

INVITATION

Knorr-Bremse
Annual General Meeting
2022



KNORR-BREMSE

Knorr-Bremse Aktiengesellschaft

Munich

ISIN DE000KBX1006

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

Notice of the 2022 Annual General Meeting of Knorr-Bremse AG on 24 May 2022

Dear Shareholders,

We hereby invite you to the **Annual General Meeting of Knorr-Bremse AG**, on Tuesday, 24 May 2022, 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 broadcast 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 (Aktengesetz, "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 2021 as well as the report of the Supervisory Board for the fiscal year 2021

The aforesaid documents include the explanatory report in respect of the information to be disclosed pursuant to Sec. 289a and Sec. 315a of the German Commercial Code (Handelsgesetzbuch).

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 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.

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 298,220,000.00 from the unappropriated retained earnings of Knorr-Bremse AG in the total amount of EUR 646,742,779.35 from the expired fiscal year 2021 be used to pay a dividend of **EUR 1.85 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 646,742,779.35
-----------------------------------	--------------------

Distribution to the shareholders:	EUR 298,220,000.00
-----------------------------------	--------------------

Profit carried forward:	EUR 348,522,779.35
-------------------------	--------------------

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 30 May 2022.

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 2021 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 2021 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 2022

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 2022 and for the review of the half-yearly financial report for the first half-year of the fiscal year 2022.

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. Resolution on the approval of the compensation report for the fiscal year 2021

The Supervisory Board and the Executive Board submit to the Annual General Meeting the compensation report of Knorr-Bremse AG for the fiscal year 2021, including the auditor's report pursuant to Sec. 162 (3) sentence 3 AktG set out in the annexes to this agenda under Annex with respect to agenda item 6 – Compensation report, which was prepared in accordance with Sec. 162 AktG and audited by KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin, Munich branch, in accordance with Sec. 162 (3) AktG. The compensation report was reviewed in accordance with Sec. 162 (3) AktG by the auditor as to whether the information to be included pursuant to Sec. 162 (1) and (2) AktG has been included. In addition to what is legally required, the auditor also performed an audit as to the content.

The compensation report is available on our website at ir.knorr-bremse.com/agm as from the date on which notice is given of the Annual General Meeting. Furthermore, the compensation report will also be available there during the Annual General Meeting.

The Supervisory Board and the Executive Board propose that it be resolved as follows:

The compensation report of Knorr-Bremse AG for the fiscal year 2021 is approved.

7. 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 Art. 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).

Prof. Dr. Klaus Mangold and Dr. Thomas Enders each stated that they resign from their offices with effect from the close of this year's Annual General Meeting held on 24 May 2022 and, as of this point in time, they will cease to be members of the Supervisory Board of the company. New elections are therefore necessary to fill two 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. In order to comply with the minimum quota requirement pursuant to Sec. 96 (2) sentence 1 AktG, the Supervisory Board must, thus, include at least four women and at least four men. Currently, two members of the shareholder side of the Supervisory Board are women. On the employee side, too, two members of the Supervisory Board are women. The following resolution proposal provides for the election of one woman and one man. If the individuals nominated for election are elected, the Supervisory Board would therefore consist of a total number of five women and seven 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) Dr. Reinhard Ploss, Unterhaching, CEO of Infineon Technologies AG, retired; and
- b) Dr. Sigrid Evelyn Nikutta, Berlin, management board member of Deutsche Bahn AG

as shareholder representatives on the Supervisory Board in each case with effect from the close of the company's Annual General Meeting on 24 May 2022. The elections are to be conducted as individual elections.

The candidates are each appointed for the remaining term of office of the other members, i.e., in each case for a term of office lasting until the close of the Annual General Meeting in 2026.

In the event that he is elected, it is intended that the Supervisory Board elect Dr. Ploss Chairman of the Supervisory Board of Knorr-Bremse AG directly after the Annual General Meeting on 24 May 2022.

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 and will also be available there during the Annual General Meeting.

The curricula vitae as well as further information on the individuals nominated for election can be found in the annexes to this agenda under Annex with respect to agenda item 7 – Further information on the individuals nominated for election to the Supervisory Board.

8. Adjustment of the remuneration and approval of the remuneration system for the Supervisory Board members; Amendment of the Articles of Association

The Supervisory Board members' remuneration is provided for in Art. 18 of the company's Articles of Association. It was last confirmed by resolution of the Annual General Meeting of 30 June 2020, together with the resolution on the remuneration system for the Supervisory Board members.

In addition to a basic remuneration for the member's service on the Supervisory Board, the Articles of Association provide in Art. 18 (1) for an additional compensation for serving on certain committees. Currently, that remuneration is only granted for service on the executive committee and on the audit committee, in each case in the amount of EUR 60,000.00 for the chairperson and EUR 20,000.00 for every other member. After thorough review, the Executive Board and the Supervisory Board came to the conclusion that as of the date of its establishment in May 2021 additional remuneration is to be paid also for serving on the strategy committee, since it is a newly established committee that advises the Executive Board and the Supervisory Board with respect to fundamental group strategy issues, including the business policy and business strategy of the group, and that holds a minimum of four meetings in each calendar year. At the same time, it is intended to raise the basic remuneration of the members of the Supervisory Board and of its existing committees to a level corresponding to market conditions with effect from 1 January 2022 and to introduce an attendance fee.

The remuneration system on which the remuneration of the Supervisory Board members is based and which includes the information pursuant to Secs. 113 (3) sentence 3, 87a (1) sentence 2 AktG is set out in the annexes to this agenda under Annex with respect to agenda item 8 – Remuneration system for the Supervisory Board members taking into account the amendment proposed below. This annex also sets out Art. 18 of the Articles of Association that reflects the amendment proposed below.

The Executive Board and the Supervisory Board propose to resolve as follows:

a) Amendment of the Articles of Association

aa) Art. 18 (1) of the Articles of Association is re-stated as follows:

“(1) The members of the Supervisory Board, except for the chairperson and the deputy chairpersons, receive a basic compensation of EUR 100,000.00 for the relevant fiscal year of the company; the chairperson of the Supervisory Board receives a basic compensation of EUR 300,000.00 for the relevant fiscal year of the company, and each of the deputy chairpersons receives a basic compensation of EUR 150,000.00 for the relevant fiscal year of the company. For their service on the Supervisory Board committees, compensation is paid as follows:

- (i) EUR 90,000.00 to the chairperson of the executive committee and EUR 30,000.00 to every other member of the executive committee;
- (ii) EUR 120,000.00 to the chairperson of the audit committee and EUR 40,000.00 to every other member of the audit committee;
- (iii) as from the date on which the strategy committee was established, i.e., May 1, 2021, EUR 120,000.00 to the chairperson of the strategy committee and EUR 40,000.00 to every other member of the strategy committee”.

bb) Before Art. 18 (3), the following new paragraph (3) is inserted. The subsequent paragraphs (3) to (6) will become paragraphs (4) to (7).

“In addition, the members of the Supervisory Board are paid an attendance fee of EUR 1,000 for each attendance of a meeting of the Supervisory Board or its committees. Attendance of a meeting by telephone, videoconference or by any other customary means of communication will also be deemed attendance of a meeting. If several meetings are held on a single day, the corresponding attendance fee is only paid once. The annual attendance fee is limited to a maximum amount of 9.9% of the total compensation of the relevant Supervisory Board member in the relevant year”.

b) Resolution on the remuneration and the approval of the remuneration system

The provisions on remuneration that have been so adjusted but otherwise remain unchanged are confirmed and the remuneration system for the Supervisory Board members set out in the annexes to this agenda under Annex with respect to agenda item 8 – Remuneration system for the Supervisory Board members is resolved.

9. Amendment of the Articles of Association regarding the attendance of Supervisory Board members at the Annual General Meeting by means of video and audio transmission

The purpose of the following amendment to the Articles of Association is to provide that in certain cases Supervisory Board members are not required to be physically present at the venue of the Annual General Meeting but may attend the meeting by means of video and audio transmission.

The Executive Board and the Supervisory Board propose to resolve as follows:

“After Art. 21 (5) of the Articles of Association, the following new paragraph (6) is inserted:

Supervisory Board members may, in coordination with the chairperson of the Supervisory Board, attend the Shareholders’ Meeting by way of video and audio transmission if the Supervisory Board member concerned is unable to physically attend the meeting at the venue of the Shareholders’ Meeting, if the Supervisory Board member has his/her place of residence outside of Germany or if the member’s presence at the venue of the Shareholders’ Meeting would entail an unreasonably long travel time or if the Shareholders’ Meeting is held as a virtual Shareholders’ Meeting without the shareholders or their proxies being physically present at the venue of the Shareholders’ Meeting.”

Compensation Report

The Compensation Report explains the principles of the remuneration system for the Executive Board and Supervisory Board of Knorr-Bremse AG and the compensation granted and owed within the meaning of section 162 (1) sentence 1 AktG to the current and former members of the Executive Board and Supervisory Board, in each case relating to the reporting period.

The Compensation Report was jointly prepared by the Executive Board and the Supervisory Board. In accordance with the German Act on the Implementation of the Second Shareholders' Rights Directive (ARUG II), the changed framework conditions for reporting apply to this Compensation Report for the first time. The present Compensation Report will be presented for approval to the Annual General Meeting on May 24, 2022. The Compensation Report for 2021 was reviewed with regard to form and content by KPMG AG Wirtschaftsprüfungsgesellschaft above and beyond the requirements of section 162 (3) AktG. The auditor's report is included in the 2021 Compensation Report.

Business performance in the 2021 fiscal year

The global economic recovery that began in the second half of 2020 continued in 2021. (Source: OECD). In particular, the rapid introduction of vaccinations played an important role in combating the Covid-19 virus in developed economies. (Source: World Bank).

Macroeconomic imbalances reached an unprecedented level across the board during the year. Government spending, budget deficits and debt-to-GDP ratios climbed to new record levels in several leading economies. Central bank balances have additionally absorbed quantities of non-current assets, the accumulation of which was largely financed by bank reserves. (Source: World Bank). At the same time, the pressure on markets increased as a result of markedly rising inflation and increasing commodity prices. (Source: OECD). The economic recovery was hit by a significant setback due to the pandemic and took place only at reduced speed, thus remaining behind expectations in the second half of the year. (Sources: IMF, OECD).

