



# INVITATION

Knorr-Bremse  
Annual General Meeting  
2021



**KNORR-BREMSE**

# Information pursuant to Section 125 of the German Stock Corporation Act (Aktiengesetz) in conjunction with Table 3 of the Implementing Regulation (EU) 2018/1212 (“EU IR”)

## A. Specification of the message

1. Unique identifier of the event: 2021 virtual Annual General Meeting of Knorr-Bremse AG  
(**Formal specification pursuant to the EU IR:** KnorrBremse\_oHV\_20210520)
2. Type of message: Notice of Annual General Meeting  
(**Formal specification pursuant to the EU IR:** NEWM)

## B. Specification of the issuer

1. ISIN: DE000KBX1006
2. Name of issuer: Knorr-Bremse AG

## C. Specification of the meeting

1. Date of the General Meeting: 20 May 2021  
(**Formal specification pursuant to the EU IR:** 20210520)
2. Time of the General Meeting: 10:00 a.m. (CEST)  
(**Formal specification pursuant to the EU IR:** 8:00 a.m. UTC)
3. Type of General Meeting: Annual General Meeting held as a virtual general meeting without the shareholders or their authorized representatives (Bevollmächtigte) being physically present  
(**Formal specification pursuant to the EU IR:** GMET)
4. Location of the General Meeting: URL to the AGM Portal of the company for following along with the Annual General Meeting via video and audio stream and for exercising shareholder rights: [www.ir.knorr-bremse.com/agm](http://www.ir.knorr-bremse.com/agm)  
Location of the general meeting within the meaning of the German Stock Corporation Act (Aktiengesetz):  
Moosacher Straße 80, 80809 Munich, Germany  
(**Formal specification pursuant to the EU IR:** [www.ir.knorr-bremse.com/agm](http://www.ir.knorr-bremse.com/agm))
5. Record Date: 29 April 2021, 00:00 hrs. CEST  
Pursuant to Article 21 of the company’s Articles of Association, shareholders are entitled to participate in the Annual General Meeting electronically via the AGM Portal and to exercise their shareholder rights, in particular their voting rights, if they have registered their participation with the company prior to the meeting and if they have submitted proof of their entitlement to attend. Such entitlement must be proven in the form of proof of a shareholding issued by the ultimate intermediary, which is usually the depository institution. The proof of a shareholding must refer to 29 April 2021, 00:00 hrs. (CEST) (record date).  
(**Formal specification pursuant to the EU IR:** 20210429, 00:00 hrs. CEST)
6. Website to the Annual General Meeting/uniform resource locator (URL): [www.ir.knorr-bremse.com/agm](http://www.ir.knorr-bremse.com/agm)

## Additional information concerning the convening of the general meeting (blocks D to F of Table 3 of the Annex to Implementing Regulation (EU) 2018/1212):

Information about the participation in the general meeting (block D), the agenda (block E) and the specification of the deadlines regarding the exercise of other shareholder rights (block F) can be found on the following website: [www.ir.knorr-bremse.com/agm](http://www.ir.knorr-bremse.com/agm)

## Overview of the agenda

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# Knorr-Bremse Aktiengesellschaft

Munich

ISIN DE000KBX1006

German Securities Identification Number (Wertpapier-Kenn-Nummer, "WKN"): KBX100

## Notice of the 2021 Annual General Meeting of Knorr-Bremse AG on 20 May 2021

Dear Shareholders,

We hereby invite you to the **Annual General Meeting of Knorr-Bremse AG** on Thursday, 20 May 2021, at 10:00 a.m. (CEST), which will be held as a **virtual Annual General Meeting** without the shareholders or their authorized representatives being physically present.

For properly registered shareholders, the Annual General Meeting will be broadcasted in its entire duration in a live video and audio stream on the internet. The shareholders will exercise their voting rights exclusively by way of absentee voting or by issuing powers of attorney to the company-nominated proxies. The location of the Annual General Meeting within the meaning of the German Stock Corporation Act (Aktiengesetz, "**AktG**") is the registered seat of the company, Moosacher Straße 80, 80809 Munich, Germany.

## I. Agenda

### 1. Presentation of the adopted annual financial statements, the approved consolidated financial statements and the combined management report on Knorr-Bremse AG and the Knorr-Bremse Group for the fiscal year 2020 as well as the report of the Supervisory Board for the fiscal year 2020

The aforesaid documents include the remuneration report and the explanatory report in respect of the information to be disclosed pursuant to Sec. 289a and Sec. 315a of the German Commercial Code (Handelsgesetzbuch) in the version applicable to the annual and consolidated financial statements of 2020.

The documents to be presented will be expounded on in detail during the Annual General Meeting. The aforesaid documents and the Declaration on Corporate Governance, which also includes the report on corporate governance, are available on our website at [ir.knorr-bremse.com/agm](http://ir.knorr-bremse.com/agm) and will also be available there during the Annual General Meeting. The Sustainability Report, which also includes the separate non-financial report on the Knorr-Bremse Group, has also been published on the internet at [knorr-bremse.com/en/responsibility](http://knorr-bremse.com/en/responsibility).

The Supervisory Board has approved the annual financial statements prepared by the Executive Board and the consolidated financial statements. The annual financial statements have, thus, been adopted pursuant to Sec. 172 sentence 1 AktG. The Annual General Meeting is consequently not required to adopt a resolution on this agenda item 1.

## 2. Appropriation of retained earnings

The Supervisory Board and the Executive Board propose that an amount of EUR 245,024,000.00 from the unappropriated retained earnings of Knorr-Bremse AG in the total amount of EUR 556,848,037.61 from the expired fiscal year 2020 be used to pay a dividend of **EUR 1.52 per dividend-bearing no-par-value share** and to carry forward the remaining balance to new account.

This results in the following appropriation of retained earnings:

Unappropriated retained earnings:	EUR 556,848,037.61
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Distribution to the shareholders:	EUR 245,024,000.00
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Profit carried forward:	EUR 311,824,037.61
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Pursuant to Sec. 58 (4) sentence 2 AktG, the dividend entitlement falls due for payment on the third business day following the date of the resolution of the Annual General Meeting, i.e., the entitlement falls due on Wednesday, 26 May 2021.

## 3. Approval of the acts of the members of the Executive Board

The Supervisory Board and the Executive Board propose that the acts of the members of the Executive Board who held office in the fiscal year 2020 be ratified for that fiscal year.

## 4. Approval of the acts of the members of the Supervisory Board

The Supervisory Board and the Executive Board propose that the acts of the members of the Supervisory Board who held office in the fiscal year 2020 be ratified for that fiscal year.

## 5. Resolution on the appointment of the auditor of the annual financial statements and the consolidated financial statements as well as the auditor for the review of the half-yearly financial report for the fiscal year 2021

The Supervisory Board proposes that the audit firm KPMG AG, Wirtschaftsprüfungsgesellschaft, Berlin, Munich branch, be appointed to serve as auditor for the annual financial statements and the consolidated financial statements for the fiscal year 2021 and for the review of the half-yearly financial report for the first half-year of the fiscal year 2021.

The Supervisory Board's proposal is based on the recommendation of its Audit Committee. Both the recommendation of the Audit Committee to the Supervisory Board and the proposal of the Supervisory Board are free from improper influence by a third party. Furthermore, there were no rules imposing restrictions on the selection of a particular auditor or a particular audit firm to conduct the audit.

## 6. Elections to the Supervisory Board

Pursuant to Secs. 95, 96 (1), 101 (1) AktG in conjunction with Secs. 1 (1), 5 (1), 7 (1) sentence 1 no. 1 of the German Co-Determination Act (Mitbestimmungsgesetz, "**MitbestG**") and Article 10 (1) of the company's Articles of Association, the Supervisory Board is composed of twelve members, with six of these members being elected by the General Meeting (shareholder representatives) and six members being elected in accordance with the MitbestG (employee representatives).

At the close of the 2021 Annual General Meeting, the term of office of all of the Supervisory Board members elected by the shareholders, i.e., Prof. Dr. Klaus Mangold, Kathrin Dahnke, Dr. Thomas Enders, Julia Thiele-Schürhoff and Dr. Theodor Weimer, ends. Heinz Hermann Thiele passed away on 23 February 2021 and thus ceased to be a member of the Supervisory Board before his term of office ended. New elections are therefore necessary to fill all six shareholder representative positions on the Supervisory Board.

Pursuant to Sec. 96 (2) sentence 1 AktG in conjunction with Secs. 1 (1), 5 (1) MitbestG, the Supervisory Board is composed of at least 30% women and 30% men. As both the shareholder representatives and the employee representatives have objected to joint fulfilment of the minimum quota on the basis of a resolution passed by majority vote and submitted to the Chairman of the Supervisory Board, the minimum quota for this election must be fulfilled separately by the shareholder representatives and the employee representatives. In order to comply with the minimum quota requirement pursuant to Sec. 96 (2) sentence 1 AktG, the shareholder side and the employee side must, thus, each include at least two women and at least two men. The following resolution proposal provides for the election of two women and four men. If the proposed candidates are elected, the shareholder side would therefore consist of two women and four men. Thus, the resolution proposal fulfils the minimum quota of Sec. 96 (2) AktG.

Based on the recommendation of its Nomination Committee, the Supervisory Board proposes the election of

- a) Prof. Dr. Klaus Mangold, Stuttgart, self-employed entrepreneur;
- b) Kathrin Dahnke, Munich, CFO of OSRAM Licht AG;
- c) Dr. Thomas Enders, Tegernsee, President of the German Council on Foreign Relations;
- d) Dr. Stefan Sommer, Meersburg, self-employed consultant;
- e) Julia Thiele-Schürhoff, Munich, Chairwoman of the Executive Board of Knorr-Bremse Global Care e.V.; and
- f) Dr. Theodor Weimer, Frankfurt am Main, Chairman of the Executive Board of Deutsche Börse AG

as shareholder representatives on the Supervisory Board in each case with effect from the close of the company's Annual General Meeting on 20 May 2021. The elections are to be conducted as individual elections.

By way of derogation from Article 10 (2) sentence 1 of the company's Articles of Association, Prof. Dr. Mangold is appointed for a term of office lasting until the close of the Annual General Meeting that resolves to approve the Supervisory Board members' actions for the first fiscal year following the commencement of his term of office. The fiscal year in which his term of office commences is not counted pursuant to Article 10 (2) sentence 2 of the company's Articles of Association. Thus, provided that there are no changes to the fiscal year, his term of office ends at the close of the Annual General Meeting in 2023.

Pursuant to Article 10 (2) sentence 1 of the company's Articles of Association, the other candidates are each appointed for a term of office lasting until the close of the Annual General Meeting that resolves to approve the Supervisory Board members' actions for the fourth fiscal year following the commencement of their terms of office. The fiscal year in which their terms of office commence is not counted pursuant to Article 10 (2) sentence 2 of the company's Articles of Association. Thus, provided that there are no changes to the fiscal year, their terms of office end at the close of the Annual General Meeting in 2026.

