionally, the Supervisory Board discussed an initial assessment of the governance structure of the Knorr-Bremse Group, the interim reallocation of the responsibilities of the Executive Board as a result of the resignation of Dr. Laier and the status of the search for a successor for the CVS division. The meeting also

focused on the new arrangements for Supervisory Board compensation, which will be presented for approval at the Annual General Meeting on May 24, 2022. The cornerstones of the new arrangements in Article 18 of the Articles of Association are the compensation for the newly established Strategy Committee, the introduction of a meeting-attendance payment to act as lump-sum compensation for expenses and an increase in earnings to a level typical by DAX/MDAX standards and commensurate with the KB Supervisory Board's responsibility and meeting frequency. The final topics of this meeting were the ongoing M&A and restructuring activities of the Knorr-Bremse Group and the two divisions' strategy in China, which were discussed intensively by the Supervisory Board following the recommendation of the Strategy Committee.

Executive Committee

The Executive Committee coordinates the work of the Supervisory Board, prepares the Supervisory Board meetings and monitors the execution of the resolutions adopted by the Supervisory Board and its committees. Further, it is in charge of resolutions regarding transactions with members of the Executive Board, the approval of contracts with Supervisory Board members and long-term succession planning for the Executive Board. In matters relating to the Supervisory Board, the Executive Committee also makes decisions about delaying the public disclosure of inside information in accordance with Market Abuse Regulation Article 17 (4).

A total of 12 Executive Committee meetings took place during the reporting period. They served in particular to prepare the Supervisory Board meetings described above, the decisions of the Supervisory Board and the subsequent implementation thereof. A key component in this work was the membership changes that were carried out on the Executive Board during the fiscal year. They involved Dr. Laier departing at year end as well as Dr. Mayfeld being appointed and put in charge of Integrity and Legal Affairs. The Executive Committee also had intensive discussions regarding the structural changes associated with the passing of Mr. Thiele. Furthermore, the Executive Committee worked intensively on readjusting the short-term incentive program for the Executive Board with effect from January 1, 2022, on the adequacy of the Executive Board's remuneration, on establishing an efficiency review for the Supervisory Board, on readjusting the Supervisory Board's remuneration, on amending the rules of procedure as part of the reconstitution of the Supervisory Board, on managing the – canceled – acquisition of Hella and on the governance structure of the Knorr-Bremse Group. The last of these tasks gained special relevance with the passing of Mr. Thiele at the beginning of the year. If the Supervisory Board was due to vote on a resolution, the Executive Committee would conclude its deliberations by issuing to the Supervisory Board a recommendation for that resolution. As the Chairman of the Executive Committee, I regularly reported to the Supervisory Board about the work done by the Executive Committee.

Members of the Executive Committee:

- Prof. Dr. Klaus Mangold (Chairman)
- Franz-Josef Birkeneder
- Heinz Hermann Thiele (until February 23, 2021)
- Dr. Theodor Weimer (from March 30, 2021)
- Michael Jell

Audit Committee

The Audit Committee gives the Supervisory Board recommendations about auditor appointments. It prepares Supervisory Board resolutions regarding the approval of financial statements, proposals for appropriating net profit and declarations of compliance. It takes the place of the Supervisory Board to engage auditors for specific audits. The composition, duties and competencies of the Audit Committee comply with the new specifications of Germany's Financial Market Integrity Strengthening Act (FISG). In particular, the Chairwoman of the Audit Committee, Ms. Dahnke, enjoys a direct right to obtain information from the heads of Internal Audit, Controlling, Risk Management and Compliance, which are the relevant central departments. Moreover, she maintains regular and partly bilateral communication with the auditor. Ms. Dahnke regularly reports to the Supervisory Board about the Audit Committee's work.

The Audit Committee met on a total of seven occasions during the fiscal year and worked on matters such as quarterly and half-year financial reporting and the preliminary figures for the 2020 fiscal year. The Audit Committee examines the risk management system, internal control system, compliance management system, reports from Internal Audit, and the status of significant litigation at regular intervals. A key component of the committee's work is its involvement in the annual and consolidated financial statements, beginning with the definition of audit focus topics; as well as in approving the proposed fee for the auditor, in the relevant audit reports from the auditor KPMG, in the dependency report, in the combined non-financial report (sustainability report) and in the Executive Board's proposal for appropriating net profit. The Audit Committee also regularly discusses and tracks the status of the Group-wide migration of financial reporting systems to IFRS ("IFRS Goes ERP"). The technical implementation of this migration will go ahead as planned under the leadership of Mr. Weber over the Easter break.