The development of GDP growth was a consistent picture across regions in 2021, similar to what had already been observed in 2020 – albeit with the signs now pointing in the opposite direction. Global GDP increased from -3.1% in 2020 to +5.9% in 2021. Economic output in the same period increased from -6.4% to +5.2% in the eurozone, from -3.4% to

+5.6% in the USA and from +2.3% to +8.1% in China. (Source: IMF).

The financial markets' sharp rise was halted by the spread of the Omicron variant. For example, during the year the DAX reached a record high of +18.5% compared with the figure for year-end 2020 and closed 2021 15.8% up on 2020. The MDAX performed similarly in the same period, peaking at +17.8% and ending the year +14.1% up on the reference value in 2020. (Source: Refinitiv).

Overall, the Covid-19 pandemic affected the rail vehicle market at different times in different regions during 2021. All countries continued to be hit by the impact of the Covid-19 pandemic, with restrictions in various forms. Reduced vehicle mileage in some cases led to reductions in the aftermarket volume. Nevertheless, positive developments emerged over the course of the year.

Because most rail operations were maintained in Europe, orders were not canceled but only postponed, despite significantly reduced passenger numbers. The freight market saw a rise in North America compared with 2020 despite further waves of Covid-19, whereas passenger traffic continued to be impacted lower passenger numbers. In the Asian countries, continuing Covid-19 restrictions meant a return to the pre-pandemic level was mostly not yet achieved, even though a recovery could be seen in 2021 compared with 2020.

Measured by the truck production rate, the global commercial vehicle market fell by 1% year on year in 2021. While there was a general recovery of production rates in Europe and North and South America, Asia saw a sharp reduction, especially in the second half of 2021.

In western Europe, commercial vehicle production rose by 20% year on year in 2021 to around 445 thousand units. Commercial vehicle production in North America suffered due to global supply chain shortages, particularly of semiconductors, only recovering by 20% to around 350,000 units. The rise in commodity prices and the great demand for medium and large vans supported the sharp rise in Brazilian truck and bus production by 59% to around 176 thousand units. In the Asia region, commercial vehicle production fell by a total of 11% to around 1,908 thousand units. This decrease is particularly due to China, where we saw a 20% year-on-year fall to around 1,466 thousand units – following a government-supported rise in 2020.

Executive Board Compensation

Remuneration System

Principles and Objectives

The Supervisory Board regularly reviews the appropriateness of the Executive Board's remuneration and remuneration system in accordance with statutory requirements and the recommendations of the German Corporate Governance Code (GCGC), adjusting them as necessary. The remuneration system applied in fiscal 2021 came into force with effect from January 1, 2020, taking account of new statutory requirements (ARUG II) and new recommendations in the GCGC. The following main changes were implemented and approved by Knorr-Bremse AG's Annual General Meeting on June 30, 2020 in accordance with section 120a AktG. The description in question is available in the Corporate Governance section of Knorr-Bremse AG's website (see https://ir.knorr-bremse.com/websites/knorrbremse_ir/English/7000/corporate-governance.html) and is referred to in addition to the following description.

From January 1, 2022, the remuneration system for the Executive Board, which was presented in the Annual General Meeting of May 20, 2021 and approved with 96.359% of the votes validly cast, applies to all members of the Executive Board. It can also be found under the linked Corporate Governance section above. The Compensation Report for fiscal 2022 should also report on this new remuneration system.

Overview

The Executive Board remuneration system applicable for fiscal year 2021 consists of fixed remuneration components (annual salary, fringe benefits and pension contribution), a performance-related one-year variable remuneration component (STI), a performance-related multi-year variable remuneration component (LTI) and the Share Ownership Guidelines for Executive Board members. Details are explained below in the relevant context.

The **2021 STI** depends on the achievement of financial targets, specifically (1) revenues, (2) earnings before interest and taxes (EBIT), (3) net working capital (with a 30% weighting in each case) and (4) quality (with a 10% weighting). In addition, for each fiscal year, the Supervisory Board takes account of each Executive Board member's individual performance, the Executive Board's collective performance, plus the attainment of non-financial goals such as sustainability and diversity, by applying a multiplier ("modifier") ranging from 0.8 to 1.2. The amount paid out is limited to 180% (Executive Board

Chair/CEO) or 200% (other Executive Board members) of the target amount.

The **LTI** is awarded as a performance share plan based on virtual shares, and is paid out in annual tranches. The term of a tranche is four years (the "performance period"). The amount of the LTI payout directly depends on the performance of Knorr-Bremse shares during the performance period. It also depends in equal parts on the Company's total shareholder return (TSR) over the performance period compared with the TSR of companies in three individually specified peer groups (relative TSR) over the same period and on the average increase in earnings per share (EPS) during this period relative to a target value set by the Supervisory Board at the start of the performance period. The amount paid out is limited to 180% (Executive Board Chair/CEO) or 200% (other Executive Board members) of the target amount.

The Share Ownership Guidelines (SOG) oblige Executive Board members to acquire shares in the Company in the amount of 100% of their respective fixed base salary over a four-year period from the date of the IPO or from the date of their appointment, and to hold these shares until the end of their appointment.

Target remuneration

The target total remuneration comprises the sum of all remuneration components relevant for total remuneration. In the case of the STI and LTI, the target amount is in each case based on 100% target achievement.

For the Executive Board Chair/CEO, the share of fixed remuneration (fixed annual salary, pension contribution and fringe benefits) is approximately 32% of the target total remuneration and the share of the variable compensation is approximately 68% of the target total remuneration. The share of the STI (target amount) is approximately 27% of the target total remuneration here, and the share of the LTI (target amount) is approximately 41% of the target total remuneration.

For the ordinary Executive Board members, the share of fixed remuneration (fixed annual salary, pension contribution and fringe benefits) is approximately 44% to 47% of the target total remuneration and the share of the variable compensation is approximately 53% to 56% of the target total remuneration. The share of the SDI (target amount) is approximately 23% to 24% of the target total remuneration and the share of the LTI (target amount) is approximately 30% to 32% of the target total remuneration.

Maximum remuneration

The total remuneration to be granted to the Executive Board members for a fiscal year (sum of all the remuneration amounts spent for the fiscal year in question, including fixed

annual salary, variable remuneration components, pension contribution and fringe benefits) – irrespective of whether they are paid out in this fiscal year or at a later date – has a maximum absolute limit (“maximum remuneration”). The maximum remuneration in accordance with the remuneration system approved by the Annual General Meeting is € 7,490,000 for the Executive Board Chair/CEO and € 4,030,000 for the ordinary Executive Board members. In the case of the current CEO, maximum compensation of € 6,370,000 was agreed upon in the service contract.

The maximum remuneration may differ from the fixed maximum remuneration in the first or second year of their appointment when a new member of the Executive Board takes office if the Supervisory Board in exceptional cases grants the new Executive Board member payments on taking office to compensate for payments foregone from their previous employment. In this case, the maximum remuneration for this one fiscal year increases by up to 50% for the Executive Board Chair/CEO and up to 25% for ordinary Executive Board members.

Executive Board Remuneration in the 2021 Fiscal Year

Information on the Executive Board’s fixed remuneration, objectives and target attainment for variable remuneration and individualized disclosures on remuneration granted and owed to individual Executive Board members for fiscal year 2021 can be found below. **Compensation granted and owed for the purposes of section 162 (1) sentence 1 AktG** is defined as the remuneration received in a given fiscal year. Additionally, the relevant parts of the report voluntarily show the compensation earned for a given fiscal year in order to illustrate the link between performance and compensation, i.e., the principle of pay for performance, transparently. The illustrated compensation earned consists of amounts that, from a commercial perspective, are attributable to services already performed in full during the fiscal year. Earned compensation is disclosed regardless of any potentially outstanding resolutions of the Supervisory Board regarding compensation amounts. A note is provided if the earned compensation comprises remuneration components of an amount that cannot be computed at the time of reporting. This overview of compensation earned is intended let shareholders compare the remuneration for a fiscal year with the development of earnings indicators in that fiscal year.

Fixed remuneration components

Executive Board members receive a fixed, non-performance-related annual salary (**base remuneration**), which is paid in 12 equal installments as a monthly salary.

In addition, Executive Board members receive **fringe benefits**. For each member of the Executive Board, the Company particularly bears the costs of accident insurance for death or disability, the employer’s contribution to private health and long-term care insurance, and a company car that can also be used privately. Furthermore, Executive Board members are covered by a D&O liability insurance policy.

For the purposes of an **old-age pension**, the Executive Board members receive an annual pension contribution, payable at the end of the fiscal year in question. Aside from this, no occupational pension plan is provided.

The Supervisory Board may, on a case-by-case basis, grant a payment on the occasion of a new Executive Board member taking up office in the first or second year of the new member’s appointment. This payment can be used to compensate for, for example, losses of variable remuneration that an Executive Board member faces from a former employer as a result of moving to Knorr-Bremse AG. [Table → 4.01](#)

APPLICATION IN THE REPORTING YEAR

The individual components of the fixed remuneration components for fiscal year 2021 whose sum forms the respective minimum remuneration of the Executive Board members in office in the reporting year is reported below. The corresponding presentation of the remuneration granted and owed pursuant to section 162 (1), sentence 1, of the AktG can be seen in [Table → 4.10](#).

4.01 THE EXECUTIVE BOARD MEMBERS' FIXED REMUNERATION

	Annual fixed salary		Fringe benefits		Pension contribution		Compensation payments on the occasion of taking up of- fice		Total fixed remuneration	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
in € thousand										
Dr. Jan Michael Mrosik (Chairman of the Executive Board) (since January 1, 2021)	1,000	-	43	-	300	-	-	-	1,343	-
Dr. Peter Laier Commercial Vehicle Systems division (since January 1, 2016)	900	900	28	28	300	300	-	-	1,228	1,228
Dr. Claudia Mayfeld Executive Board Member for Integrity and Legal Affairs (since May 1, 2021)	533	-	19	-	100	-	-	-	652	-
Frank Markus Weber Executive Board Member for Finance, Controlling and IT (since July 1, 2020)	850	400	36	37	300	150	-	1,000	1,186	1,587
Dr. Jürgen Wilder Rail Vehicle Systems division (since September 1, 2018)	900	900	22	24	300	300	-	-	1,222	1,224

CONTRIBUTION TO THE LONG-TERM DEVELOPMENT OF THE COMPANY

The Supervisory Board is convinced that the fixed remuneration is appropriate to the respective Executive Board member's tasks and performance and to the business's overall situation. This is intended to enable the Company to attract people suitable for the long-term development of the Company to work for the Company.