The nomination takes into account the objectives adopted by the Supervisory Board on 7 May 2020 for its composition and aims at fulfilling the simultaneously adopted skills profile for the entire body. The Supervisory Board's objectives, skills profile and concept on diversity have been published, including a description of the status of the implementation, in the Declaration on Corporate Governance, which is one of the documents referred to in agenda item 1. These documents are available on our website at [ir.knorr-bremse.com/agm](http://ir.knorr-bremse.com/agm) and will also be available there during the Annual General Meeting.

The Supervisory Board has verified that the individuals nominated for election can devote the expected amount of time required to discharge their office.

In the event that he is elected, the Supervisory Board intends to elect Prof. Dr. Mangold Chairman of the Supervisory Board of Knorr-Bremse AG directly after the Annual General Meeting on 20 May 2021. Prof. Dr. Mangold has been a member of the Supervisory Board of Knorr-Bremse AG since 2018 and holds the office of Chairman of the Supervisory Board at the time notice is given of the 2021 Annual General Meeting.

Further information on the individuals nominated for election can be found at the end of this agenda in the annex with respect to agenda item 6.

### **7. Resolution on the approval of the remuneration system for the Executive Board members**

Pursuant to Sec. 120a (1) AktG in the version applicable since 1 January 2020, the general meeting of a listed company resolves whether or not to approve the remuneration system for the members of the company's executive board upon every material change to the system, but at least once every four years. The Annual General Meeting of 30 June 2020 last approved a remuneration system, which can also be viewed on the company's website in the Corporate Governance section.

On 30 March 2021, the Supervisory Board resolved to change the corporate targets relevant to the Executive Board's one-year variable remuneration (Short Term Incentive) and to change the weighting of those targets with effect as of 1 January 2022. The remuneration system adopted by the Annual General Meeting on 30 June 2020 remains otherwise unchanged.

The Supervisory Board therefore proposes that the remuneration system for the Executive Board members, which is set out as an annex with respect to this agenda item 7 at the end of the agenda, be approved.

### **8. Resolution on the granting of approval to implement an employee share purchase plan for employees in the United States of America and in particular in the state of California**

The Executive Board plans to launch in 2021 an employee share purchase plan (Mitarbeiteraktienprogramm, the "MAP") for the employees of the Knorr-Bremse Group in Germany and in a number of other countries, including the United States of America (the "USA"). The MAP provides that, for purposes of establishing equity stakes, participating individuals ("plan participants") receive a grant to acquire shares in Knorr-Bremse AG, which they must then hold for at least twelve months. No shares will be issued or sold by Knorr-Bremse AG or its subsidiaries themselves to service the MAP.

Under German stock corporation law, launching and implementing the MAP in principle does not require the approval of the General Meeting of Knorr-Bremse AG. However, there may be tax benefits under the MAP in the USA for US taxpayers if the provisions of the MAP fulfill certain requirements set out by US tax rules and if the shareholders of Knorr-Bremse AG have approved the possibility of submitting offerings under the MAP in the USA ("US tax-qualified offerings"). This notwithstanding, such approval by the shareholders is also a condition for the MAP to be offered in the state of California without the offerings being registered with the California authorities.

Therefore, in accordance with Sec. 119 (2) AktG, the Executive Board has resolved to request the approval of the General Meeting to implement the MAP in the USA (the "US MAP") and to present offerings for participating in it in the USA subject to the following rules:

- The US MAP consists of annual US tax-qualified offerings directed at all employees of the participating US subsidiaries of Knorr-Bremse AG. Knorr-Bremse AG will annually decide anew whether and to what extent the US subsidiaries may participate in a relevant offering. In this respect, presenting offerings under the US MAP is permitted regardless of whether or not the conditions for a tax benefit are met.
- The Knorr-Bremse shares to be acquired under the US MAP will be acquired by an engaged broker for the account of the plan participants. No shares will be issued by Knorr-Bremse AG or its subsidiaries.
- The plan participants must themselves pay a portion of the purchase price for the shares to be acquired in each case. Knorr-Bremse AG and/or the relevant employer company either subsidizes the purchase of the shares through a grant calculated based on the portion of the purchase price paid by the plan participant and limited to a percentage and an amount or finances a corresponding discounted price. In this respect, both the percentage cap and the absolute cap of the grant will be annually decided anew in a relevant offering.

- The plan participants are obliged to hold the acquired Knorr-Bremse shares for at least twelve months.
- The US MAP, including the MAP for California, has a term lasting until the fifth anniversary of the launch of the US MAP, but ending on 31 December 2026 at the latest.
- The US MAP facilitates US tax-qualified offerings for the acquisition of a total of no more than 300,000 (in words: three hundred thousand) Knorr-Bremse shares during the entirety of its term. As regards employees resident in the state of California, the US MAP facilitates the acquisition of a total of no more than 10,000 (in words: ten thousand) Knorr-Bremse shares. The respective maximum quantities may be adjusted to reflect material structural changes of Knorr-Bremse AG and of its shares (such as share splits or restructurings) provided that such changes materially influence the value of the share.
- Offerings may be submitted under the US MAP to employees resident in the state of California no later than 120 months after the launch of the US MAP.

The Executive Board believes that the introduction of the MAP is in the interests of Knorr-Bremse AG, including with regard to the employees working abroad and, in particular, those working in the USA. Employees thereby become Knorr-Bremse AG shareholders; as such, they have a stake in the long-term success of the company and are incentivized to work toward it. Furthermore, employee equity participation programs constitute a common model of employee participation and incentivization at many similar companies that is tax-advantaged in many jurisdictions, in particular the USA. The plan's volume is limited to remain within reasonable bounds. Hence, in the Executive Board's opinion, this is a well-suited instrument to incentivize employees and to foster their commitment to the enterprise.

The Supervisory Board and the Executive Board propose that the launch of the US MAP with the rules described above be approved.

## II. Annexes to the agenda

### **Annex with respect to agenda item 6 – Further information on the candidates nominated for election to the Supervisory Board**

#### **Prof. Dr. Klaus Mangold**

Chairman of the Supervisory Board of Knorr-Bremse AG  
Self-employed entrepreneur

#### **Personal details:**

Date of birth: 6 June 1943  
Nationality: German

#### **Professional career and main activities in addition to the Supervisory Board mandate:**

Since 2004: Vice-Chairman Rothschild Europe, Frankfurt am Main  
 Since 2017: Chairman of the Advisory Board of Cortec GmbH, Germany  
 Since 2013: Member of the Board of Directors of Baiterek National Management Holding JSC, Kazakhstan  
 Since 2005: Honorary consul of the Russian Federation for Baden-Württemberg, Germany  
 Since 2003: Chairman of the Management Board of Mangold Consulting GmbH, Germany  
 2010-2019: Chairman of the Supervisory Board of TUI AG, Germany  
 2009-2019: Member of the Supervisory Board of Continental AG, Germany  
 2008-2019: Chairman of the Supervisory Board of Rothschild GmbH, Germany  
 2007-2019: Member of the Board of Directors of Alstom S.A., France  
 2004-2020: Chairman of the Supervisory Board of Rothschild Russia and the CIS (Commonwealth of Independent States)  
 2013-2016: Member of the Supervisory Board of Swarco AG, Austria  
 2011-2017: Member of the global advisory council of Ernst & Young, USA  
 2010-2016: Chairman of the Supervisory Board of Alstom AG, Germany  
 2003-2013: Member of the Supervisory Board of Metro AG, Germany  
 2003-2009: Member of the Supervisory Board of Magna International Inc., Canada  
 2000-2010: Member of the Board of Directors of the Chubb Group, USA  
 2000-2010: Chairman of the German Eastern Business Association (Ost-Ausschuss der Deutschen Wirtschaft)  
 1995-2003: Member of the Executive Board of DaimlerChrysler AG and chairman of the Executive Board of DaimlerChrysler Services AG (debis AG with additional responsibility for the markets in Central and Eastern Europe and Central Asia)

1991-1994: Chairman of the Executive Board of Quelle AG  
1983-1990: Chairman and member of the board of management of Rhodia AG

**Education:**

Studied law and economics at universities in Munich, Geneva, Paris, London, Heidelberg and Mainz

**Special knowledge, skills and experience for the Supervisory Board activities at Knorr-Bremse AG:**

Due to his many years of serving in leadership positions, including in the automotive sector, and his experience in numerous supervisory and controlling bodies, Prof. Dr. Mangold has extensive expertise relating to the advising and monitoring of the management of globally active companies.

**Memberships in other legally required German supervisory boards:**

- None

**Memberships in comparable German or foreign controlling bodies of commercial enterprises:**

- Chairman of the Management Board of Mangold Consulting GmbH, Stuttgart
- Member of the Board of Directors of Baiterek National Management Holding JSC, Nur-Sultan, Kazakhstan
- Chairman of the Advisory Board of Cortec GmbH, Freiburg, Germany
- Vice-Chairman Rothschild Europe, Frankfurt am Main

In the opinion of the Supervisory Board Prof. Dr. Mangold is, if he is elected, independent of the Executive Board, the company and the controlling shareholder, and he has stated in advance that he is willing to serve as a member of the Supervisory Board.

**Kathrin Dahnke**

Member of the Executive Board of OSRAM Licht AG (CFO)

**Personal details:**

Date of birth: 13 October 1960  
Nationality: German

**Professional career and main activities in addition to the Supervisory Board mandate:**

Since 2020: Member of the Executive Board of OSRAM Licht AG (CFO)  
Since 2016: Member of the Supervisory Board of B. Braun Melsungen AG  
2014-2019: Member of the Executive Board of Wilh. Werhahn KG, Neuss, as well as member of various supervisory and executive boards of companies that are wholly owned either directly or indirectly by Wilh. Werhahn KG  
2013-2020: Member of the Supervisory Board of Fraport AG, Frankfurt am Main  
2010-2014: CFO of DMG Mori Seiki AG (formerly Gildemeister AG), Bielefeld

**Education:**

Studied business administration in Göttingen

**Special knowledge, skills and experience for the Supervisory Board activities at Knorr-Bremse AG:**

Ms. Dahnke has proven expertise and experience in the finances of technology and engineering companies and, due to her professional career, she has particular competence in the areas of reporting, accounting and financing as well as in capital market matters.

**Memberships in other legally required German supervisory boards:**

- Member of the Supervisory Board of B. Braun Melsungen AG

**Memberships in comparable German or foreign controlling bodies of commercial enterprises:**

- None

In the opinion of the Supervisory Board Ms. Dahnke is, if she is elected, independent of the Executive Board, the company and the controlling shareholder, and she has stated in advance that she is willing to serve as a member of the Supervisory Board.



### **Dr. Thomas Enders**

President of the German Council on Foreign Relations

#### **Personal details:**

Date of birth: 21 December 1958  
Nationality: German

#### **Professional career and main activities in addition to the Supervisory Board mandate:**

Since 2019: President of the German Council on Foreign Relations e.V.  
2012-2019: Chief Executive Officer (CEO) of Airbus SE  
2007-2012: Chief Executive Officer of the Airbus SE Civil Aircraft Division  
2005-2007: Co-CEO of EADS/Airbus  
2000-2005: Chief Executive Officer of the Defence Division of Airbus SE  
1991-1999: Various positions at MBB/DASA, most recently Head of Corporate Development  
1989-1991: Member of the planning staff at the German Federal Ministry of Defence  
1985-1989: Work at various foreign and security policy think tanks  
1982-1985: Assistant to the CSU State Group in the German Bundestag

#### **Education:**

Studied economics, political science and history in Bonn and Los Angeles; holds a doctorate (Dr. phil)

#### **Special knowledge, skills and experience for the Supervisory Board activities at Knorr-Bremse AG:**

Dr. Thomas Enders has extensive expertise in the area of complex industries that operate in a broad, global value chain, in the management of global industrial groups and in working with public-sector clients.