Members of the Audit Committee:

- Kathrin Dahnke (Chairwoman)
- Franz-Josef Birkeneder
- Prof. Dr. Klaus Mangold
- Werner Ratzisberger

Strategy Committee

The Strategy Committee advises the Supervisory Board and Executive Board on core issues relating to the Group's strategy, including the Group's business policy and commercial direction. It advises on the analysis and ongoing development of the truck and rail divisions and discusses new business ideas and potential development prospects with the Executive Board. Its duties further include providing strategy advice for divestments, mergers and acquisitions, including monitoring performance after transactions have closed. Moreover, the committee is also responsible for performing strategic evaluations of the Knorr-Bremse Group's global footprint with its sites and subsidiaries and discussing potential improvement with the Executive Board. Finally, the Strategy Committee supports the Executive Board with the development and evaluation of proposals for managing the Company's innovation.

The Strategy Committee convened for a total of 6 meetings during the reporting period. It dealt with matters such as the strategic alignment of the Knorr-Bremse Group, key M&A opportunities and transactions, including on multiple occasions in connection with the potential acquisition of Hella GmbH & Co. KGaA; the Knorr-Bremse Group's China strategy and key growth options.

Members of the Strategy Committee:

- Dr. Stefan Sommer (Chairman)
- Franz-Josef Birkeneder
- Dr. Thomas Enders
- Prof. Dr. Klaus Mangold

Nomination Committee

If necessary, the Nomination Committee proposes appropriate candidates to the Supervisory Board that the latter may propose for election as new Supervisory Board members at Annual General Meetings. The Nomination Committee convened for a total of 3 meetings during the reporting period. It dealt with succession and appointment issues and gave specific recommendations for elections of new shareholder representatives in light of the five-year term of the Supervisory Board ending in May 2021. At its meetings on March 3 and March 30, 2021, the committee passed a resolution to recommend that Dr. Stefan Sommer be elected at the Annual General Meeting. On December 8, 2021, and again on January 27, 2022, the committee discussed my own successor as Supervisory Board Chairman and a successor for Dr. Enders with effect from this year's Annual General Meeting. In nominating Dr. Ploss on the recommendation of the committee, the Supervisory Board nominated a candidate who is eminently suitable for heading the Supervisory Board and leading Knorr-Bremse to a successful future thanks to his decades of leadership experience at an international, high-tech company.

Members of the Nomination Committee:

- Prof. Dr. Klaus Mangold (Chairman)
- Kathrin Dahnke
- Julia Thiele-Schürhoff

Mediation Committee

The Mediation Committee did not convene during the reporting period.

Members of the Mediation Committee:

- Prof. Dr. Klaus Mangold
- Franz-Josef Birkeneder
- Kathrin Dahnke
- Michael Jell

Corporate Governance

The Supervisory Board attaches a great level of importance to ensuring satisfactory corporate governance. This includes the Supervisory Board regularly focusing in great detail on the corporate governance requirements for listed German companies, in particular the ones under the German Stock Corporation Act (AktG), German Codetermination Act (MitbestG) and German Corporate Governance Code as amended. The Supervisory Board made a

declaration of compliance pursuant to section 161 AktG for the reporting period in conjunction with the Executive Board on December 9, 2021. This declaration of compliance was made available on the Company's website and is also printed on page 187 of the version of the annual report dated December 9, 2021. Knorr-Bremse AG fulfilled all recommendations and suggestions of the German Corporate Governance Code in fiscal 2021 except for recommendation G.11 (which pertains to clawback provisions in the service agreements of Executive Board members). The reasoning for this exception is explained in detail in the declaration of compliance. An update to the declaration of compliance was published on March 30, 2022, given the correction to the Executive Board's long-term incentive program, which itself was a result of the economic impact of the Covid-19 pandemic and associated deviation from recommendation G.8 of the German Corporate Governance Code. Details are provided in the publication and are also explained in the Compensation Report.