PERFORMANCE-RELATED COMPONENT

The performance-related remuneration component consists of two elements: a short-term incentive (STI) and a long-term incentive (LTI).

Short-term Variable Remuneration**SHORT-TERM INCENTIVE**

The short-term incentive (STI) is intended to reward performance over the past fiscal year as reflected by the Company's development over the short term. For fiscal year 2021, the STI amount to be paid out depends on the achievement of financial targets, specifically (1) revenues, (2) earnings before interest and taxes (EBIT), (3) net working capital (with a 30% weighting in each case) and (4) quality (with a 10% weighting), as well as the attainment of non-financial targets. The definition of the respective target parameters can be found in the remuneration system description at https://ir.knorr-bremse.com/websites/knorrbremse_ir/English/7000/corporate-governance.html.

For the CEO, CFO and the Executive Board member responsible for integrity and legal affairs, financial targets are set in relation to the Group as a whole, whereas for the Executive Board members who are responsible for the divisions, 50% of the financial targets are set in relation to the Group as a whole and 50% in relation to the division for which the Executive Board member is responsible. Before the beginning of each fiscal year, the Supervisory Board defines the targets for the individual performance criteria, which are derived from the budget planning. Once the fiscal year has ended, the Supervisory Board determines the concrete level of target attainment based on actual target achievement and sets the payout amounts.

The quality sub-target in the STI puts a focus on actions at an operational level within the business divisions. To this end, the Supervisory Board sets separate quality sub-targets for both divisions for each fiscal year. They can include, for example, "cost of poor quality," "delivery quality" or "ready for assembly," with each target value being equivalent to 100% target attainment.

In addition, for each fiscal year, the Supervisory Board takes account of each Executive Board member's individual performance, the Executive Board's collective performance, plus the attainment of non-financial goals such as sustainability and diversity, by applying a multiplier ("modifier") ranging from 0.8 to 1.2.

The payout amount is due for payment in the month after the approval of Knorr-Bremse AG's consolidated financial statements for the fiscal year relevant for the STI, which means in April 2022 for fiscal 2021. Accordingly, the STI for fiscal 2020 was paid out in fiscal 2021.

If an appointment to the Executive Board begins or ends during a fiscal year, the target amount is reduced pro rata temporis to the beginning or end of the appointment. If the service agreement ends with a notice period, the end of the notice period is definitive.

Thus the target attainment corridor for the STI ranges from 80% to 120%. If a specified target has not been achieved at a level of 80% or more, the relevant STI sub-target is considered not to have been achieved and the payout level is set at 0%. If a specified target is achieved at a level of 120% or more, the payout amount is set at 200% (the maximum value). Values in the range between these values are calculated through linear interpolation. The maximum payout amount for the Chief Executive Officer is 180% of the target amount.

Any subsequent change to the financial and non-financial performance criteria is excluded. Only in the event of extraordinary events or developments is the Supervisory Board entitled to temporarily adjust the plan terms of the STI at its

reasonable discretion – e.g., on the acquisition or disposal of a business unit.

Application of the performance criteria in the reporting year

The Executive Board members received the STI for the 2020 fiscal year during the reporting period (which is considered compensation granted or owed within the meaning of section 162 (1) AktG). The STI earned for the 2021 fiscal year during the reporting period is also presented below on a voluntary basis in order to illustrate the link between performance and compensation, i.e., the principle of pay for performance, transparently.

The Supervisory Board set targets for the fiscal years 2020 (STI received) and 2021 (STI earned) and determined target attainment after the years ended. The Group-based targets were the same for all Executive Board members. The targets for the divisions affect the division heads Dr. Peter Laier (Commercial Vehicle Systems) and Dr. Jürgen Wilder (Rail Vehicle Systems). The target attainment calculated was the same for all Executive Board members. The Supervisory Board determined the following actual performance in relation to the targets set out below. [Table → 4.02](#)

4.02 KEY FIGURES FOR THE STI

	Key figure		Target setting		Target achievement	
			Weighting	Target level	Actual value**	Target achievement level
Group	Revenues	2021	30%	6,593	6,626	100%
	(in € million)	2020	30%	6,754	6,095	90%
	EBIT	2021	30%	917	907	99%
	(in € million)	2020	30%	1,000	870	87%
	NWC	2021	30%	48	44	108%
	(in days' sales)	2020	30%	42	43	99%
	Quality*	2021	10%			118%
		2020	10%			108%
Commercial Vehicle Systems	Revenues	2021	30%	2,992	3,399	114%
	(in € million)	2020	30%	3,069	2,763	90%
	EBIT	2021	30%	288	360	120%
	(in € million)	2020	30%	361	266	74%
	NWC	2021	30%	33	36	92%
	(in days' sales)	2020	30%	29	33	88%
	Quality*	2021	10%			120%
		2020	10%			109%
Rail Vehicle Systems	Revenues	2021	30%	3,601	3,229	90%
	(in € million)	2020	30%	3,685	3,332	90%
	EBIT	2021	30%	679	585	86%
	(in € million)	2020	30%	682	652	96%
	NWC	2021	30%	60	54	111%
	(in days' sales)	2020	30%	53	53	100%
	Quality*	2021	10%			116%
		2020	10%			107%

* Quality is measured using various customary separately targeted quality indicators (quality sub-targets). This is based on different quality sub-targets depending on the area of responsibility. The Supervisory Board set division-based quality sub-targets for the 2020 and 2021 fiscal years.

** When calculating target attainment, some unbudgeted extraordinary influences were subtracted out of the score if they inappropriately influenced an Executive Board member's performance against a sub-target. The purpose of this was to deliver a budget vs actual comparison that focuses only on operational aspects as far as possible.

The Supervisory Board calculated individual target attainment levels for the financial targets based on these uniform actual values that were determined for all Executive Board members. The Supervisory Board established an individual modifier for each Executive Board member to calculate the individual performance of each Executive Board member, the

collective performance of the Executive Board and the achievement of non-financial targets. The amount payable to an Executive Board member is determined by multiplying the target amount by the target attainment level and the individual modifier. [Table → 4.03](#)

4.03 INDIVIDUAL TARGET ATTAINMENT FOR THE STI

		Group (in %)		Total target attainment (in %)	Target amount (in € thousand)	Modifier
Dr. Jan Michael Mrosik (since January 1, 2021)	2021	104%		104%	1,300	1.0
	2020	-		-	-	-
Dr. Claudia Mayfeld (since May 1, 2021)	2021	104%		104%	400	1.0
	2020	-		-	-	-
Frank Markus Weber (since July 1, 2020)	2021	104%		104%	600	1.2
	2020	94%		94%	300	1.0
		Group (in %)	Commercial Vehicle Systems (in %)	Total target attainment (in %)	Target amount (in € thousand)	Modifier
Dr. Peter Laier (since January 1, 2016)	2021	104%	110%	107%	600	1.0
	2020	94%	86%	90%	600	1.2
		Group (in %)	Rail Vehicle Systems (in %)	Total target attainment (in %)	Target amount (in € thousand)	Modifier
Dr. Jürgen Wilder (since September 1, 2018)	2021	104%	98%	101%	600	1.1
	2020	94%	97%	96%	600	1.2

The payout amount is due for payment in the month after the approval of Knorr-Bremse AG's consolidated financial statements for the fiscal year relevant for the STI. In line with these specifications, the Executive Board members received the STI for the 2020 fiscal year in fiscal 2021, for which reason it is counted as compensation granted or owed during the reporting period for the purposes of section 162 (1) sentence 1 AktG. The STI for the 2021 fiscal year is payable in fiscal 2022 according to these specifications and is therefore compensation earned but not yet granted or owed in fiscal 2021 within the meaning of section 162 (1) sentence 1 AktG. The following shows, on a voluntary basis, the STI earned for the 2021 fiscal year alongside the STI received in fiscal 2021 (granted or owed within the meaning of section 162 (1) sentence 1 AktG) to illustrate the link between performance and compensation in the reporting period transparently. The following table (Table →) 4.04 discloses all amounts that the individual Executive Board members have earned in the respective reporting period as compensation for their services as an Executive Board member, even if these are not yet payable or have not yet been received. The compensation received includes amounts that have been received or fallen due (granted or owed within the meaning of section 162 (1) sentence 1 AktG) during the relevant reporting period.

4.04 COMPENSATION GRANTED AND OWED FROM THE STI PURSUANT TO SECTION 162 AKTG

in € thousand	Compensation earned from the STI		Compensation received from the STI	
	2021	2020	2021	2020
Dr. Jan Michael Mrosik	1,560	-	-	-
Dr. Peter Laier	804	482	482	634
Dr. Claudia Mayfeld	480	-	-	-
Frank Markus Weber	864	300	300	-
Dr. Jürgen Wilder	686	602	602	660

In fiscal year 2020, the Supervisory Board expanded the target achievement range for the Executive Board's STI for fiscal year 2020 from 80%-120% to 70%-120% in light of the Covid-19 pandemic. In the Supervisory Board's opinion, the resulting greater weighting of the earnings contributions below the 100% level provided a performance-based adjustment to the STI amounts to be paid under the existing remuneration system. The associated deviation from recommendation G.8 of the German Corporate Governance Code was disclosed in an update to the declaration of compliance published on March 30, 2021.

CONTRIBUTION TO THE LONG-TERM DEVELOPMENT OF THE COMPANY

The STI ensures the variable compensation's strategic alignment by directly linking it to the financial performance

criteria. The financial performance criteria are not only used at Group level but are also used to strategically align business activities in the individual business units. This promotes alignment of the Executive Board's activities to profitability and further growth. The short-term variable remuneration is based on non-financial performance criteria. This supports the strategic development of the Group, which also includes social and environmental aspects and takes account of sustainable corporate development.

Long-term Variable Remuneration

The long-term incentive (LTI) is intended to reward sustained, long-term performance by Executive Board members.

LTI BASED ON PERFORMANCE CASH

The LTI for the 2018 and 2019 fiscal years was granted on the basis of a performance cash plan and is allocated in annual tranches, each with a three-year term. The respective performance is measured on the basis of the increase in the Knorr-Bremse Group's economic value added (EVA®) over the performance period. EVA® is determined by deducting capital expenditure from net operating profit after tax.