#### **Memberships in other legally required German supervisory boards:**

- Member of the Supervisory Board of Deutsche Lufthansa AG, Cologne

#### **Memberships in comparable German or foreign controlling bodies of commercial enterprises:**

- (Non-executive) member of the Board of Directors of Linde plc, Dublin, Ireland
- Member of the Supervisory Board of Lilium GmbH, Wessling

In the opinion of the Supervisory Board Dr. Enders is, if he is elected, independent of the Executive Board, the company and the controlling shareholder, and he has stated in advance that he is willing to serve as a member of the Supervisory Board.

### **Dr. Stefan Sommer**

Self-employed consultant

#### **Personal details:**

Date of birth: 7 January 1963  
Nationality: German

#### **Professional career and main activities in addition to the Supervisory Board mandate:**

2018-2020: Member of the Board of Management of Volkswagen AG, Wolfsburg  
2008-2018: ZF Friedrichshafen AG, Friedrichshafen; from 2012 on Chief Executive Officer  
1997-2008: Continental Automotive Systems, Hannover, several positions, most recently Senior Vice President  
EBS Customer Center  
1994-1997: ITT Automotive Group Europe GmbH, Frankfurt am Main

#### **Education:**

Studied engineering in Bochum; holds a doctorate (Dr. Ing.)

#### **Special knowledge, skills and experience for the Supervisory Board activities at Knorr-Bremse AG:**

Due to his many years of experience in leadership positions at global industrial corporations, Dr. Sommer has extensive expertise in the automotive and e-mobility sector.

**Memberships in other legally required German supervisory boards:**

- None

**Memberships in comparable German or foreign controlling bodies of commercial enterprises:**

- None

In the opinion of the Supervisory Board Dr. Sommer is, if he is elected, independent of the Executive Board, the company and the controlling shareholder, and he has stated in advance that he is willing to serve as a member of the Supervisory Board.

**Julia Thiele-Schürhoff**

Chairwoman of the Executive Board of Knorr-Bremse Global Care e.V.

**Personal details:**

Date of birth: 17 April 1971

Nationality: German

**Professional career and main activities in addition to the Supervisory Board mandate:**

Since 2008: Member of the Corporate Responsibility Council of Knorr-Bremse AG

Since 2005: Founder, CEO and Chairwoman of the Executive Board of Knorr-Bremse Global Care e.V.

2008-2014: Head of Corporate Social Responsibility of Knorr-Bremse AG

2002-2008: Legal counsel of Knorr-Bremse AG

**Education:**

Studied law in Munich

**Special knowledge, skills and experience for the Supervisory Board activities at Knorr-Bremse AG:**

Due to, inter alia, her previous work for Knorr-Bremse AG, Ms. Thiele-Schürhoff has proven knowledge about the enterprise and the corporate strategy tied to it; she also has particular competence in the area of corporate social responsibility.

**Memberships in other legally required German supervisory boards:**

- None

**Memberships in comparable German or foreign controlling bodies of commercial enterprises:**

- Chairwoman of Knorr-Bremse Global Care e.V.

In the opinion of the Supervisory Board Ms. Thiele-Schürhoff is, if she is elected, independent of the Executive Board and the company. Ms. Thiele-Schürhoff is the daughter of Heinz Hermann Thiele, who recently passed away and was indirectly the controlling shareholder of the company. In addition, Ms. Thiele-Schürhoff indirectly holds an interest in KB Holding GmbH, the directly controlling shareholder. Ms. Thiele-Schürhoff has stated in advance that she is willing to serve as a member of the Supervisory Board.

**Dr. Theodor Weimer**

Chairman of the Executive Board of Deutsche Börse AG

**Personal details:**

Date of birth: 21 December 1959

Nationality: German

**Professional career and main activities in addition to the Supervisory Board mandate:**

Since 2018: Chairman of the Executive Board of Deutsche Börse AG

2013-2017: Member of the Executive Committee of Unicredit Group, Milan

2009-2017: Spokesman of the Executive Board of HypoVereinsbank/UniCredit Bank AG

2008: Executive Chairman of Global Investment Banking of Bayerische Hypo- und Vereinsbank AG/UniCredit Group

2007: Head of Global Investment Banking of UniCredit Group

2001-2007: Managing Director and Partner of Goldman, Sachs & Co. oHG  
1995-2001 Senior Partner, Member of the Global Management Committee of Bain & Company  
1988-1995 Management Consultant, McKinsey & Company

**Education:**

Studied economics, business administration and geography at the University of Tübingen and the University of St. Gallen (Switzerland); holds a doctorate (Dr. rer. pol.) from the University of Bonn

**Special knowledge, skills and experience for the Supervisory Board activities at Knorr-Bremse AG:**

From his previous professional work, Dr. Weimer has extensive knowledge and experience of equity and debt capital markets, the management of global corporations, corporate transactions and corporate strategy.

**Memberships in other legally required German supervisory boards:**

- Member of the Supervisory Board of Deutsche Bank AG, Frankfurt am Main, Germany

**Memberships in comparable German or foreign controlling bodies of commercial enterprises:**

- None

In the opinion of the Supervisory Board Dr. Weimer is, if he is elected, independent of the Executive Board, the company and the controlling shareholder, and he has stated in advance that he is willing to serve as a member of the Supervisory Board.

In the opinion of the Supervisory Board, apart from Ms. Thiele-Schürhoff's relationship to the Knorr-Bremse Group described above, there are no other personal or business relationships between the candidates and the company, the corporate bodies of the company or any shareholder with a material interest in the company that an objectively judging shareholder would consider material to making their election decision.

In the opinion of the Supervisory Board, all six individuals nominated for election are thus independent of the company and of the Executive Board within the meaning of recommendation C.7 of the German Corporate Governance Code in the version of 16 December 2019 (the "GCGC"). Furthermore, in the opinion of the Supervisory Board five of the individuals nominated for election are independent of the controlling shareholder within the meaning of recommendation C.9 of the GCGC. The minimum quotas of independent shareholder representatives put forward in recommendations C.6, C.7 and C.9 of the GCGC are thereby met.

Information on the skills profile, including the concept on diversity for the Supervisory Board and the status of its implementation, and on the working practices and composition of the Supervisory Board can be found in the Declaration on Corporate Governance and in the report of the Supervisory Board, which are among the documents referred to in agenda item 1 that have been made available.

**Annex with respect to agenda item 7 – Approval of the remuneration system for the Executive Board members**

**A. Principal features of the remuneration system and contribution to the promotion of the business strategy and the long-term development of Knorr-Bremse AG**

The remuneration system for the members of the Executive Board makes an essential contribution to the promotion and implementation of Knorr-Bremse AG's corporate strategy of growing stronger than the market and continuously achieving a first-class margin. Added value is created for customers, employees and shareholders by defining performance criteria relating to the long-term and sustainable success of the company, for which ambitious annual and multi-year targets are set.

The remuneration system creates incentives that are in line with and support the corporate strategy: The short-term variable remuneration is based on the financial performance criteria of revenue, earnings before interest and taxes ("EBIT"), free cash flow and quality. This strengthens the focus of the Executive Board's actions on profitability and further growth. The short-term variable remuneration is additionally oriented toward non-financial performance criteria. For instance, apart from financial performance criteria, the achievement of targets from the environmental, social and sustainable corporate development areas (environmental, social and governance, "ESG") is considered a performance target in its own right. This supports the further strategic development of the company, which also includes social and environmental aspects and is attentive to developing the company in a sustainable manner. Additional non-financial performance criteria are taken into account in the short-term variable remuneration via a modifier.

In the course of the successful IPO of Knorr-Bremse AG in October 2018, the Executive Board remuneration system was aligned more closely to the requirements of the shareholders and the market practice in listed companies.

In order to link the remuneration to the long-term development of the company, the long-term variable remuneration, which in particular is tied to the company's stock market value, makes up a material share of the total remuneration. With a term of four years and an annual payment, the corporate development is observed over multi-year cycles. A combination of internal and external performance criteria takes the stakeholder value as well as the shareholder value into account. The comparison with competitors creates incentives for long-term profitability and further operational development, as well as for the implementation of strategically relevant projects, such as attaining technology leadership through R&D expertise.

In order to further harmonize the interests of the Executive Board and the shareholders and to strengthen a long-term and sustainable development of Knorr-Bremse AG, the members of the Executive Board are obliged to acquire shares in Knorr-Bremse AG and hold them for the duration of their appointment.

The structure of the remuneration system for the members of the Executive Board is clear and comprehensible. It meets the requirements set out in the AktG, as amended by the German Act Implementing the Second Shareholder Rights Directive of 12 December 2019 (German Federal Law Gazette, Part I 2019, no. 50 of 19 December 2019) and takes into account the recommendations of the German Corporate Governance Code (GCGC) in the version that was adopted by the Commission (Regierungskommission Deutscher Corporate Governance Kodex) on 16 December 2019 and that took effect on 20 March 2020.

Starting 1 January 2022, the new remuneration system will apply to all members of the Executive Board as well as to all new service agreements with members of the Executive Board and to extensions of service agreements.

## B. Specifics of the remuneration system

### I. Remuneration components

#### 1. Overview of the remuneration components and their relative share of the remuneration

The remuneration of the members of the Executive Board comprises fixed and variable components. The fixed components are the fixed annual salary, fringe benefits and the pension contribution. The variable components are the short-term variable remuneration ("STI") and the long-term variable remuneration ("LTI"). The remuneration system also includes share ownership guidelines ("SOG") for the members of the Executive Board.