Conflicts of interest

The Supervisory Board conducts continuous monitoring to see if there are potential conflicts of interest in its decision making. The results of this monitoring in the 2021 fiscal year showed that there were no conflicts of interest.

Audit of annual and consolidated financial statements

The Supervisory Board performed relevant audit procedures to ensure that the annual and consolidated financial statements and further financial statements for the 2021 fiscal year met the applicable requirements.

The annual financial statements of Knorr-Bremse AG as compiled by the Executive Board in accordance with Germany's generally accepted accounting principles (HGB), the combined management report of Knorr-Bremse AG and the Knorr-Bremse Group and the consolidated financial statements for the 2021 fiscal year based on the International Financial Reporting Standards (IFRS) were audited by KPMG AG Wirtschaftsprüfungsgesellschaft, Munich and each awarded an unqualified opinion. KPMG was elected as the auditor of the financial statements for the 2021 fiscal year at the Annual General Meeting on May 20, 2021. KPMG has been the auditor of the Knorr-Bremse Group since its IPO in 2018. KPMG had also previously been engaged as the auditor for annual and consolidated financial statements prior to the IPO. Johannes Hanshen is the main auditor overseeing the audit for the purposes of section 319a (1) sentence 4 HGB. Klaus Becker is a further audit partner with responsibility for the audit.

Furthermore, the auditor discusses the half-yearly financial report in detail with the Audit Committee at regular intervals prior to its publication and reports on the status of the audit of the annual and consolidated financial statements when the preliminary figures are published. The auditor audits the report on relations with affiliated companies (section 312 AktG) that is compiled by the Executive Board. The auditor issued the following opinion in regard to the report: "After our professional audit and evaluation, we confirm that 1. the actual disclosures in the report are accurate, 2. the consideration provided by the Company for the transactions listed in the report was not inappropriately large or the disadvantages from these transactions were offset, and 3. there are no circumstances that call for an evaluation of the measures listed in the report that differs significantly to the one performed by the Executive Board."

The aforementioned reports, the Executive Board's proposal for the appropriation of net profit and the auditor's reports were provided to all members of the Supervisory Board in a timely fashion or were displayed for their perusal at the Supervisory Board meeting on March 30, 2022. The Audit Committee conducted a preliminary audit of all documents at its meetings on February 23, 2022 (preliminary figures), March 25, 2022, and March 29, 2022, with Audit Committee Chairwoman Kathrin Dahnke reporting to the Supervisory Board

about this at the Supervisory Board meeting on March 30, 2022. The financial statements and reports were presented to the Supervisory Board by the Executive Board and discussed in detail. The auditors present at the meetings reported on the results of their audits. In particular, the Audit Committee had previously set the following focus points for these audits in the reporting period: the process for creating the consolidated and annual financial statements, realization of revenues in project-based business under IFRS 15, fraud risks when recognizing revenues at cut-off dates, continuous reporting on the system conversion accompanying a project ("IFRS Goes ERP"), impairment of specific interests in affiliated companies and specific accounts receivable from affiliated companies.

The Audit Committee did not find any vulnerabilities in the risk management system, internal control system, internal audit system or compliance management system. After our own audit of the annual financial statements, consolidated financial statements and combined management report, we did not have any cause to raise objections, for which reason we agreed with the Executive Board's assessment of the position of Knorr-Bremse AG and the Knorr-Bremse Group. We are approving the financial statements for the 2021 fiscal year in line with the recommendation of the Audit Committee, which means that the annual financial statements of Knorr-Bremse AG are hereby adopted. We discussed the proposal for appropriating the net profit in detail with the Executive Board and agree with the Executive Board's proposal that a dividend of € 1.85 per share with dividend rights be distributed for the 2021 fiscal year. We are therefore proposing a distribution within the range of 40% to 50% of net income that was announced at the time of the IPO. A resolution will be made about this distribution at this year's virtual Annual General Meeting on May 24, 2022. The Compensation Report will also be subject to a resolution at the Annual General Meeting. The Supervisory Board made its first decision about the compilation of this report on March 11, 2022, in accordance with section 162 (1) AktG as amended.