At the beginning of the 2018 and 2019 performance periods, the Supervisory Board set a target, a minimum value and a maximum value for the EVA® that was to be calculated for the reporting date at the end of the performance period. The Supervisory Board was also able to define non-recurring (one-time) effects for which adjustments must be made at the end of the performance period. A target attainment level of 100% is assumed if a target is achieved, while a level of 1% is assumed when the minimum value is achieved and 200% when the maximum value is achieved. Target attainment is calculated through linear interpolation for achievement between the minimum value and the target or between the target and the maximum value. The amount to be paid out is calculated by multiplying the respective target amount by the level of target attainment, capped at 200%.

In the event of extraordinary events or developments like the examples listed inconclusively in the LTI plan terms, such as high inflation or significant changes in accounting or measurement policies, the Supervisory Board may, at its reasonable discretion, limit the amount payable or, if the respective Executive Board member would have received a higher bonus in the absence of such an event or development, increase the amount payable – again, at its reasonable discretion.

Further details can be found in the 2019 Compensation Report.

LTI BASED ON PERFORMANCE SHARES

Since the 2020 fiscal year, the LTI has been awarded as a performance share plan based on virtual shares and allocated in annual tranches. The term of a tranche is four years (the

“performance period”). This begins on January 1 of the respective grant year and ends on December 31 of the third year after the grant year. The LTI is paid out following approval of the consolidated financial statements for the last fiscal year of the relevant performance period.

The amount of the LTI payout directly depends on the performance of the Knorr-Bremse share during the performance period. It also depends in equal parts on the Company's total shareholder return (TSR) over the performance period compared with the TSR of companies in three individually specified peer groups (relative TSR) over the same period and on the average increase in earnings per share (EPS) during this period relative to a target value set by the Supervisory Board at the start of the performance period.

The amount paid out is limited to 180% (Executive Board Chair/CEO) or 200% (other Executive Board members) of the target amount. The payout amount is due for payment in the month after the approval of Knorr-Bremse AG's consolidated financial statements for the last fiscal year of the performance period.

If an appointment to the Executive Board ends prior to the expiry of the performance period, only the LTI tranche for the grant year is reduced pro rata temporis to the end of the appointment. The outstanding tranches of the LTI will still be paid out on the regular payment dates (with no reductions). However, any claims associated with tranches that have already been awarded for current performance periods shall lapse without substitution or compensation if, prior to the end of the performance period, the service agreement is terminated for good cause by the Company, i.e. for extraordinary reasons for which the Executive Board member is responsible, or if the Executive Board member's appointment is revoked due to a gross breach of duty, or if the Executive Board member resigns from office without good cause and without the Company's consent.

In the event of extraordinary events or developments, the Supervisory Board is entitled to appropriately adjust the terms of the plan at its reasonable discretion. Extraordinary events or developments may include, for example, an acquisition or a disposal of a company or parts of a company or stakes in companies, a merger of the Company with another company, significant changes in the Company's shareholder structure, changes to the legal and/or regulatory environment, significant fluctuations in the Company's share price, high inflation, or significant changes in accounting and measurement methods.

APPLICATION OF THE PERFORMANCE CRITERIA IN THE REPORTING YEAR

For the EVA®-based LTI tranche for the 2018-2020 performance period, the minimum EVA® specified by the

Supervisory Board was not reached, which meant that no payment was made for this tranche.

For the LTI tranche for the 2019-2021 performance period, the Supervisory Board has deemed the Covid-19 pandemic an extraordinary event and therefore decided to use its reasonable discretion to raise the payout amounts to 80% of the relevant target amount. As it did this, the Supervisory Board considered the change in EVA® during the performance period as well as the quantified effects of Covid-19 on the financial indicators relevant to EVA® as of the reporting date of December 31, 2021. In the Supervisory Board's opinion, the raise provides a performance-based adjustment to the STI amounts to be paid under the existing remuneration system for the 2019-2021 performance period. The LTI will be paid out in April 2022.

The first performance period for the LTI under the remuneration system that applies to the reporting year runs from 2020 through 2023. For this reason, it has been unnecessary to determine whether the targets have been achieved for this tranche. The first payout of the long-term component can be expected in April 2024 – if the relevant targets are achieved. The second performance period for the LTI runs from 2021 through 2024, with payment in April 2025 if the relevant targets are achieved.

The Supervisory Board set the following target remuneration from the LTI for the members of the Executive Board in office during the reporting period for the performance periods 2018 to 2020, 2019 to 2021, 2020 to 2023 and 2021 to 2024. Only the performance period(s) relevant for each Executive Board member are displayed ([Table → 4.05](#)):

4.05 TARGET REMUNERATION FOR THE LTI

	Performance period	Performance range (in € thousand)		
		Minimum value	LTI target amount (= 100%)	Maximum value
Dr. Jan Michael Mrosik	2021 - 2024	–	1,500	2,700
Dr. Peter Laier*	2019-2021	–	700	1,400
	2020-2023	–	800	1,600
	2021-2024	–	800	1,600
Dr. Claudia Mayfeld**	2021-2024	–	533	1,067
Frank Markus Weber***	2020-2023	–	400	800
	2021-2024	–	800	1,600
Dr. Jürgen Wilder****	2018-2020	–	200	400
	2019-2021	–	600	1,200
	2020-2023	–	800	1,600
	2021-2024	–	800	1,600

* Dr. Laier has only received an LTI since the 2019 fiscal year in accordance with his contractual arrangements.

** Dr. Mayfeld's LTI for the 2021-2024 tranche is being prorated for the period from May to December 2021.

*** Mr. Weber's LTI for the 2020-2023 tranche is being prorated for the period from July to December 2020.

**** Dr. Wilder's LTI for the 2018-2020 tranche was prorated for the period from September to December 2018.

The Supervisory Board set the following uniform targets under the LTI for the members of the Executive Board in office

in the reporting period for the performance periods 2018 to 2020 and 2019 to 2021. [Table → 4.06](#)

4.06 TARGETS FOR LTI BASED ON PERFORMANCE CASH

	Minimum value	Target level	Maximum value
2018-2020 tranche			
EVA® in 2017 (in € million)	410.2	410.2	410.2
EVA® increase in performance period (in %)	<0.92%	20.92%	≥40.92%
EVA® in 2020 (in € million)	<414.0	496.0	≥578.0
Payout as % of target	0%	100%	200%

Target attainment (in € million)	330.6
Target attainment (in %)	0%

2019-2021 tranche	Minimum value	Target level	Maximum value
EVA® in 2018 (in € million)	441.0	441.0	441.0
EVA® increase in performance period (in %)	<0.84%	18.82%	≥37.64%
EVA® in 2021 (in € million)	<441.0	524.0	≥607.0
Payout as % of target	0%	100%	200%

Target attainment (in € million)	429.0
Target attainment* (in %)	80%

* According to a Supervisory Board decision on March 11, 2022.

For the LTI based on performance shares, the target attainment level is based in equal measure on relative TSR and average EPS during the performance period. The Supervisory Board set a strategic target for the EPS sub-target before the relevant performance period began. For the LTI tranche for the 2020-2023 performance period, the Supervisory Board has deemed the Covid-19 pandemic an extraordinary event and therefore utilized its option to adjust the target set for the EPS sub-target. The Supervisory Board does not set any targets for the relative TSR sub-target. The level of target attainment is calculated at the end of the relevant performance period as the average of the relative percentile ranks that the

Company has reached within each of the individual peer groups when comparing TSR. The TSR is defined as the percentage change in the share price during the performance period while factoring in fictitious reinvestment of dividends along with all capital measures. The share price used for this metric is the average share price in the 60 trading days preceding the beginning and end of a performance period. The target for the EPS sub-target, the share price at the beginning of the performance period and the level of target attainment as of the reporting date of December 31, 2021, are shown in [Table → 4.07](#). The fair value details incorporate the EPS and the relative TSR as of the reporting date indicated.

4.07 PARAMETERS FOR LTI BASED ON PERFORMANCE SHARES

	2020-2023 tranche	2021-2024 tranche
Adjusted EPS (in €)	3.72	4.08
Average share price used for allocation (in €)	88.33	104.95
Fair value as of Dec. 31 reporting date (in %)		
For Chief Executive Officer	126.27%	79.44%
For ordinary Executive Board members	132.63%	81.44%

Based on the targets presented in [Table → 4.07](#) and the target adjustment for the 2019-2021 performance period (see above), the individual target attainment as of December 31, 2021, has been calculated as displayed in [Table → 4.08](#). The

fair value presented for the reporting date is equivalent to the payout amount, assuming that there are no changes to the status quo in the next few years.

4.08 TARGET ATTAINMENT FOR LTI BASED ON PERFORMANCE SHARES

	2020-2023 tranche			2021-2024 tranche		
	LTI target amount (in € thousand)	PSUs allocated*	Fair value as of Dec. 31, 2020 (in € thousand)	LTI target amount (in € thousand)	PSUs allocated*	Fair value as of Dec. 31, 2021 (in € thousand)
Dr. Jan Michael Mrosik	-	-	-	1,500	14,293	1,193
Dr. Peter Laier	800	9,057	1,061	800	7,623	652
Dr. Claudia Mayfeld	-	-	-	533	5,082	434
Frank Markus Weber	400	4,529	531	800	7,623	652
Dr. Jürgen Wilder	800	9,057	1,061	800	7,623	652
Bernd Eulitz	1,333	15,095	1,683	-	-	-

* PSU stands for performance share unit. The number of PSUs allocated is calculated by dividing the target amount by the weighted average price of Knorr-Bremse shares in the 60-day period preceding the relevant performance period.

The target remuneration from the LTI ([Table → 4.06 / Table → 4.07](#)) and the targets set and achieved for the LTI ([Table → 4.08](#)) did not result in any payouts from the LTI tranche for the 2018-2020 performance period during the reporting period. For the tranche with the 2019-2021 performance period, € 560 thousand will be paid to Dr. Peter Laier and € 480 thousand to Dr. Jürgen Wilder in April 2022 due to the adjustment of targets (see above) on account of the pandemic.

CONTRIBUTION TO THE LONG-TERM DEVELOPMENT OF THE COMPANY

In order to link remuneration to the Company's long-term development, the long-term variable remuneration makes up a significant proportion of total remuneration. With a term of four years and an annual award, the Company's development is observed over multi-year cycles. A combination of internal and external performance criteria take the stakeholder and shareholder approach into account. Comparison with indices and peers creates incentives for long-term profitability and operational development and for the implementation of strategically relevant projects such as obtaining technology leadership through R&D expertise.

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 required to acquire and retain ownership of a minimum holding of shares in Knorr-Bremse AG amounting to 100% of their fixed gross annual salary for the duration of their service agreement (the "SOG target").