Remuneration components	Calculation basis/parameters								
<b>Non-performance-related components</b>									
Fixed annual salary	<ul style="list-style-type: none"> <li>Contractually agreed fixed remuneration, paid out in twelve monthly installments</li> </ul>								
Fringe benefits	<ul style="list-style-type: none"> <li>Essentially, allowing the private use of a company car, insurance (accident insurance, D&amp;O insurance), reimbursement of the employer's share of health and long-term care insurance premiums</li> </ul>								
Pension contribution	<ul style="list-style-type: none"> <li>Annual sum for old-age pension purposes</li> <li>No additional company pension benefits are granted</li> </ul>								
<b>Performance-related components</b>									
	<table border="1"> <tr> <td>Type of plan</td> <td> <ul style="list-style-type: none"> <li>Target bonus</li> </ul> </td> </tr> <tr> <td>Limitation of the payout amount</td> <td> <ul style="list-style-type: none"> <li>180% of the target amount (Chairman of the Executive Board, "CEO")</li> <li>200% of the target amount (other Executive Board member, "EBM")</li> </ul> </td> </tr> <tr> <td>Performance criteria</td> <td> <ul style="list-style-type: none"> <li>Revenue (20%)</li> <li>Free cash flow (20%)</li> <li>EBIT (30%)</li> <li>Quality (10%)</li> <li>ESG (20%)</li> <li>Modifier (0.8-1.2) to assess the individual and collective performance of the Executive Board (members) and the achievement of stakeholder targets</li> </ul> </td> </tr> <tr> <td>Payout</td> <td> <ul style="list-style-type: none"> <li>In the month after the approval of the consolidated financial statements</li> </ul> </td> </tr> </table>	Type of plan	<ul style="list-style-type: none"> <li>Target bonus</li> </ul>	Limitation of the payout amount	<ul style="list-style-type: none"> <li>180% of the target amount (Chairman of the Executive Board, "CEO")</li> <li>200% of the target amount (other Executive Board member, "EBM")</li> </ul>	Performance criteria	<ul style="list-style-type: none"> <li>Revenue (20%)</li> <li>Free cash flow (20%)</li> <li>EBIT (30%)</li> <li>Quality (10%)</li> <li>ESG (20%)</li> <li>Modifier (0.8-1.2) to assess the individual and collective performance of the Executive Board (members) and the achievement of stakeholder targets</li> </ul>	Payout	<ul style="list-style-type: none"> <li>In the month after the approval of the consolidated financial statements</li> </ul>
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Payout	<ul style="list-style-type: none"> <li>In the month after the approval of the consolidated financial statements</li> </ul>								
Short-term variable remuneration (STI)									

	Type of plan	• Performance share plan
	Limitation of the payout amount	• 180% of the target amount (CEO) • 200% of the target amount (EBM)
Long-term variable remuneration (LTI)	Performance criteri	• Earnings per share – EPS (50%) • Relative total shareholder return – TSR (50%) Comparison with MDAX, selected companies in the “Rail and Truck” and “High Quality European Industrial Goods” industries
	Payout	• In the month after the approval of the consolidated financial statements for the last fiscal year of the 4-year Performance Period
<b>Other</b>		
Share ownership obligation		• Obligation to acquire shares in Knorr-Bremse AG in the amount of a fixed gross annual salary within four years and to hold them for the duration of the membership on the Executive Board
Benefits upon taking office		• Possibly, compensation payments on the occasion of taking office • Possibly, benefits in connection with a relocation • Possibly, guaranteed minimum remuneration in the first 12 months

For each member of the Executive Board on the basis of the remuneration system, the Supervisory Board sets a specific target total remuneration that must be appropriate to that member’s tasks and services as well as to the situation of the company and that does not exceed the usual level of remuneration without specific reasons. The target total remuneration comprises the sum of all remuneration components that are material to the total remuneration. As regards the STI and the LTI, the target amount for the event of a target achievement of 100% will be factored in. The share of the long-term variable remuneration in the target total remuneration is larger than the share of the short-term variable remuneration in the target total remuneration. The relative shares of the fixed and variable remuneration components are illustrated below in relation to the target total remuneration.

CEO: 25%-35% EBM: 40%-50%	CEO: 25%-35% EBM: 20%-30%	CEO: 35%-45% EBM: 30%-40%
Non-performance-related components/ fixed remuneration	Performance-related components/ variable remuneration	
Fixed annual salary including fringe benefits and pension contribution	Short-term variable remuneration (STI)	Long-term variable remuneration (LTI)
Annual payout		Payout after four years

In the case of the Chairman of the Executive Board, the fixed remuneration (fixed annual salary, pension contribution and fringe benefits) currently makes up approximately 32% of the target total remuneration and the share of the variable remuneration is approximately 68% of the target total remuneration. The STI (target amount) constitutes approximately 31% of the target total remuneration and the share of the LTI (target amount) is approximately 36% of the target total remuneration.

In the case of the other Executive Board members ("EBM"), the fixed remuneration (fixed annual salary, pension contribution and fringe benefits) currently makes up approximately 41% to 47% of the target total remuneration and the share of the variable remuneration is approximately 53% to 59% of the target total remuneration. The STI (target amount) constitutes approximately 23% to 25% of the target total remuneration and the share of the LTI (target amount) is approximately 30% to 34% of the target total remuneration.

In future fiscal years, these shares may vary slightly due to developments in the costs of contractually promised fringe benefits and for newly appointed members of the Executive Board, if any. In addition, these shares may vary if any payments are granted on the occasion of newly appointed members of the Executive Board taking up their office.

## 2. Fixed remuneration components

The members of the Executive Board receive a fixed annual salary payable in twelve monthly installments.

Additionally, the following fringe benefits in particular are granted: Knorr-Bremse AG provides each member of the Executive Board with a company car for private use. The members of the Executive Board are also included in the D&O insurance policy taken out by Knorr-Bremse AG, and the employer's share of health and long-term care insurance premiums is reimbursed. Additionally, an accident insurance policy (death and invalidity) has been taken out for the members of the Executive Board at Knorr-Bremse AG's expense.

For old-age pension purposes, the members of the Executive Board receive an annual pension contribution, payable at the end of the relevant fiscal year. No additional company pension benefits are granted.

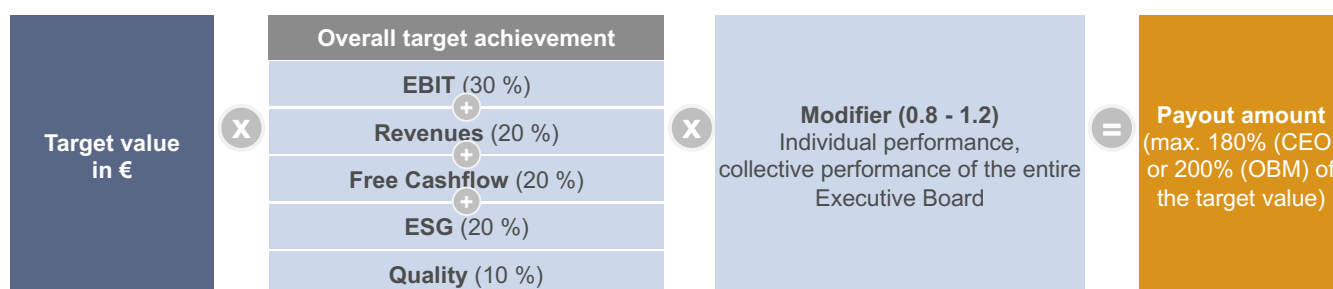
In individual cases, on the occasion of a new member of the Executive Board taking up office, the Supervisory Board may award a payment in the first or second year of his/her appointment. A payment of this kind can serve to make up for, e.g., losses of variable remuneration that a member of the Executive Board incurs at a previous employer by joining Knorr-Bremse AG.

## 3. Variable remuneration components

Nachfolgend werden die variablen Vergütungsbestandteile beschrieben. Dabei wird verdeutlicht, welcher Zusammenhang zwischen der Erreichung der Leistungskriterien und dem Auszahlungsbetrag aus der variablen Vergütung besteht. Ferner wird erläutert, in welcher Form und wann die Vorstandsmitglieder über die gewährten variablen Vergütungsbeträge verfügen können.

### STI

The STI is a performance-based bonus with a one-year assessment period. First, the STI depends on financial performance criteria and the achievement of ESG targets. Second, the Supervisory Board uses a modifier to take into account the individual performance of each member of the Executive Board, the collective performance of the Executive Board as a whole, and the achievement of stakeholder targets.



The four financial performance criteria for the calculation of the STI payout amount are EBIT (weighted at 30%), revenue and free cash flow (each of which is weighted at 20%) and quality (with a weighting of 10%). Apart from that, target achievement depends on ESG targets, which are weighted at 20%.

The direct connection with the financial performance criteria and the ESG targets secures the strategic orientation of the variable remuneration.

The financial performance criteria are not only used at the group level, they also serve to provide strategic orientation of the business activity in the individual business units.

- EBIT is the profit after depreciation and amortization of property, plant and equipment and intangible assets reported in the approved and audited consolidated financial statements of the company. EBIT reflects the earning power of the company and the value proposition of continuously achieving a first-class margin.
- Revenue is the revenue reported in the approved and audited consolidated financial statements of the company. It is a central element of the implementation of the profitable growth strategy and value proposition of Knorr-Bremse AG of growing stronger than the market.
- Free cash flow is calculated by subtracting disbursements for capital expenditure on property, plant and equipment and intangible assets from cash flow from operating activities and adding proceeds from the sale of property, plant and equipment and intangible assets.
- The financial performance criterion of quality puts the focus on the operational activities of the business units, such as “Cost of Poor Quality.”

The values reported in the approved and audited consolidated financial statements of Knorr-Bremse AG serve as the basis for calculating the target achievement with regard to each of the performance criteria of EBIT, revenue and free cash flow.

Depending on the tasks of a given member of the Executive Board, the financial performance criteria may be set exclusively with regard to the overall group (e.g., Chairman of the Executive Board and CFO) or 50% with regard to the overall group and 50% with regard to the business unit for which the member of the Executive Board is responsible (Rail Vehicle Systems or Commercial Vehicle Systems).

Before the beginning of each fiscal year, the Supervisory Board defines the targets for the individual performance criteria of revenue, EBIT and free cash flow, which are derived from the budget planning. As regards the performance criterion of quality, for each fiscal year the Supervisory Board sets for each of the sub-targets a target value that equates to a target achievement level of 100%.

After a fiscal year has elapsed, the total target achievement is calculated on the basis of the target achievement for the individual performance criteria. In order to calculate the target achievement for the four performance criteria, the Supervisory Board compares for each performance criterion the actual value with the targets (budget value or target value, as the case may be) of the relevant fiscal year. The quotients (as a percentage) of the actual values achieved and the respective budget values defined or the respective target values set, as the case may be, by the Supervisory Board reflects the level of target achievement in each case and – for the financial performance criteria of revenue, EBIT, free cash flow and quality – yields the target achievement level as follows; values between the specified points are interpolated linearly:

Target	Target achievement
< 80%	0%
80%	0%
100%	100%
120%	200%
> 120%	200%

That notwithstanding, for individual, future fiscal years, the Supervisory Board is entitled to set for individual or all financial performance criteria a minimum value that equates to a target achievement of 0%, a target value that equates to a target achievement of 100% and a maximum value that equates to a target achievement of 200% if the Supervisory Board considers this better suited to reflect these sub-targets and incentivize the members of the Executive Board accordingly.

G targets are considered as a materially relevant non-financial performance criterion. Half of these targets are internal ESG sub-targets (the “internal ESG sub-target”) and the other half are external ESG sub-targets (the “external ESG sub-target”).

One half of the internal ESG sub-target consists of taking into consideration the company’s own contribution to CO<sup>2</sup> neutrality, equating to the sum of energy efficiency increases and self-produced photovoltaic energy in relation to the group’s total energy requirements, and the other half consists of the development of workplace accidents per 200,000 hours worked.

The company’s rankings in the ESG ratings of ISS (ESG rating in the machinery peer group), SAM (corporate sustainability assessment in the machinery and electrical equipment peer group) and Sustainalytics (CSA rating in the machinery peer group) constitute the

external ESG sub-target. The achievement of the average percentile ranking as an arithmetic mean of the three individual ratings is measured.