Membership changes to Supervisory Board and Executive Board

The composition of the Executive Board and Supervisory Board as at December 31, 2021, is illustrated in the overviews on page 24 for the Supervisory Board and page 11 for the Executive Board.

Supervisory Board

The five-year term of the Supervisory Board ended simultaneously for all Supervisory Board members at the conclusion of the Annual General Meeting on May 20, 2021. The five current Supervisory Board members and Dr. Stefan Sommer, the shareholders' representative, were elected to the Supervisory Board at the Annual General Meeting. I was confirmed in my role as Supervisory Board Chairman at the inaugural meeting that took place after the Annual General Meeting, along with Dr. Weimer and Mr. Birkeneder as my deputies. The employee representatives had already been elected to the Supervisory Board on April 20/21, 2021, based on the provisions of the German Codetermination Act and the associated election rules. Ms. Sylvia Walter was elected as the successor of Mr. Günter Wiese as part of this. The other employee representatives have been confirmed in their positions.

Dr. Thomas Enders and I myself will be exiting the Supervisory Board with effect from this year's Annual General Meeting on May 24, 2022. I wish all the best to my successor who has already been preparing extensively for this role for some time now. I hope that all shareholders will also feel confident in putting their trust in him.

Executive Board

Dr. Jan Mrosik was appointed to the Executive Board as Chief Executive Officer and member for a three-year term as of January 1, 2021. Dr. Mrosik succeeded Mr. Eulitz, who left the Company on August 31, 2020. Dr. Mrosik resigned from his position as Chief Executive Officer and member of the Executive Board with effect from March 12, 2022, and will leave the Company on April 30, 2022, on completely amicable terms. Chief Financial Officer Frank Markus Weber will hold a role as Spokesman for the Executive Board until a successor has been found for the Chief Executive Officer position. In terms of this successor, the profile for the role places great importance on the rapid and global transformation processes in the world's economic development during the current crisis and on the enormous dynamism of the markets.

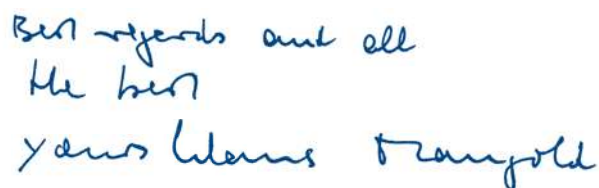
Dr. Claudia Mayfeld was appointed to the Executive Board as a member for a three-year term as of May 1, 2021. As part of this, Dr. Mayfeld is responsible for the newly created area of Integrity and Legal Affairs.

Mr. Bernd Spies, who had been the Chief Executive Officer of Knorr-Bremse Systeme für Nutzfahrzeuge GmbH since 2014, was appointed as a member of the Executive Board with effect from March 12, 2022. He oversees the Commercial Vehicle Systems division and succeeds Dr. Laier, who left the Company on December 31, 2021, at his own request. On behalf of the Supervisory Board, I wish to express my thanks to Dr. Laier for his fantastic dedication. His achievements include the ongoing development and strategic alignment of Knorr-Bremse's commercial vehicle operations in recent years. Dr. Laier also had a critical role in the successful IPO of Knorr-Bremse in 2018.

Acknowledgment

The year 2021 was shaped significantly by the death of Mr. Heinz Hermann Thiele, majority shareholder and member of the Supervisory Board. We were again confronted with the economic fallout of the Covid-19 pandemic, which came with persistent challenges for Knorr-Bremse, its governing bodies and its employees. The Supervisory Board thanks the members of the Executive Board, the managers and all employees of the Knorr-Bremse Group. They have guided and are continuing to guide the Company securely and successfully through the crisis, which also includes the geopolitical and economic consequences of Russia's invasion of Ukraine. The violation of international law that this invasion constitutes is unacceptable. The Supervisory Board has examined the consequences of the conflict for Knorr-Bremse on multiple occasions. We unequivocally condemn Russia's attack on a sovereign state, which also represents an attack on peace in Europe and the world.

Munich, March 30, 2022



Best regards and all
the best
yours Klaus Mangold

Prof. Dr. Klaus Mangold
Chairman of the Supervisory Board