A member of the Executive Board is obliged to acquire shares in Knorr-Bremse AG equal to at least 25% of his or her fixed gross annual salary in each fiscal year until the SOG target is achieved. 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, internal or legal provisions).

IMPLEMENTATION STATUS OF THE SOG IN THE REPORTING YEAR

The four-year build-up phase for the share ownership program has not yet expired for any of the members of the Executive Board in office in fiscal 2021. As of December 31, 2021, the members of the Executive Board in office held shares in Knorr-Bremse AG under the share ownership program as follows ([Table → 4.09](#)):

4.09 OVERVIEW OF THE SHARE OWNERSHIP PROGRAM

	End of the build-up phase	Number of shares held	Total acquisition costs of the shares held (in €)	Proportion of the respective fixed gross annual salary
Dr. Jan Michael Mrosik	Dec. 31, 2024	2,921	301,698	30%
Dr. Peter Laier	n/a	8,000	639,253	71%
Dr. Claudia Mayfeld	Apr. 30, 2025	3,000	295,242	55%
Frank Markus Weber	Jun. 30, 2024	4,540	450,933	53%
Dr. Jürgen Wilder	Oct. 11, 2022	10,770	901,681	100%

More information on Executive Board members' transactions in shares in Knorr-Bremse AG can be found at https://ir.knorr-bremse.com/websites/Knorrbremse_ir/English/2000/investor-news.html.

Compensation granted and owed within the meaning of section 162 (1) sentence 2 AktG

The following table (Table → 4.10) shows the compensation individually granted and owed pursuant to section 162 (1) sentence 1 AktG of the members of the Executive Board in office in fiscal 2021. The compensation due or received in a fiscal year (granted or owed within the meaning

of section 162 (1) sentence 1 AktG) and, on a voluntary basis, the compensation earned in a given fiscal year are presented in order to transparently illustrate the link between performance and compensation in the reporting period. All amounts that the individual Executive Board members have earned in the respective reporting year as compensation for their services as an Executive Board member are reported, even if these are not yet payable or have not yet been received. The amounts that have been received or become payable in the respective reporting year are reported as compensation received.

4.10 COMPENSATION GRANTED AND OWED

			2021			2020				
			in € thousand	in %	in %	in € thousand	in %	in %		
Dr. Jan Michael Mrosik	Remuneration earned	Fixed remuneration	Fixed salary	1,000	25%	33%	-	-	-	
			Fringe benefits	43	1%	-	-	-	-	
			Pension contribution	300	7%	-	-	-	-	
		Variable remuneration	STI*	1,560	38%	67%	-	-	-	
			LTI**	1,193	29%	-	-	-	-	
		Other remuneration	-	-	-	-	-	-		
		Total	4,096	100%	100%	-	-	-		
		Remuneration received	Fixed remuneration	Fixed salary	1,000	75%	100%	-	-	-
				Fringe benefits	43	3%	-	-	-	-
				Pension contribution	300	22%	-	-	-	-
Variable remuneration	STI from previous year		-	-	-	-	-	-		
	LTI from previous years***		-	-	-	-	-	-		
Other remuneration	-		-	-	-	-	-			
Total	1,343		100%	100%	-	-	-			

				2021			2020		
				in € thou- sand	in %	in %	in € thou- sand	in %	in %
Dr. Peter Laier	Remuneration earned	Fixed remuneration	Fixed salary	900	34%	46%	900	32%	44%
			Fringe benefits	28	1%		28	1%	
			Pension contribution	300	11%		300	11%	
		Variable remuneration	STI*	804	30%	54%	482	18%	56%
			LTI**	652	24%		1,061	38%	
	Other remuneration		-	-	-	-	-	-	
	Total		2,684	100%	100%	2,771	100%	100%	
	Remuneration received	Fixed remuneration	Fixed salary	900	52%	72%	900	48%	66%
			Fringe benefits	28	2%		28	2%	
			Pension contribution	300	18%		300	16%	
Variable remuneration		STI from previous year	482	28%	28%	634	34%	34%	
		LTI from previous years***	-	-		-	-		
Other remuneration		-	-	-	-	-	-		
Total		1,710	100%	100%	1,862	100%	100%		
Dr. Claudia Mayfeld	Remuneration earned	Fixed remuneration	Fixed salary	533	34%	41%	-	-	-
			Fringe benefits	19	1%		-	-	
			Pension contribution	100	6%		-	-	
		Variable remuneration	STI*	480	31%	59%	-	-	-
			LTI**	434	28%		-	-	
	Other remuneration		-	-	-	-	-	-	
	Total		1,566	100%	100%	-	-	-	
	Remuneration received	Fixed remuneration	Fixed salary	533	82%	100%	-	-	-
			Fringe benefits	19	3%		-	-	
			Pension contribution	100	15%		-	-	
Variable remuneration		STI from previous year	-	-	-	-	-	-	
		LTI from previous years***	-	-		-	-		
Other remuneration		-	-	-	-	-	-		
Total		652	100%	100%	-	-	-		
Frank Markus Weber	Remuneration earned	Fixed remuneration	Fixed salary	850	32%	44%	400	17%	25%
			Fringe benefits	36	1%		37	2%	
			Pension contribution	300	11%		150	6%	
		Variable remuneration	STI*	864	32%	56%	300	12%	34%
			LTI**	652	24%		531	22%	
	Other remuneration		-	-	-	1,000	41%	41%	
	Total		2,702	100%	100%	2,418	100%	100%	
	Remuneration received	Fixed remuneration	Fixed salary	850	58%	80%	400	25%	37%
			Fringe benefits	36	2%		37	2%	
			Pension contribution	300	20%		150	10%	
Variable remuneration		STI from previous year	300	20%	20%	-	-	-	
		LTI from previous years***	-	-		-	-		
Other remuneration		-	-	-	1,000	63%	63%		
Total		1,486	100%	100%	1,587	100%	100%		

			2021			2020				
			in € thousand	in %	in %	in € thousand	in %	in %		
Dr. Jürgen Wilder	Remuneration earned	Fixed remuneration	Fixed salary	900	35%	48%	900	31%	42%	
			Fringe benefits	22	1%		24	1%		
			Pension contribution	300	12%		300	10%		
		Variable remuneration	STI*	686	27%	52%	602	21%	58%	
			LTI**	652	25%		1,061	37%		
		Other remuneration		-	-	-	-	-	-	
		Total		2,560	100%	100%	2,887	100%	100%	
		Remuneration received	Fixed remuneration	Fixed salary	900	50%	67%	900	48%	65%
				Fringe benefits	22	1%		24	1%	
				Pension contribution	300	16%		300	16%	
Variable remuneration	STI from previous year		602	33%	33%	660	35%	35%		
	LTI from previous years***		-	-		-	-			
Other remuneration			-	-	-	-	-	-		
Total			1,824	100%	100%	1,884	100%	100%		

* The payout amount is due for payment in the month after the approval of Knorr-Bremse AG's consolidated financial statements for the fiscal year relevant for the STI. Payment is made in the respective following fiscal year.

** The LTI is considered earned in the fiscal year in which it is granted, i.e., the LTI for the 2021-2024 performance period is earned in the 2021 fiscal year. The target achievement and the amount owed are determined by the Supervisory Board after the end of the four-year performance period. Because there is not yet a completed performance period for the share-based LTI, the benefit considered earned from the LTI is the amount arrived at by multiplying the number of performance shares allocated by the fair value as of December 31, 2021.

*** The LTI for the 2018 and 2019 fiscal years was granted pursuant to an EVA®-based performance cash plan and is allocated in annual tranches, each with a three-year term. For the LTI tranche for the 2018-2020 performance period, the minimum EVA® specified by the Supervisory Board was not reached, which meant that no payment was made for this tranche. For the LTI tranche for the 2019-2021 performance period, the Supervisory Board has deemed the Covid-19 pandemic an extraordinary event and therefore decided to raise the payout amounts at its reasonable discretion. This LTI will be paid out in April 2022. Since the 2020 fiscal year, the LTI has been awarded as a performance share plan based on virtual shares and allocated in annual tranches. Each tranche has a four-year term. To date, no performance period has expired for the share-based LTI. Therefore, no remuneration became payable or was received from the LTI in 2020 and 2021.

Other information on remuneration

REVIEW OF THE MAXIMUM LIMIT FOR THE REMUNERATION IN TERMS OF AMOUNT (MAXIMUM REMUNERATION)

None of the cash payments made to the Executive Board members during the reporting period exceeded the applicable maximum limit for the total remuneration to be granted (sum of all the remuneration amounts spent for the fiscal year in question, including fixed annual salary, variable remuneration components, pension contribution and fringe benefits or any compensation in conjunction with new appointees commencing their role; altogether termed **maximum remuneration**). Because the expense for the LTI bonus will only occur in the third year after the conclusion of the reporting year due to the full-year performance period, it will, however, only be possible to report conclusively on compliance with the maximum remuneration for fiscal year 2021 in the Compensation Report for fiscal year 2024. If the expense for the LTI bonus were to result in the maximum limit being exceeded, the payout amount for the relevant grant year's LTI is reduced. If the maximum limit for a fiscal year is crossed and reducing the payout amount for the LTI still does not bring the remuneration back beneath the limit, the STI is then reduced. If necessary, the Supervisory Board can exercise its professional discretion to reduce other remuneration components or demand that granted remuneration be paid back.

For fiscal year 2021, there were no contractually agreed exemptions with members of the Executive Board on the occasion their taking up office.

SHARES AND STOCK OPTIONS GRANTED OR PROMISED

In accordance with the remuneration system, the Executive Board members in office in the reporting year were not granted or promised any shares or stock options.

RETENTION (MALUS) AND CLAWBACK

The remuneration system applicable for fiscal year 2021 does not provide for any opportunity to retain or clawback variable remuneration components. The associated deviation from recommendation G.11 of the German Corporate Governance Code was disclosed and justified in the declaration of compliance published on December 9, 2021.

RESOLUTION OF THE ANNUAL GENERAL MEETING PURSUANT TO SECTION 120A (4) AKTG AND DISCUSSION PURSUANT TO SECTION 120A (5) AKTG

In the 2021 reporting year, there was no resolution of the Annual General Meeting pursuant to section 120a (4) AktG or discussion pursuant to section 120a (5) AktG that should have been considered.

BENEFITS PROMISED OR GRANTED BY A THIRD PARTY

In the reporting year, no member of the Executive Board was promised or granted benefits by a third party in respect of his or her work as an Executive Board member.