The Supervisory Board is entitled to replace, remove or add, in whole or in part, target criteria of the internal ESG sub-target for future fiscal years if in its due discretion this is better suited to reflect the development in the area of ESG and incentivize the members of the Executive Board accordingly. In this respect, the Supervisory Board may select from the following categories in particular: energy efficiency, employee satisfaction, customer satisfaction, diversity, and increase in the share of sustainability-neutral products. As regards the external ESG sub-target, the Supervisory Board is entitled to replace the ratings used, in whole or in part, or to weight the ratings differently.

For each fiscal year, the Supervisory Board sets for each criterion of the internal ESG sub-target and for the external ESG sub-target a minimum value that equates to a target achievement of 0%, a target value that equates to a target achievement of 100% and a maximum value that equates to a target achievement of 200%. If the actual value reaches or falls short of the minimum value, the target achievement level is 0%. The level of target achievement is interpolated linearly: between the minimum value and the target value as being between 0% and 100% and between the target value and the maximum value as being between 100% and 200%. If the actual value exceeds the maximum value, the target achievement level is 200%. In determining a target achievement level, percentage values are rounded to whole numbers according to standard commercial practice.

When determining the target achievement level of the actual values of the EBIT, revenue, free cash flow and ESG sub-targets, the Supervisory Board is entitled to use its reasonable discretion to correct for non-budgeted non-recurring (one-time) effects with the aim of comparing budgeted and actual figures from an operations perspective to the greatest extent possible if such effects distort an assessment of the performance of the Executive Board as regards one of these sub-targets.

The total target achievement is calculated based on the financial performance criteria and the target achievement level for the ESG targets using the following formula:

total target achievement = EBIT target achievement x 30% + revenue target achievement x 20% + free cash flow target achievement x 20% + quality target achievement x 10% + ESG targets target achievement x 20%

Before a fiscal year begins, in addition to the financial performance criteria and the ESG targets, the Supervisory Board defines further non-financial performance criteria and their weighting, which will be used to assess the individual performance of each member of the Executive Board, the performance of the Executive Board as a whole and the achievement of stakeholder targets.

- Possible performance criteria for assessing the individual performance of a member of the Executive Board are, e.g., important strategic achievements in his/her area of responsibility or individual contributions toward important projects spanning multiple areas of responsibility.
- Possible performance criteria for assessing the collective performance of the Executive Board as a whole are, e.g., the manner in which the members of the Executive Board have worked together or long-term strategic, technical or structural development of the company.

In terms of stakeholder targets, the Supervisory Board can, for instance, set performance criteria in the areas of safety and health, the environment or diversity. The individual modifier is set by the Supervisory Board at its due discretion as a function of the degree of fulfillment of the non-financial performance criteria for the assessment of the individual performance of each member of the Executive Board, for the assessment of the performance of the Executive Board as a whole and for the assessment of the achievement of stakeholder targets. The individual modifier can be between 0.8 and 1.2. The targets and the assessment of the extent to which the targets were achieved will be explained subsequently in the remuneration report for the relevant fiscal year.

The total target achievement, as calculated based on the financial performance criteria and the ESG targets, multiplied by the modifier (0.8 to 1.2) and the defined target value in euros equals the amount of the payout. For ordinary members of the Executive Board, the annual STI payout is limited to a maximum of 200% of the target amount and for the Chairman of the Executive Board to a maximum of 180% of the target amount. The STI payout is due for payment in the month after the approval of the consolidated financial statements of Knorr-Bremse AG for the fiscal year relevant for the STI.

The financial and the non-financial performance criteria may not be subsequently changed. Should any extraordinary events or developments occur, e.g., the acquisition or sale of a part of a company, the Supervisory Board is entitled to make an appropriate adjustment to the terms of the STI plan temporarily at its reasonable discretion.

Where an appointment begins or ends in the course of a fiscal year, the target amount is reduced pro rata temporis based on the date when the appointment begins/ends. Where a service agreement ends with a notice period, the target amount is reduced pro rata temporis based on the date when the notice period ends. Should the service agreement come to an end, the STI for the current fiscal year will be calculated in accordance with the general STI rules and paid out at the regular point in time.



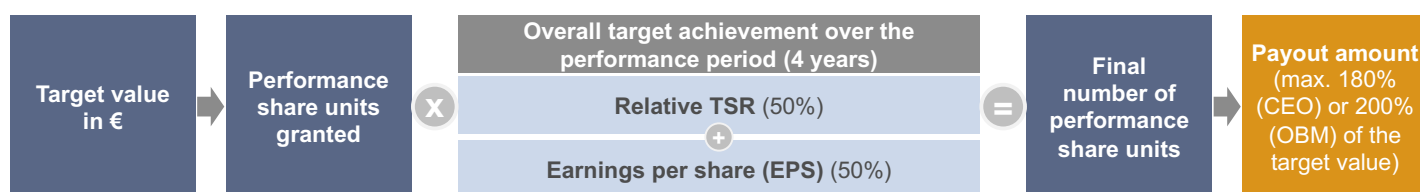
**LTI**

The LTI is structured as a performance share plan under which virtual shares in Knorr-Bremse AG are granted in annual tranches. Each tranche of the performance share plan has a term of four years (“**Performance Period**”).

Each Performance Period begins on 1 January of the first fiscal year of the Performance Period (“**Granting Fiscal Year**”) and ends on 31 December of the third year following the Granting Fiscal Year.

At the beginning of a Granting Fiscal Year, the members of the Executive Board are allocated a provisional number of virtual shares (performance share units), calculated as the quotients of the individual target amounts agreed in the respective service agreements and the average XETRA closing price of the Knorr-Bremse AG share over the 60 trading days prior to the first day of the Granting Fiscal Year.

After the end of the Performance Period, the target achievement for the LTI is calculated and the amount of the payout for each member of the Executive Board is determined as a function of the target achievement.



The relevant performance criteria for the performance share plan are the following: the total shareholder return (“**TSR**”) of Knorr-Bremse AG as compared to the respective TSRs of companies from three peer groups (“**Relative TSR**”) and the development of the earnings per share (“**EPS**”). The combination of an internal, financial performance criterion (EPS) and an external, capital market-oriented criterion (TSR) reflects the orientation of the LTI toward the long-term development of the company both internally and externally.

The EPS is the basic earnings per share after taxes from continuing operations reported in the approved and audited consolidated financial statements of Knorr-Bremse AG. The EPS takes two strategic fields of Knorr-Bremse AG into account: its further profitable growth strategy and its consistent efficiency and excellence.

The target achievement level for the EPS performance criterion is determined by comparing the average actual value of the EPS and the strategic target value of the EPS during the Performance Period. The quotient of the average actual EPS value and the strategic target value of the EPS (in percent) reflects the EPS target fulfillment and yields the level of target achievement as follows; values between the specified points are interpolated linearly:

EPS Target fulfillment	Target achievement
< 80%	0%
80%	50%
100%	100%
140%	200%
> 140%	200%

TSR means the performance of the price of the share, taking into consideration the notional reinvestment of dividends and all capital measures, and reflects the growth in the company’s value from the shareholders’ point of view. In order to take the competitive position of Knorr-Bremse AG into consideration and incentivize a strategy of sustainable growth above the market, the TSR of Knorr-Bremse AG is compared with that of relevant peer group companies.

- All companies that belong to the MDAX during an entire Performance Period (not including Knorr-Bremse AG)

- Selected companies in the “**Rail and Truck**” industry (currently: Alstom S.A., Cummins, Inc., Haldex AB, Jost AG, Navistar, Inc., Paccar, Inc., SAF-Holland S.A., Stadler Rail AG, Vossloh AG, TRATON SE)
- Selected companies in the “**High Quality European Industrial Goods**” industry (currently: Alfa Laval A.B., Atlas Copco A.B., Kone Corporation, Legrand S.A., MTU Aero Engines AG, NORMA Group SE, Rotork plc., Safran S.A., Schindler Holding AG, Stabilus S.A.)

The Supervisory Board is entitled to unilaterally adjust the peer group for future tranches prior to the commencement of any Performance Period.

To ascertain the target achievement level of the TSR development of Knorr-Bremse AG in relation to the peer group companies, the relative TSR rank achieved by Knorr-Bremse AG within the respective peer groups (ranking) is calculated, with the average relative rank across all three peer groups being determined on that basis. The average relative rank yields the level of target achievement as follows; values between the specified points are interpolated linearly:

Average relative rank	Target achievement
< 25 <sup>th</sup> percentile rank	0%
25 <sup>th</sup> percentile rank	50%
50 <sup>th</sup> percentile rank	100%
75 <sup>th</sup> percentile rank	200%
> 75 <sup>th</sup> percentile rank	200%

The total target achievement is calculated using the following formula:

$$\text{total target achievement} = \text{TSR target achievement} \times 50\% + \text{EPS target achievement} \times 50\%$$

The final number of virtual shares is calculated by multiplying the number of allocated virtual shares by the total target achievement after the expiry of the Performance Period:

$$\text{final number of virtual shares} = \text{allocated number of virtual shares} \times \text{total target achievement}$$

The amount of the payout is then calculated by multiplying the final number of virtual shares by the average XETRA closing price of the company’s share over the last sixty trading days before the end of the relevant Performance Period.

For ordinary members of the Executive Board, the annual LTI payout is limited to a maximum of 200% of the target amount and for the Chairman of the Executive Board to 180% of the target amount. The payout is due for payment in the month after the approval of the consolidated financial statements of Knorr-Bremse AG for the last fiscal year of the Performance Period.

The performance criteria may not be subsequently changed. Should any extraordinary events or developments occur, e.g., the acquisition or sale of a part of a company, the Supervisory Board is entitled to make an appropriate adjustment to the terms of the LTI plan temporarily at its reasonable discretion.

Where the term of office of an Executive Board member begins in the course of a fiscal year, the target amount is reduced pro rata temporis based on the date when the term of office begins. All claims under tranches of a current Performance Period lapse without any replacement or compensation if before the end of the Performance Period Knorr-Bremse AG terminates the relevant service agreement without notice for a cause (wichtiger Grund) for which the Executive Board member is responsible, the appointment of the relevant member of the Executive Board is revoked on the grounds of a gross breach of duty or the member of the Executive Board resigns from office without cause and without the consent of Knorr-Bremse AG. If the appointment ends for other reasons before the expiry of the Performance Period, the tranches of the current Performance Periods remain unaffected. The LTI tranche of the Granting Fiscal Year in which the appointment ends is reduced pro rata temporis based on the end of the appointment. The payout is not made prematurely.

#### 4. Share ownership obligation (share ownership guidelines, SOG)

In addition to the LTI as an equity-based performance share plan with a four-year Performance Period, the share acquisition and retention obligation for the Executive Board constitutes a further key component of the remuneration system with the objective of promoting the long-term and sustainable development of the company. The members of the Executive Board are obliged to acquire and retain ownership of a minimum number of shares in Knorr-Bremse AG in the amount of 100% of their respective fixed gross annual salaries for the duration of their respective service agreements ("**SOG Target**"). Until the SOG Target is achieved, the member of the Executive Board is obliged to acquire shares in Knorr-Bremse AG equal to at least 25% of the SOG Target in each fiscal year. In individual cases, the Supervisory Board can use its reasonable discretion to depart from the SOG provisions, taking into account the circumstances of the case (e.g., on account of restrictions on the acquisition of shares as a result of contractual, company-internal or legal provisions).