COMMITMENTS IN THE EVENT OF TERMINATION OF SERVICE AGREEMENTS

The service agreements for the Executive Board members are valid for the duration of the members' appointment. Executive Board members are normally appointed for no more than three years if it is their first appointment. If they are reappointed, their appointment will be for no more than five years. Their service agreements are extended for the duration of their reappointment unless other arrangements are made.

Upon terminating their role at the Company, Executive Board members are subject to a post-contractual non-compete clause for a period of one year. During this period, the Executive Board members are entitled to non-compete compensation (*Karenzentschädigung*) amounting to a twelfth of the fixed annual salary per month. The non-compete compensation is set off against any benefits otherwise owed by Knorr-Bremse AG for the period after the termination of the service agreement. Any income earned from an activity not falling under the post-contractual non-compete clause is set off against the non-compete compensation insofar as the non-compete compensation, taking into account the income earned, would exceed the contractual payments last received by the Executive Board member by more than one tenth. Beyond that, there are no commitments in the event of regular termination of service agreements.

In the event of termination of the appointment by mutual agreement, members of the Executive Board receive a compensation payment. The compensation payment consists of the fixed annual salary and the STI for the remaining period of the regular appointment, but for no longer than 24 months. The compensation payment thus does not exceed the value of two years' remuneration but remains below it and also does not remunerate more than the remaining term of the contract. For the STI, the STI paid in the last financial year ended before the termination of the appointment is used. If the appointment ends before the end of the first fiscal year in which an STI is paid, the assessment basis for the STI is the target amount. The compensation payment is set off against any non-compete compensation paid by Knorr-Bremse AG. Even if the appointment is terminated by mutual agreement, the Executive Board member is not entitled to the compensation payment if the premature termination of the appointment was made at the request of the Executive Board member or if Knorr-Bremse AG had good cause to revoke the appointment or terminate the service agreement without notice or if the Executive Board member is subsequently reappointed to the Executive Board following the termination of the appointment by mutual agreement.

If an appointment is prematurely revoked by the Supervisory Board, the respective service agreement ends upon expiration of a notice period pursuant to section 622 (2) of the

German Civil Code (BGB). This notice period is extended to a maximum of 24 months to the end of the month (at most until the contract's regular termination date) if the respective Executive Board member is blamelessly dismissed by the Annual General Meeting due to his/her incapacity to conduct business properly or due to a vote of no confidence, or if s/he resigns prematurely, unilaterally and effectively from his/her position on the Executive Board for good cause. During the notice period, the members of the Executive Board receive their fixed annual salary. The claims to STI and LTI are based on the rules on leaving the Executive Board prematurely described above.

There is no right of special termination in the event of a change of control or any commitment to make payments based on the premature termination of Executive Board membership as a result of a change of control.

COMMITMENTS IN THE EVENT OF PREMATURE TERMINATION OF SERVICE, INCLUDING ANY CHANGES TO THESE COMMITMENTS AGREED DURING THE LAST FISCAL YEAR

The commitments contractually agreed with the Executive Board members in office in the reporting year in the event of a premature termination of service are in line with the requirements of the remuneration system (see above).

COMMITMENTS IN THE EVENT OF REGULAR TERMINATION OF SERVICE, WITH THEIR PRESENT VALUE AND THE AMOUNT SPENT OR SET ASIDE BY THE COMPANY FOR THIS PURPOSE DURING THE LAST FISCAL YEAR, INCLUDING ANY CHANGES TO THESE COMMITMENTS AGREED DURING THE LAST FISCAL YEAR

The commitments contractually agreed with the Executive Board members in office in the reporting year in the event of a regular termination of service are in line with the requirements of the remuneration system (see above).

Under his service agreement in force until December 31, 2018, the Company committed to funding defined benefits for Dr. Laier and this commitment was made non-contributory as of December 31, 2018. Due to this defined-benefit commitment, Dr. Laier has a vested pension entitlement upon reaching retirement at the age of 65 in the amount of 2% of his respective base annual salary per year of service. This entitlement has accrued per year of service from January 1, 2016 through to December 31, 2018. The defined-benefit obligations (IFRS) in respect of Dr. Laier came to € 1,354 thousand in 2020 and to € 1,260 thousand in 2021. Accordingly, the annual pension for Dr. Laier will amount to € 48 thousand as of December 31, 2021.

Knorr-Bremse AG does not have any pension commitments to current members of the Executive Board.

Payments to former Executive Board members

The following table (Table → 4.11) shows the compensation granted and owed to the former members of the Executive

Board in fiscal 2021 pursuant to section 162 (1) sentence 1 AktG. Solely the time of payment receipt is used as the basis for this.

4.11 COMPENSATION PAYMENTS TO FORMER EXECUTIVE BOARD MEMBERS

			2021			2020		
			in € thousand	in %	in %	in € thousand	in %	in %
Bernd Eulitz* (until August 31, 2020)	Fixed remuneration	Fixed salary	-	-	-	800	25%	32%
		Fringe benefits	-	-	-	13	0%	-
		Pension contribution	-	-	-	233	7%	-
	Variable remuneration	STI	1,040	100%	100%	227	7%	7%
		LTI	-	-	-	-	-	-
	Other remuneration	Severance	-	-	-	2,000	61%	61%
		Remuneration received	1,040	100%	100%	3,273	100%	100%
Ralph Heuwing* (until April 30, 2020)	Fixed remuneration	Fixed salary	-	-	-	300	11%	15%
		Fringe benefits	-	-	-	6	0%	-
		Pension contribution	-	-	-	100	4%	-
	Variable remuneration	STI	480	100%	100%	634	22%	22%
		LTI	-	-	-	-	-	-
	Other remuneration	Severance	-	-	-	1,800	63%	63%
		Remuneration received	480	100%	100%	2,840	100%	100%
Dr. Peter Laier* (until December 31, 2021)	Fixed remuneration	Fixed salary	-	-	-	-	-	-
		Fringe benefits	-	-	-	-	-	-
		Pension contribution	-	-	-	-	-	-
	Variable remuneration	STI	-	-	-	-	-	-
		LTI	-	-	-	-	-	-
	Other remuneration	Compensation payment**	1,864	100%	100%	-	-	-
		Remuneration received	1,864	100%	100%	-	-	-
Heinz Hermann Thiele (member of Supervisory Board until Feb. 23, 2021)	Fixed remuneration	Retirement pension	217	98%	100%	978	98%	100%
		Fringe benefits	5	2%	-	21	2%	-
	Variable remuneration	-	-	-	-	-	-	
	Other remuneration	-	-	-	-	-	-	
	Remuneration received	222	100%	100%	999	100%	100%	
Dr. Dieter Wilhelm (until June 30, 2016)	Fixed remuneration	Retirement pension	230	100%	100%	230	100%	100%
	Variable remuneration	-	-	-	-	-	-	
	Other remuneration	-	-	-	-	-	-	
		Remuneration received	230	100%	100%	230	100%	100%
Executive Board members who left prior to Dec. 31, 2011	Fixed remuneration	Retirement pension	295	100%	100%	289	100%	100%
	Variable remuneration	-	-	-	-	-	-	
	Other remuneration	-	-	-	-	-	-	
		Remuneration received	295	100%	100%	289	100%	100%

* Remuneration was earned up until the time of leaving due to active work on the Executive Board. This remuneration will be reported as received compensation in the year during which payment is received.

** Dr. Laier is entitled to a compensation payment of € 2,764 thousand, however this was offset against compensation of € 900 thousand for his non-compete clause. The compensation payment of € 1,864 thousand was made at the time of his departure from the Executive Board. The non-compete compensation of € 75 thousand per month became payable in January 2022 for a duration of one year.

Supervisory Board Compensation

Remuneration System for the Supervisory Board

The remuneration system for Knorr-Bremse AG's Supervisory Board applicable for fiscal year 2021 was approved by the Annual General Meeting on June 30, 2020 with 99.4628% of the votes validly cast. It provides for fixed remuneration only.

Remuneration of Supervisory Board members is governed by article 18 of Knorr-Bremse AG's Articles of Association. According to the article, the following annual fixed base remuneration applies: € 250 thousand for the chairperson of the Supervisory Board, € 120 thousand for each deputy chairperson of the Supervisory Board, and € 80 thousand for the other members of the Supervisory Board. The chairperson of the Executive Committee additionally receives € 60 thousand, each further member of the Executive Committee € 20 thousand, the chairperson of the Audit Committee € 60 thousand and each further member of the Audit Committee € 20 thousand. The annual remuneration is payable after the end of the general meeting that receives the annual financial statements for the past fiscal year or decides on their approval, in the present case for fiscal 2021 after the Annual General Meeting on May 24, 2022. Supervisory Board members who have not belonged to the Supervisory Board or a committee for a full fiscal year or have not held the role of chair or deputy chair for a full fiscal year receive the corresponding remuneration pro rata temporis, rounding up to a full month.

A Strategy Committee, to which three shareholder representatives and one employee representative belong, was set up through a resolution by the Supervisory Board of May 20, 2021. Subject to the resolution of the Annual General Meeting on May 24, 2022 on the amendment of article 18 of Knorr-Bremse AG's Articles of Association that is required in this regard, the chairperson will additionally receive € 120 thousand and each further member of the Strategy Committee will receive € 40 thousand. This remuneration is granted pro rata temporis in the reporting year, rounding up to full months – i.e., from May 2021.

In accordance with Article 18 (5) of the Company's Articles of Association, the Company reimburses the Supervisory Board members for reasonable expenditure incurred as part of their fulfillment of their roles. Value-added tax is reimbursed by the Company where Supervisory Board members are entitled to invoice the Company separately for value-added tax and choose to exercise this right. Since fiscal 2020, Knorr-Bremse has granted the Supervisory Board remuneration as non-variable fixed remuneration, generally without value added tax, thus taking account of the Federal Court of Finance case law on the entrepreneurial status of supervisory board members (ruling of November 27, 2019, case V R 23/19, V R 62/17 and the relevant Federal Court of Finance letter of July 8, 2021 (ref. III C 2 - S 7104/19/10001 :003)). Supervisory Board members are included in the Company's D&O insurance policy without a deductible. No meeting fee is provided for.

There are no pension commitments to members of the Supervisory Board, with the exception of pension commitments associated with employee activities.

Application in the Reporting Year and Contribution to the Long-Term Development of the Company

The Supervisory Board remuneration makes it possible to attract suitable candidates for the position of a Supervisory Board member. As a result, the Supervisory Board remuneration contributes to the Supervisory Board as a whole being able to competently fulfill its duties to supervise and advise the Executive Board professionally and competently and thus promotes Knorr-Bremse AG's business strategy and long-term development.

The total board remuneration for fiscal 2021 reported in [Table → 4.12](#) arises on the basis of the remuneration system described above. This is payable after the 2022 Annual General Meeting. Supervisory Board members did not receive any loans from the Company in either fiscal year 2021 or fiscal year 2020.

4.12 COMPENSATION GRANTED AND OWED

Supervisory Board members in office as of December 31, 2021

		2021		2020	
		in € thousand	in %	in € thousand	in %
Prof. Dr. Klaus Mangold (Chairman)	Base remuneration	250	76%	250	76%
	Allowances for Supervisory Board members	80	24%	80	24%
	Received in the fiscal year	330	100%	330	100%
	Earned in the fiscal year*	357		330	
Franz-Josef Birkeneder** (Deputy Chairman)	Base remuneration	120	75%	120	75%
	Allowances for Supervisory Board members	40	25%	40	25%
	Received in the fiscal year	160	100%	160	100%
	Earned in the fiscal year*	187		160	
Kathrin Dahnke	Base remuneration	100	59%	120	60%
	Allowances for Supervisory Board members	70	41%	80	40%
	Received in the fiscal year	170	100%	200	100%
	Earned in the fiscal year*	140		170	
Dr. Thomas Enders (from June 30, 2020)	Base remuneration	40	100%	-	-
	Allowances for Supervisory Board members	-	-	-	-
	Received in the fiscal year	40	100%	-	-
	Earned in the fiscal year*	107		40	
Michael Jell**	Base remuneration	80	80%	80	80%
	Allowances for Supervisory Board members	20	20%	20	20%
	Received in the fiscal year	100	100%	100	100%
	Earned in the fiscal year*	100		100	
Werner Ratzisberger**	Base remuneration	80	80%	80	80%
	Allowances for Supervisory Board members	20	20%	20	20%
	Received in the fiscal year	100	100%	100	100%
	Earned in the fiscal year*	100		100	
Annemarie Sedlmair**	Base remuneration	80	100%	60	100%
	Allowances for Supervisory Board members	-	-	-	-
	Received in the fiscal year	80	100%	60	100%
	Earned in the fiscal year*	80		80	
Dr. Stefan Sommer (from May 24, 2021)	Base remuneration	-	-	-	-
	Allowances for Supervisory Board members	-	-	-	-
	Received in the fiscal year	-	-	-	-
	Earned in the fiscal year*	133		-	
Erich Starkl**	Base remuneration	80	100%	80	100%
	Allowances for Supervisory Board members	-	-	-	-
	Received in the fiscal year	80	100%	80	100%
	Earned in the fiscal year*	80		80	
Julia Thiele-Schürhoff	Base remuneration	80	100%	80	100%
	Allowances for Supervisory Board members	-	-	-	-
	Received in the fiscal year	80	100%	80	100%
	Earned in the fiscal year*	80		80	
Sylvia Walter** (from May 24, 2021)	Base remuneration	-	-	-	-
	Allowances for Supervisory Board members	-	-	-	-
	Received in the fiscal year	-	-	-	-
	Earned in the fiscal year*	53		-	
Dr. Theodor Weimer (from June 30, 2020)	Base remuneration	40	100%	-	-
	Allowances for Supervisory Board members	-	-	-	-
	Received in the fiscal year	40	100%	-	-
	Earned in the fiscal year*	125		40	

Former Supervisory Board members

		2021		2020	
		in € thousand	in %	in € thousand	in %
Dr. Wolfram Mörsdorf (until June 30, 2020)	Base remuneration	40	100%	80	100%
	Allowances for Supervisory Board members	-	-	-	-
	Received in the fiscal year*	40	100%	80	100%
Heinz Hermann Thiele (from June 30, 2020 to February 23, 2021)	Base remuneration	60	86%	-	-
	Allowances for Supervisory Board members	10	14%	-	-
	Received in the fiscal year*	70	100%	-	-
Wolfgang Tölsner (until June 30, 2020)	Base remuneration	40	100%	80	100%
	Allowances for Supervisory Board members	-	-	-	-
	Received in the fiscal year*	40	100%	80	100%
Georg Weiberg (until June 30, 2020)	Base remuneration	40	100%	80	100%
	Allowances for Supervisory Board members	-	-	-	-
	Received in the fiscal year*	40	100%	80	100%
Günter Wiese** (until May 20, 2021)	Base remuneration	80	100%	80	100%
	Allowances for Supervisory Board members	-	-	-	-
	Received in the fiscal year*	80	100%	80	100%

* Payable for fiscal 2021 upon the end of the 2022 Annual General Meeting

** Employee representative

Multi-year overview: Information on the development of Executive Board and Supervisory Board remuneration in relation to the remuneration of the rest of the workforce and to the Company's earnings performance

In accordance with section 162 (1) sentence 2 no. 2 AktG, the following overview presents the relative movement of the remuneration of Executive Board and Supervisory Board members compared with the average remuneration of employees and with selected Knorr-Bremse Group earnings indicators.

The remuneration indicated for the Executive Board and Supervisory Board members, as portrayed in [Table →/Table → 4.11](#) and [Table → 4.12](#) 2.12, represents the total remuneration received by these individuals during the reporting period for the purposes of section 162 (1) sentence 1 AktG.

[Table → 4.13](#) The remuneration earned by the Executive Board members serving during the reporting period is additionally presented on a voluntary basis. The purpose of this is to illustrate the link between performance and compensation in the reporting period as transparently as possible by setting out the changes in earned remuneration next to the changes in the Group's declared earnings indicators.

The key figures for which Knorr-Bremse AG has issued guidance in the past fiscal year and the key figures that form the basis of the short- and long-term remuneration of the Executive Board, specifically the Knorr-Bremse Group's consolidated revenues, EBIT, free cash flow and earnings per share (EPS) as well as the HGB-format annual financial statements of Knorr-Bremse AG, are used for the presentation of the results of operations.

The Knorr-Bremse Group's total workforce in Germany is taken into account for the presentation of the average remuneration of employees on a full-time equivalent basis. The remuneration stated represents the remuneration actually received in the reporting year in each case.

4.13 MULTI-YEAR COMPARISON

	2021	Change	2020
Executive Board remuneration			
<i>Remuneration earned by Executive Board members serving in the reporting period</i>	in € thousand	in %	in € thousand
Dr. Jan Michael Mrosik (since January 1, 2021)	4,096	-	-
Dr. Peter Laier (since January 1, 2016)	2,684	-3%	2,771
Dr. Claudia Mayfeld (since May 1, 2021)	1,566	-	-
Frank Markus Weber (since July 1, 2020)	2,702	12%	2,418
Dr. Jürgen Wilder (since September 1, 2018)	2,560	-11%	2,887
<i>Remuneration received by Executive Board members serving in the reporting period</i>	in € thousand	in %	in € thousand
Dr. Jan Michael Mrosik (since January 1, 2021)	1,343	-	-
Dr. Peter Laier (since January 1, 2016)	1,710	-8%	1,862
Dr. Claudia Mayfeld (since May 1, 2021)	652	-	-
Frank Markus Weber (since July 1, 2020)	1,486	-6%	1,587
Dr. Jürgen Wilder (since September 1, 2018)	1,824	-3%	1,884
<i>Remuneration received by former Executive Board members</i>	in € thousand	in %	in € thousand
Bernd Eulitz (until August 31, 2020)	1,040	-68%	3,273
Ralph Heuwing (until April 30, 2020)	480	-83%	2,840
Dr. Peter Laier (until December 31, 2021)	1,864	-	-
Heinz Hermann Thiele (until March 31, 2007)	222	-78%	999
Dr. Dieter Wilhelm (until June 30, 2016)	230	0%	230
Executive Board members who left prior to Dec. 31, 2011	295	2%	289
Supervisory Board remuneration			
<i>Supervisory Board members in office as of December 31, 2021</i>	in € thousand	in %	in € thousand
Prof. Dr. Klaus Mangold (Chairman)	330	0%	330
Franz-Josef Birkeneder** (Deputy Chairman)	160	0%	160
Kathrin Dahnke	170	-15%	200
Dr. Thomas Enders (since June 30, 2020)	40	-	-
Michael Jell**	100	0%	100
Werner Ratzisberger**	100	0%	100
Annemarie Sedlmair** (since April 1, 2019)	80	33%	60
Dr. Stefan Sommer (since May 20, 2021)	-	-	-
Erich Starkl**	80	0%	80
Julia Thiele-Schürhoff	80	0%	80
Sylvia Walter** (until May 20, 2021)	-	-	-
Dr. Theodor Weimer (from June 30, 2020)	40	-	-
<i>Former Supervisory Board members</i>	in € thousand	in %	in € thousand
Dr. Wolfram Mörsdorf (until June 30, 2020)	40	-50%	80
Heinz Hermann Thiele (from June 30, 2020 to February 23, 2021)	70	-	-
Wolfgang Tölsner (until June 30, 2020)	40	-50%	80
Georg Weiberg (until June 30, 2020)	40	-50%	80
Günter Wiese** (until May 20, 2021)	80	0%	80
Earnings indicators		in %	
<i>Knorr-Bremse Group</i>			
Revenues (in € million)	6,706	9%	6,157
EBIT (in € million)	916	13%	814
Free cash flow (in € million)	600	-13%	687
Earnings per share – undiluted (in €)	3.85	25%	3.07
<i>Knorr-Bremse AG</i>			
Net income per HGB (in € million)	335	-13%	385
Workforce remuneration		in %	
Workforce of the Knorr-Bremse Group in Germany		2%	


* Voluntary disclosure
** Employee representative

This Compensation Report was jointly prepared by the Executive Board and the Supervisory Board. The Executive Board and Supervisory Board passed resolutions to approve this Compensation Report in separate meetings on March 25, 2022, and March 11, 2022, respectively.

Munich, March 25, 2022



FRANK MARKUS WEBER
Chief Financial Officer
Knorr-Bremse AG



DR. CLAUDIA MAYFELD
Executive Board member for Integrity and Law
Knorr-Bremse AG



PROF. DR. KLAUS MANGOLD
Chairman of the Supervisory Board
Knorr-Bremse AG

Report on the Examination of the Remuneration Report

We have examined the attached remuneration report of Knorr-Bremse AG, Munich, for the financial year from January 1 to December 31, 2021, including the related disclosures, which was prepared in accordance with the requirements of Section 162 AktG [German Stock Corporations Act].