## II. Maximum Remuneration

The total remuneration to be granted for a fiscal year (i.e., the sum of all of the remuneration amounts paid for a fiscal year, including the fixed annual salary, variable remuneration components, pension contributions and fringe benefits or any compensation payments on the occasion of a newly appointed member of the Executive Board taking office) to the members of the Executive Board – regardless of whether or not it is paid out in that fiscal year or at a later point in time – is subject to an absolute upper limit ("**Maximum Remuneration**"). The Maximum Remuneration for the Chairman of the Executive Board is EUR 7,490,000; for each of the other members of the Executive Board, it is EUR 4,030,000.

When a new member of the Executive Board takes up office, the Maximum Remuneration in the first or second year of his/her appointment can differ from the fixed Maximum Remuneration if, in exceptional cases, the Supervisory Board grants the new member of the Executive Board further payments on the occasion of his/her taking office as compensation for lost payments from the previous service relationship. In this case, the Maximum Remuneration for this one fiscal year is increased by up to 50% for the Chairman of the Executive Board and by up to 25% for the other members of the Executive Board.

Irrespective of the fixed Maximum Remuneration, the amounts of the individual variable remuneration components that are to be paid are also limited relative to the respective target amount to 180% of the target amount for the Chairman of the Executive Board and 200% for the other members of the Executive Board.

## III. Remuneration-related legal acts

### 1. Terms and prerequisites for the termination of remuneration-related legal acts

The service agreements of the members of the Executive Board are valid for the duration of their respective appointments. As a rule, new members of the Executive Board are initially appointed for a maximum term of three years. In the event of a reappointment, the maximum term of appointment is five years. The service agreements are extended for the duration of a reappointment unless agreed otherwise.

If an appointment is terminated by mutual consent with the approval of the Supervisory Board ("**Termination of the Appointment by Mutual Consent**"), the service agreement ends prematurely as of the date of the Termination of the Appointment by Mutual Consent. If the Supervisory Board revokes an appointment, the service agreement ends prematurely on the expiry of a notice period pursuant to Sec. 622 (2) of the German Civil Code (Bürgerliches Gesetzbuch, "**BGB**"). The notice period is extended to 24 months to the end of a month, but not beyond the end of the regular term of the agreement, if the appointment of the member of the Executive Board is revoked due to incapacity to carry out proper management through no fault on his/her part or because of a vote of no confidence by the Annual General Meeting. The extended notice period also applies if a member of the Executive Board prematurely, unilaterally and validly resigns from his/her position on the Executive Board for good cause. The members of the Executive Board receive their fixed annual salary during the notice period. The claims to STI and LTI are based on the provisions on leaving the Executive Board prematurely as described above.

There is no right of special termination in the event of a change of control ("**Change of Control**") or any commitment to make payments in connection with the premature termination of the membership on the Executive Board as a result of a Change of Control.

## **2. Compensation for removal from office**

In the event of a Termination of the Appointment by Mutual Consent, the relevant member of the Executive Board receives a compensation payment. The compensation payment is composed of the fixed annual salary and the STI for the remainder of the regular term of the appointment, but for a maximum of 24 months. Thus, the compensation payment will not exceed the value of two years' remuneration, but will remain below it and will not remunerate a period longer than the residual term of the agreement. The STI paid in the last completed fiscal year prior to the termination of the appointment is used to determine the STI. If the appointment ends before the end of the first fiscal year in which an STI is paid out, the STI will be calculated on the basis of the target amount. The compensation payment will be set off against any compensation for observing a post-contractual non-compete covenant paid by Knorr-Bremse AG. Even in the event of a Termination of the Appointment by Mutual Consent, the member of the Executive Board will not be entitled to the compensation payment if the premature termination of the appointment takes place at the request of the member of the Executive Board or if there is cause for Knorr-Bremse AG to revoke the appointment or to terminate the service agreement without notice or if the member of the Executive Board is reappointed as a member of the Executive Board following the Termination of the Appointment by Mutual Consent.

The Supervisory Board may agree on a post-contractual non-compete covenant for a period of up to two years with the members of the Executive Board. During this period, the members of the Executive Board are entitled to compensation equal to one twelfth of the fixed annual salary per month for observing the post-contractual non-compete covenant. The compensation for observing the post-contractual non-compete covenant will be set off against other payments owed by Knorr-Bremse AG for the period after termination of the service agreement. Any income earned from activities that do not fall under the post-contractual non-compete covenant will be set off against the compensation for observing the post-contractual non-compete covenant.

## **IV. Consideration of the employees' remuneration and employment terms and conditions in the determination of the remuneration system**

The Supervisory Board reviews the remuneration of the Executive Board on a regular basis. Both the peers of Knorr-Bremse AG (horizontal comparison to the remuneration for members of executive boards) and the internal company remuneration structure (vertical comparison) are taken into consideration when the appropriateness of the remuneration is assessed.

The vertical comparison is based on the relation of the Executive Board remuneration to the remuneration paid to the top senior management and the entire staff of Knorr-Bremse AG. The Supervisory Board has defined the top senior managers for this purpose as the Management Board Europe Rail & Track and the first and second management tiers. For the entire staff, the Supervisory Board distinguishes between pay-scale and non-pay-scale employees. The Supervisory Board takes into account the development of the remuneration of these groups and how their remuneration has developed in comparison over time.

## **V. Procedure for the determination, implementation and review of the remuneration system**

The Supervisory Board adopts a clear and comprehensible remuneration system for the members of the Executive Board. The Executive Committee is responsible for carrying out the preparatory work for the Supervisory Board's resolution on the remuneration system and the regular review of the remuneration system. The Executive Committee will provide the Supervisory Board with all the information that it needs to review the remuneration system. The Supervisory Board will review the remuneration system at its due discretion, but in any event every four years. In so doing, the Supervisory Board makes a market comparison and also takes particular account of changes in the business environment, the company's overall economic situation and strategy, changes and trends in national and international corporate governance standards and developments in the employees' remuneration and employment terms and conditions pursuant to B.IV. above. If necessary, the Supervisory Board will consult external remuneration experts and other advisors. In doing so, the Supervisory Board will ensure that the external remuneration experts and advisors are independent of the Executive Board and take the necessary precautions to avoid conflicts of interest.

The Supervisory Board will submit the adopted remuneration system to the Annual General Meeting for approval each time there is a substantial change, but at least once every four years. If the Annual General Meeting does not approve the submitted system, the Supervisory Board must submit a revised remuneration system to the General Meeting for approval at the next Annual General Meeting at the latest.

This remuneration system will apply to the members of the Executive Board as from 1 January 2022. For purposes of implementing the new remuneration system, in particular the changes to the STI, the appropriate adjustments to the service agreements will be agreed upon with the current members of the Executive Board.

The Supervisory Board and the Executive Committee take suitable measures to ensure that possible conflicts of interest affecting the members of the Supervisory Board involved in consultations and decisions on the remuneration system are avoided and, if any arise, resolved. Each member of the Supervisory Board is obliged to notify the Chairman of the Supervisory Board of any conflicts of interest. The Chairman of the Supervisory Board must disclose any conflicts of interest affecting him to the Executive Committee. The Supervisory Board decides how to deal with an existing conflict of interest on a case-by-case basis. One option in particular would be for a member of the Supervisory Board affected by a conflict of interest not to participate in a meeting or in individual consultations and decisions of the Supervisory Board or the Executive Committee.

The Supervisory Board may temporarily deviate from the remuneration system (procedure and rules on remuneration structure) and its individual components, and also with regard to individual remuneration components of the remuneration system, or introduce new remuneration components if this is necessary for the long-term well-being of Knorr-Bremse AG. The Supervisory Board reserves the right to deviate from the remuneration system in this way in exceptional circumstances, for example, an economic or company crisis. Such deviations may lead to a temporary deviation from the Maximum Remuneration for the Chairman of the Executive Board or other members of the Executive Board.

### III. Further Information

#### 1. Total number of shares and voting rights

At the time of the notice of the Annual General Meeting, the share capital of the company totaling EUR 161,200,000.00 is divided into 161,200,000 no-par-value bearer shares; each of the shares carries one vote. The total number of voting rights consequently amounts to 161,200,000. The company does not hold any treasury shares.

#### 2. Information regarding participation in the Annual General Meeting

##### Right to participate by registering and providing proof of shareholding

With the approval of the Supervisory Board, the Executive Board of Knorr-Bremse AG has decided to hold the Annual General Meeting as a virtual annual general meeting without the shareholders or their authorized representatives being physically present. The legal basis for holding a virtual general meeting is the German Act Concerning Measures Under the Law of Companies, Cooperative Societies, Associations, Foundations and Commonhold Property to Combat the Effects of the COVID-19 Pandemic of 27 March 2020 (German Federal Law Gazette Part I 2020, p. 570), last amended by the German Act to Further Accelerate the Discharge of Residual Debt Proceedings and to Adjust Pandemic-Related Provisions Under the Law of Companies, Cooperative Societies, Associations, Foundations and Under Tenancy Law of 22 December 2020 (German Federal Law Gazette Part I 2020, p. 3320) (the "**COVID-19 Mitigation Act**").

The shareholders and their authorized representatives cannot physically be present at the Annual General Meeting and may exercise their voting rights exclusively by absentee voting or by granting powers of attorney and issuing instructions to the company-nominated proxies as set out in more detail below. The votes to be taken under agenda items 2 to 6 and 8 are binding decisions; the vote to be taken under agenda item 7 is recommendatory. In each case, it is possible to vote Yes, No or Abstain.

##### Live broadcast for shareholders

For properly registered shareholders, the Annual General Meeting will be broadcast live via the online AGM Portal ([ir.knorr-bremse.com/agm](http://ir.knorr-bremse.com/agm)) on Thursday, 20 May 2021, at 10:00 a.m. (CEST). The live broadcast does not enable participation in the Annual General Meeting within the meaning of Sec. 118 (1) sentence 2 AktG.

##### Accessing the AGM Portal

The password-protected AGM Portal may be accessed as from 29 April 2021 via the company's website at [ir.knorr-bremse.com/agm](http://ir.knorr-bremse.com/agm).

Following receipt of their registration and proof of their shareholding in accordance with the requirements set out below, the shareholders entitled to participate will be sent voting cards that will also include the login details for the AGM Portal. Usually, the depository institutions take care of the required registration and the transmission of the proof of shareholding for their customers. Shareholders wishing to follow the Annual General Meeting live via the AGM Portal or to exercise their voting rights are requested to have their depository institution submit the required registration and proof of their shareholding in good time.

### Right to participate by registering and providing proof of shareholding

Pursuant to Article 21 of the company's Articles of Association, shareholders are entitled to participate in the Annual General Meeting electronically via the AGM Portal and to exercise their shareholder rights, in particular their voting rights, if they have registered for the Annual General Meeting with the company prior to the meeting and if they have submitted proof of their entitlement to attend. Such entitlement is proven in the form of proof of a shareholding issued by the ultimate intermediary, which is usually the depository institution. The proof of a shareholding must refer to 29 April 2021, 00:00 hrs. (CEST) (record date).

The registration for the Annual General Meeting and the proof of shareholding must be received by Knorr-Bremse AG by **Thursday, 13 May 2021, 24:00 hrs. (CEST)**, at the latest at the following address

Knorr-Bremse AG  
c/o Link Market Services GmbH  
Landshuter Allee 10  
80637 Munich, Germany

or by email to: [inhaberaktien@linkmarketservices.de](mailto:inhaberaktien@linkmarketservices.de)

The registration and the proof of shareholding require text form and must be in German or English.

In the relationship between shareholder and company, a shareholder will be deemed a shareholder entitled to participate in the meeting and to exercise shareholder rights, in particular voting rights, only if the shareholder has submitted the specific proof of the shareholding by the deadline. The right to participate and the scope of the voting right are determined exclusively based on the shareholding as of the record date.

Registering for the Annual General Meeting does not cause shares to be blocked. Shareholders may therefore continue to dispose of their shares without restriction also after having registered for the Annual General Meeting. Even in the event of a full or partial sale of a shareholding after the record date, solely the shares owned by a shareholder as of the record date are relevant for the participation in the meeting and the scope of the voting right; i.e., any sale of shares after the record date will not affect the entitlement to participate in the Annual General Meeting and the scope of voting rights. This also applies mutatis mutandis if shares or additional shares are purchased after the record date. Persons who do not hold any shares as of the record date and become shareholders only after the record date are not entitled to participate in the meeting and to exercise voting rights. However, they are entitled to be granted power of attorney on the basis of the provisions below. The record date is not relevant with respect to the dividend entitlement.

### Absentee voting

Shareholders may exercise their voting rights by absentee voting by mail or via the AGM Portal. This requires proper registration and proper proof of shareholding in accordance with the provisions set out under "Right to participate by registering and providing proof of shareholding" above.

The form sent to shareholders together with the voting card, which is also accessible in printable format on the website [knorr-bremse.com/agm](http://knorr-bremse.com/agm), can be used for purposes of absentee voting by mail.

Absentee votes must be received by the company as follows; this also applies to modifying and revoking absentee votes cast:

- If by mail, by **no later than 19 May 2021, 24:00 hrs. (CEST)** exclusively to the following address:

Knorr-Bremse AG  
c/o Link Market Services GmbH  
Landshuter Allee 10  
80637 Munich, Germany

- Alternatively via the AGM Portal **up to the beginning of the relevant vote** at the Annual General Meeting on 20 May 2021. The AGM Portal is accessible as described above under "Accessing the AGM Portal."

Authorized representatives, including intermediaries and other persons or institutions treated as equivalent thereto in accordance with Sec. 135 AktG, may also use absentee voting.

If an absentee vote is not explicit or unambiguous regarding a specific agenda item, this will be considered an abstention from voting for that agenda item.

### **Procedure for voting using a proxy or representative**

#### **Authorization of the company-nominated proxy**

Knorr-Bremse AG also offers its shareholders the option of having company-nominated proxies represent them at the Annual General Meeting subject to and in accordance with the instructions issued by them.

Timely registration and providing proof of a shareholding in accordance with the provisions under “Right to participate by registering and providing proof of shareholding” is also required where company-nominated proxies are authorized.

The company-nominated proxies may exercise voting rights only in respect of those agenda items for which explicit and unambiguous instructions have been issued to them by the authorizer. The company-nominated proxies are under the obligation to vote according to instructions. If no explicit and unambiguous instruction has been issued, the company-nominated proxies will abstain from voting on the relevant agenda item.

The company-nominated proxies will not accept any orders or instructions to take the floor, pose questions, file motions or lodge objections against resolutions passed by the Annual General Meeting.

Powers of attorney granted and instructions issued to the company-nominated proxies must be received by the company as follows; this also applies to any modification or revocation of a power of attorney granted and of instructions issued:

- If by mail, using the power of attorney and instruction form provided on the voting card and accessible on the website [ir.knorr-bremse.com/agm](http://ir.knorr-bremse.com/agm), at the latest **by 19 May 2021, 24:00 hrs. (CEST)** exclusively to the following address:  
  
Knorr-Bremse AG  
c/o Link Market Services GmbH  
Landshuter Allee 10  
80637 Munich, Germany
- Alternatively via the AGM Portal **up to the beginning of the relevant vote** at the Annual General Meeting on 20 May 2021. The AGM Portal is accessible as described above under “Accessing the AGM Portal.”

#### **Authorizing a third-party representative**

Shareholders may have themselves represented, and have their voting rights exercised, at the Annual General Meeting by a representative – for example an intermediary (e.g. the depository bank), a shareholders’ association or any other person of their choice willing to act as a representative. Timely registration and providing proof of a shareholding in accordance with the provisions under “Right to participate by registering and providing proof of shareholding” is also required where a representative is authorized. If a shareholder authorizes more than one person, the company may reject one or more of them in accordance with Sec. 134 (3) sentence 2 AktG.

Authorized representatives (other than the company-nominated proxies) cannot physically be present at the Annual General Meeting. They may exercise voting rights for the shareholders that they represent only by way of absentee voting or by issuing a sub-power of attorney to a company-nominated proxy.

Pursuant to Sec. 134 (3) sentence 3 AktG and Article 21 para. 3 of the Articles of Association of the company, the granting of the power of attorney, its revocation and the proof of authorization to be submitted to the company require text form unless the following provisions of this section stipulate otherwise. For granting a power of attorney, shareholders may use the power of attorney form they receive along with the voting card. However, shareholders may also issue a separate power of attorney; a power of attorney form to this effect is available for download from the internet at [ir.knorr-bremse.com/agm](http://ir.knorr-bremse.com/agm). Authorization may also be effected in any other manner of proper form.

A power of attorney may be transmitted prior to the date of the Annual General Meeting by mail to the address set out above under "Authorization of the company-nominated proxy" by no later than 19 May 2021, 24:00 hrs. (CEST). Alternatively, proof of authorization may be sent by email to [inhaberaktien@linkmarketservices.de](mailto:inhaberaktien@linkmarketservices.de) up to the beginning of the relevant vote at the Annual General Meeting.

When intermediaries and other persons or institutions treated as equivalent thereto in accordance with Sec. 135 AktG (e.g., voting consultants or shareholders' associations) are authorized, this usually requires compliance with special rules, details on which must be obtained from the intended representative. Under applicable law, in these cases the power of attorney must be issued to a specified representative and be kept by the representative in a verifiable form. The requirement of text form does not apply. Furthermore, the power of attorney must be complete and may only contain declarations linked to the exercise of the voting right. In those cases, please coordinate the form of the power of attorney with the intended representative. However, any violation of the aforesaid and certain other requirements set forth in Sec. 135 AktG for representative authorization of the entities mentioned in this paragraph does not, pursuant to Sec. 135 (7) AktG, impair the validity of votes cast. In addition, intermediaries and other persons or institutions treated as equivalent thereto in accordance with Sec. 135 AktG are recommended to contact the shareholder hotline or the registration office at the address listed above prior to the Annual General Meeting as regards the exercise of voting rights.

For a representative to be able to exercise rights by way of electronic communication via the AGM Portal, the representative must receive from the authorizer the personal login details sent along with the voting card. The use of the personal login details by the authorized representative is also considered proof of authorization.

### **Priority of absentee votes cast, powers of attorney granted and instructions issued and additional information on the casting of votes**

If absentee votes are cast by different means of transmission and/or if the proxies are granted power of attorney and given instructions by different means of transmission, the last formally valid declaration received will be given priority in each case. If it is not clear which declaration was received last, the declarations submitted via the AGM Portal will be given priority.

In the event that sub-items under an agenda item are put to the vote individually, a vote cast by absentee voting on, or, where applicable, an instruction issued with regard to, that entire agenda item will be deemed a vote cast, or an instruction issued, correspondingly on each of the individual sub-items put to the vote.

Absentee votes may be cast and instructions to the company-nominated proxy may be issued regarding only those resolution proposals announced by the company prior to the Annual General Meeting and regarding resolution proposals of shareholders that are announced by the company prior to the Annual General Meeting based on the request of a minority under Sec. 122 (2) AktG, as a counter-motion under Sec. 126 (1) AktG or as an election proposal under Sec. 127 AktG. Any absentee votes, powers of attorney and instructions that cannot be unequivocally matched to a proper registration will not be counted.

### **3. Information on shareholders' rights pursuant to Secs. 122 (2), 126 (1), 127 and 131 (1) AktG and on the modalities of the virtual Annual General Meeting**

#### **Motions to add items to the agenda pursuant to Sec. 122 (2) AktG**

Sec. 122 (2) AktG entitles shareholders whose combined shareholdings reach one twentieth of the share capital or the nominal amount of EUR 500,000.00 of the company's share capital (corresponding to 500,000 shares) to request that items be added to the agenda and published. Each new item must be accompanied by a statement of reasons or a resolution proposal.

The motion must be sent in writing to the Executive Board of Knorr-Bremse AG and must be received by the company no later than Monday, 19 April 2021, 24:00 hrs. (CEST).

Please send such motions to the following address:

To the Executive Board (Vorstand) of Knorr-Bremse AG  
Moosacher Straße 80  
80809 Munich, Germany



Shareholders requesting to have an item added to the agenda must provide proof that they have held the shares for at least 90 days prior to receipt of the motion and that they will hold the shares until a decision on the motion has been made by the Executive Board. For the purpose of calculating the shareholding period, Sec. 70 AktG applies. The day on which the motion is received will not be counted. Please note that a postponement from a Sunday, Saturday or holiday to a previous or subsequent working day shall not apply. Secs. 187 to 193 of the German Civil Code (BGB) are not to be applied mutatis mutandis.

Additions to the agenda that are to be published will be published in the German Federal Gazette (Bundesanzeiger) without undue delay after receipt of the motion unless they have already been published together with the invitation to the Annual General Meeting. These motions will additionally be published on the internet at [ir.knorr-bremse.com/agm](http://ir.knorr-bremse.com/agm) and communicated to the shareholders in accordance with Sec. 125 (1) sentence 3 AktG.

Motions by shareholders duly authorized and registered to participate in the Annual General Meeting which are submitted together with requests for additional agenda items that are to be published under such additional agenda items will be treated as if they had been submitted at the Annual General Meeting.

### **Shareholder counter-motions and election proposals pursuant to Secs. 126 (1) and 127 AktG**

In addition, shareholders may submit to the company counter-motions to Executive Board and/or Supervisory Board proposals relating to specific agenda items and proposals for the election of Supervisory Board members or independent auditors.

Pursuant to Sec. 126 (1) AktG, motions of shareholders, including the shareholder's name, the statement of reasons for the motion and any comments of the management, are to be made available to the persons entitled to notification referred to in Sec. 125 (1) to (3) AktG subject to the conditions set forth therein, provided that the shareholder has sent to the address below a counter-motion against a proposal of the Executive Board and/or the Supervisory Board with respect to a particular agenda item, including a statement of reasons for the counter-motion, no later than 14 days prior to the Annual General Meeting of the company. For the purpose of calculating the above time period, the day of receipt and the day of the Annual General Meeting will not be counted. Thus, the last permissible day of receipt is Wednesday, 5 May 2021, 24:00 hrs. (CEST). A counter-motion need not be made available if one of the exclusion criteria pursuant to Sec. 126 (2) AktG is met. Moreover, the statement of reasons need not be made available if it exceeds a total of 5,000 characters.

No statement of reasons needs to be provided for election proposals made by shareholders pursuant to Sec. 127 AktG. Election proposals will be made available only if they include the name, profession exercised and place of residence of the nominee and, in the case of an election of Supervisory Board members, information on their membership in other supervisory boards that must be created pursuant to applicable law (cf. Sec. 127 sentence 3 AktG in conjunction with Sec. 124 (3) sentence 4 AktG and Sec. 125 (1) sentence 5 AktG). Pursuant to Sec. 127 sentence 1 AktG in conjunction with Sec. 126 (2) AktG, there are further conditions subject to which election proposals need not be made available via the website. In all other respects, the requirements and provisions for the disclosure of motions apply mutatis mutandis.

Pursuant to Sec. 1 (2) sentence 3 of the COVID-19 Mitigation Act, counter-motions and election proposals which are to be made available will be deemed as having been submitted during the Annual General Meeting if the shareholder submitting the motion or election proposal is duly authorized and has registered to participate in the Annual General Meeting.

Any shareholder motions (including statements of reasons therefor) and election proposals pursuant to Sec. 126 (1) and Sec. 127 AktG must be sent exclusively to

Knorr-Bremse AG  
Investor Relations  
Moosacher Str. 80  
80809 Munich, Germany

or by email to: [investor.relations@knorr-bremse.com](mailto:investor.relations@knorr-bremse.com)

Any motions and election proposals submitted by shareholders which are to be made available (along with the shareholder's name and – in the case of motions – the statement of reasons) will be made available online at [ir.knorr-bremse.com/agm](http://ir.knorr-bremse.com/agm) after their receipt. Any comments by the management will also be made available on the above website.

### **Possibility to submit statements for publication prior to the Annual General Meeting**

Due to the concept of the Annual General Meeting with the exercise of voting rights possible only by absentee vote or instructed proxy and without any electronic participation of shareholders, shareholders will not be able to comment on the agenda at the Annual General Meeting.

The company provides shareholders with the possibility, however, of submitting to the company written statements with reference to the agenda for publication by the company on its AGM Portal prior to the Annual General Meeting. Shareholders who wish to submit a statement are requested to send it, including their name and the number of their voting card, in text form by Tuesday, 18 May 2021, 24:00 hrs. (CEST) at the latest to the following address or email address:

Knorr-Bremse AG  
Investor Relations  
Moosacher Str. 80  
80809 Munich, Germany

or by email to: [investor.relations@knorr-bremse.com](mailto:investor.relations@knorr-bremse.com)

The length of any such statement should not exceed 10,000 characters.

Statements submitted prior to the Annual General Meeting will be published exclusively in the AGM Portal. As a result of publication, the name of the submitting shareholder or representative will be disclosed to other shareholders or representatives.

Please note that there is no legal claim to have a submitted statement published and, in particular, the company reserves the right to refrain from publishing statements with offensive content, content that could qualify as a criminal offense, obviously false or misleading content or content without any reference to the agenda of the Annual General Meeting, and also statements the length of which exceeds 10,000 characters or which have not been received by the Company by the time and at the address or email address mentioned above. Furthermore, the company reserves the right to publish only one statement per shareholder.

### **Right to information pursuant to Sec. 131 AktG; right to ask questions pursuant to Sec. 1 (2) sentence 1 no. 3 of the COVID-19 Mitigation Act**

Although the COVID-19 Mitigation Act does not require shareholders to be granted the right to request information within the meaning of Sec. 131 AktG during the Annual General Meeting, they are to be given the right to submit questions by means of electronic communication (Sec. 1 (2) sentence 1 no. 3 of the COVID-19 Mitigation Act).

With the approval of the Supervisory Board, the Executive Board of Knorr-Bremse AG has decided that questions of shareholders properly registered to participate in the Annual General Meeting may be directed to the Executive Board via the AGM Portal at [ir.knorr-bremse.com/agm](http://ir.knorr-bremse.com/agm).

Questions from shareholders must be received by the company after timely registration by no later than Tuesday, 18 May 2021, 24:00 hrs. (CEST) via the company's AGM Portal. The company reserves the right, before answering questions from shareholders, to name the shareholders who have asked the respective questions.

In accordance with the COVID-19 Mitigation Act, the Executive Board will decide at its due and absolute discretion how it will respond to the questions.

### **4. Objecting to the minutes in accordance with Sec. 245 no. 1 AktG and Sec. 1 (2) sentence 1 no. 4 of the COVID-19 Mitigation Act**

Objections to resolutions of the Annual General Meeting can be stated for the minutes by shareholders who have properly registered for the Annual General Meeting via the company's AGM Portal at [ir.knorr-bremse.com/agm](http://ir.knorr-bremse.com/agm) in accordance with Sec. 245 no. 1 AktG (Sec. 1 (2) sentence 1 no. 4 of the COVID-19 Mitigation Act). A statement may be made via the AGM Portal from the start of the Annual General Meeting until the end of the meeting. The notary has authorized the company to accept objections via the AGM Portal and will receive the objections via the AGM Portal.

### **5. Information pursuant to Sec. 124a AktG and further explanations on the shareholders' rights; disclosure of the speeches of the Executive Board and of the Chairman of the Supervisory Board**

The present notice of the Annual General Meeting, the documents to be made available under Sec. 124a AktG as well as further information relating to the Annual General Meeting can be accessed and downloaded on the internet at [ir.knorr-bremse.com/agm](http://ir.knorr-bremse.com/agm), where further information on the shareholders' rights pursuant to Secs. 122 (2), 126 (1), 127 and 131 (1) AktG can also be found.

The key messages of the speeches of the Executive Board and of the Chairman of the Supervisory Board will be made available on the internet at [ir.knorr-bremse.com/agm](http://ir.knorr-bremse.com/agm) on 17 May 2021 at the latest. Adjustments based on current developments remain possible.

After the Annual General Meeting, the voting results will be published on the same website. After the Annual General Meeting, a confirmation of the counting of the votes pursuant to Sec. 129 (5) AktG can be requested via the AGM Portal and downloaded within one month after the day of the Annual General Meeting.

### **6. Broadcasting of the Annual General Meeting; video and audio recording**

In addition to the broadcasting of the entire Annual General Meeting for properly registered shareholders via the AGM Portal, the speeches of the Chairman of the Supervisory Board and of the Chairman of the Executive Board at the beginning of the Annual General Meeting will be transmitted live on the internet also for persons who have not registered to participate in the Annual General Meeting. After the Annual General Meeting, a recording of the speeches of the Executive Board will be available at [ir.knorr-bremse.com/agm](http://ir.knorr-bremse.com/agm).

### **7. Information on data protection for shareholders**

As the data controller, Knorr-Bremse AG, Moosacher Str. 80, 80809 Munich, Germany, processes personal data of shareholders (e.g., last name and first name, address, email address, number and class of shares, type of ownership of the shares, absentee votes/instructions, voting card number and personal login details for the AGM Portal) as well as personal data of the shareholder representatives, where applicable, in accordance with applicable data protection laws. The processing of personal data is legally required for the proper preparation, holding and follow-up of the Knorr-Bremse AG Annual General Meeting, for the exercise of voting rights, and for electronic participation. The legal basis for the processing of personal data is point (c) of Art. 6 (1) sentence 1 of the General Data Protection Regulation (“**GDPR**”) in conjunction with Secs. 67e, 118 et seqq. AktG and in conjunction with Sec. 1 of the COVID-19 Mitigation Act. In addition, data processing that is necessary for the organization of the Annual General Meeting (e.g., publication of comments on the agenda submitted in advance via the AGM Portal) can take place on the basis of overriding legitimate interests (point (f) of Art. 6 (1) sentence 1 GDPR). Knorr-Bremse AG will generally receive the shareholders’ personal data via the registration office of the credit institution that the shareholders have entrusted with the safekeeping of their shares (so-called depository bank). In some cases, Knorr-Bremse AG may receive personal data directly from shareholders.

The service providers commissioned by Knorr-Bremse AG for the purpose of organizing the Annual General Meeting will process the personal data of shareholders and shareholder representatives exclusively as instructed by Knorr-Bremse AG and only to the extent this is necessary for the performance of the services commissioned. In addition, personal data of shareholders or shareholder representatives who exercise their voting rights will be made accessible to other shareholders and shareholder representatives who participate in the Annual General Meeting electronically subject to the statutory requirements (in particular via the list of participants, Sec. 129 AktG). The same applies mutatis mutandis to questions that shareholders or, where applicable, shareholder representatives may have submitted beforehand (Sec. 1 (2) sentence 1 no. 3, sentence 2 of the COVID-19 Mitigation Act) and to comments submitted in advance with reference to the agenda. Personal data of shareholders or, where applicable, shareholder representatives will also be published or made available to other shareholders and shareholder representatives under certain conditions and subject to the statutory requirements in the event of requests for additions to the agenda, counter motions, election proposals or lodged objections. Furthermore, Knorr-Bremse AG may be obligated to transmit personal data of shareholders or shareholder representatives to further recipients, such as, for instance, public authorities, in order to comply with statutory reporting obligations.

Knorr-Bremse AG will erase the shareholders’ and shareholder representatives’ personal data in accordance with the statutory provisions, in particular if the personal data is no longer required for the original purpose of collection or processing, the data is no longer required in connection with administrative or court proceedings, if any, and if no statutory record retention requirements apply.

Subject to the statutory requirements, shareholders or, where applicable, shareholder representatives have the right to receive information about their processed personal data and to request the rectification or erasure of their personal data or the restriction of the processing thereof. Shareholders or, where applicable, shareholder representatives can exercise these rights free of charge in relation to Knorr-Bremse AG by using the email address [datenschutzbeauftragter@knorr-bremse.com](mailto:datenschutzbeauftragter@knorr-bremse.com). In addition, the shareholders or, where applicable, shareholder representatives have the right to lodge a complaint with the supervisory authorities.

If personal data are processed on the basis of point (f) of Art. 6 (1) sentence 1 GDPR, shareholders or, where applicable, shareholder representatives also have the right to object subject to the statutory requirements.

Shareholders and shareholder representatives may address their questions or comments on the processing of personal data to the data protection officer of Knorr-Bremse AG at

Knorr-Bremse AG  
Data Protection Officer (Datenschutzbeauftragte)  
Moosacher Str. 80  
80809 Munich, Germany

[datenschutzbeauftragter@knorr-bremse.com](mailto:datenschutzbeauftragter@knorr-bremse.com)

Additional information on data protection is available for shareholders and shareholder representatives on the website of Knorr-Bremse AG at [ir.knorr-bremse.com/agm](http://ir.knorr-bremse.com/agm).

Munich, March 2021  
**Knorr-Bremse AG**  
**The Executive Board**





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