Responsibilities of the Legal Representatives and the Supervisory Board

The legal representatives and the Supervisory Board of Knorr-Bremse AG are responsible for the preparation of the remuneration report, including the related disclosures, in accordance with the requirements of Section 162 AktG. The legal representatives and the Supervisory Board are also responsible for such internal control as they have determined necessary to enable the preparation of a remuneration report, including the related disclosures, that is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities

Our objectives are to render an opinion on the basis of our examination on this remuneration report, including the related disclosures. We performed our examination in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). In accordance therewith, we have to comply with the professional obligations and plan and perform the examination so as to obtain reasonable assurance on whether the remuneration report, including the related disclosures, is free from material misstatement.

An examination includes the performance of audit procedures in order to obtain audit evidence for the amounts included in the remuneration report, including the related disclosures. The election of audit procedures lies in the dutiful discretion of the auditor. This includes the evaluation of the risks of material misstatement in the remuneration report, including the related disclosures, whether due to fraud or error. In evaluating these risks, the auditor takes into account the internal control system that is relevant for the preparation of the remuneration report, including the related disclosures. Our objective in this connection is to plan and perform audit procedures that are appropriate under the given circumstances, but not to render an opinion on the effectiveness of the company's internal control system. An audit also includes the assessment of the accounting methods applied, the reasonableness of the estimated amounts in the accounting determined by the legal representatives and the Supervisory Board and the evaluation of the overall presentation of the remuneration report, including the related disclosures.

We believe that the audit evidence obtained by us is sufficient and appropriate to serve as a basis for our opinion.

Opinion

In our opinion based on our audit findings, the remuneration report for the financial year from January 1 to December 31, 2021, including the related disclosures, complies, in all material respects, with the disclosure requirements pursuant to Section 162 AktG.

Other matter – formal examination of the remuneration report

The examination of the content of the remuneration report described in this audit report includes the formal examination of the remuneration report required by Section 162 paragraph 3 AktG, including the issuance of a report on this audit. Since we are rendering an unqualified opinion on the examination of the content of the remuneration report, this opinion includes the fact that the disclosures required by Section 162 paragraphs 1 and 2 AktG have been made in all material respects in the remuneration report.

Indication of a limitation of our liability

The engagement, in the fulfilment of which we have performed the aforementioned services on behalf of Knorr-Bremse AG, was based on the General Engagement Terms (GET) for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms] as amended on January 1, 2017, which are attached to this report as Appendix 2. By taking note of and using the information included in this report, every recipient confirms that they are aware of the arrangements made there, including the limitation of our liability for negligence to EUR 4 million included in Clause 9 GET) and acknowledges their validity in relation to us.

Munich, March 29, 2022

KPMG AG
Wirtschaftsprüfungsgesellschaft

[Original German version signed by:]

Becker
Wirtschaftsprüfer
[German Public Auditor]

Hanshen
Wirtschaftsprüfer
[German Public Auditor]

II. Annexes to the agenda

Annex with respect to agenda item 6 – Compensation report

Annex with respect to agenda item 7 – Further information on the individuals nominated for election to the Supervisory Board

a) Dr. Reinhard Ploss

CEO of Infineon Technologies AG, retired

Personal details:

Date of birth: 8 December 1955
Nationality: German

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

2007 -2022	Member of the management board of Infineon Technologies AG (CEO since 2012; previous areas of responsibility: manufacturing; research and development)
2005–2007	Infineon Technologies, head of development and manufacturing as well as operational management in the automotive, industrial & multimarket segment
2000–2005	Infineon Technologies, president of the automotive and industrial business group
1999–2000	Infineon Technologies, head of the industrial power business unit and president of eupec GmbH Co. KG, a subsidiary of Infineon
1986–1999	Siemens semiconductor business unit, different positions; last position held: head of the power semiconductor business unit with focus on development and manufacturing

Education:

Studied process engineering in Munich. Holds a doctorate (Dr. Ing.) from a university in Munich

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

Due to his many years of experience in the areas of development and manufacturing, including in the automotive industry, and most recently in particular as CEO of a globally active group, Dr. Ploss has both special professional knowledge and extensive expertise with regard to strategy, management, corporate governance and corporate compliance as well as management leadership.

Furthermore, Dr. Ploss is a member of the following bodies:

- President (industry representative) acatech – National Academy of Science and Engineering
- Ordinary member on the TUM board of trustees (Hochschulrat)
- Member of the board of trustees (Kuratoriumsmitglied) of the foundation Stiftung für Demoskopie Allensbach
- Member of the quantum computing scientific-technical advisory council (Fachlicher Beirat Quantencomputing) of the German Aerospace Center (Deutsches Zentrum für Luft- und Raumfahrt e. V.)
- Chairman of the executive committee of the Qutac (Quantum Technology & Application Consortium)
- Member of the board of trustees (Vorstand) of the Stifterverband für die Deutsche Wissenschaft

Memberships on other legally required German supervisory boards:

- None

Memberships on comparable German or foreign controlling bodies of commercial enterprises:

- Member of the supervisory board of Futurium gGmbH

Dr. Ploss has stated in advance that he is willing to serve as a member and as the chairman of the Supervisory Board.

b) Dr. Sigrid Evelyn Nikutta

Member of the management board of Deutsche Bahn AG

Personal details:

Date of birth: 1 April 1969
Nationality: German

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

Since 2020	Member of the management board (freight transport) of Deutsche Bahn AG
Since 2020	CEO of DB Cargo AG
2019–2020	Member of the supervisory board of Vossloh AG
2010–2019	CEO of Berliner Verkehrsbetriebe + management board member responsible for Operations & Technology (Betrieb & Technik)
1996–2010	Deutsche Bahn, various positions; last position held: member of the management board (production) of DB Cargo Polska

Education:

Studied psychology in Bielefeld. Holds a doctorate (Dr. Phil.) from a university in Munich

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

Due to her previous professional activities, Dr. Nikutta has special knowledge with regard to the rail and motor vehicle industry as well as extensive experience in the areas of management, management leadership and corporate governance.

Dr. Nikutta is the chairwoman of the Board of Trustees of the German Institute for Economic Research (DIW).

Memberships on other legally required German supervisory boards:

- Member of the supervisory board and deputy chairwoman of the senate of the German Aerospace Center (Deutsches Zentrum für Luft- und Raumfahrt e.V., DLR)

Memberships on comparable German or foreign controlling bodies of commercial enterprises:

- None

Dr. Nikutta has stated in advance that she is willing to serve as a member of the Supervisory Board.

Information with regard to the recommendations of the German Corporate Governance Code and further information on the nominated individuals

On the RVS aftermarket, the Knorr-Bremse Group has business relations with Deutsche Bahn AG; one of the members of Deutsche Bahn AG's management board is Dr. Nikutta.

In the opinion of the Supervisory Board, apart from Dr. Nikutta's relationship to the Knorr-Bremse Group described above, there are no other personal or business relationships between the individuals nominated for election and the company, the corporate bodies of the company or any shareholder who directly or indirectly holds more than 10% of the voting shares of Knorr-Bremse AG that an objectively judging shareholder would consider material to making their election decision.

In the opinion of the shareholder side of the Supervisory Board, the two 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 shareholder side of the Supervisory Board, the two individuals nominated for election are independent of the controlling shareholder within the meaning of recommendation C.9 of the GCGC. In particular, the above-mentioned business relationship between Knorr-Bremse and Deutsche Bahn AG does not suffice, by its nature and scale, to cause a substantial – and not merely temporary – conflict of interest. In the opinion of the shareholder side of the Supervisory Board, that business relationship does therefore not contest Dr. Nikutta's independence.

Furthermore, the Supervisory Board has verified that the individuals nominated for election have sufficient time available to perform their duties as Supervisory Board members of Knorr-Bremse AG.

Further information on the skills profile, including the concept on diversity for the Supervisory Board and the status of its implementation, on the independence of the Supervisory Board 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 8 – Remuneration system for the Supervisory Board members**I. Contribution of the remuneration of the members of the Supervisory Board to promoting the company's business strategy and the long-term development**

The Supervisory Board remuneration that is in line – both in its design and its amount – with market conditions makes it possible to attract suitable candidates for the office of Supervisory Board member. In this way, the Supervisory Board remuneration contributes to ensuring that the Supervisory Board as a whole is able to perform its duties of monitoring and advising the Executive Board independently of short-term incentives in an appropriate and capable manner thereby promoting the business strategy and the long-term development of Knorr-Bremse AG.

II. Remuneration components

In accordance with recommendation G.18 of the GCGC, the remuneration of the Supervisory Board members is designed as purely fixed remuneration. The remuneration consists of a fixed annual remuneration of EUR 300,000.00 for the chairperson of the Supervisory Board, of EUR 150,000.00 for each deputy chairperson of the Supervisory Board and of EUR 100,000.00 for every other member of the Supervisory Board. In addition, the members of the Supervisory Board receive a fixed annual remuneration for serving on committees. This remuneration amounts to EUR 90,000.00 for the chairperson of the executive committee and to EUR 120,000.00 for the chairperson of each of the audit committee and the strategy committee. For the other members of the executive committee, the remuneration amounts to EUR 30,000.00 per member and for the other members of the audit committee and of the strategy committee it is EUR 40,000.00 per member. The increased remuneration for the chairperson and the deputy chairpersons of the Supervisory Board and for serving on committees implements recommendation G.17 GCGC. The remuneration is payable only after the close of the Annual General Meeting at which the financial statements for the preceding fiscal year are presented or which resolves on the approval thereof. The company and the members of the Supervisory Board have not concluded any other agreements that go beyond the provisions of the Articles of Association.

In addition, an attendance fee of EUR 1,000.00 is paid for each attendance of a meeting of the Supervisory Board or its committees. Attendance of a meeting by telephone, videoconference or by any other customary means of communication will also be deemed attendance of a meeting. If several meetings are held on a single day, the corresponding attendance fee is only paid once. The annual attendance fee is limited to a maximum amount of 9.9% of the total remuneration of the relevant Supervisory Board member in the relevant year.

Knorr-Bremse AG will reimburse any VAT imposed on the remuneration to the extent that the Supervisory Board members are entitled to invoice the amount of VAT and exercise such right. The fixed annual basic remuneration will be reduced pro rata temporis, with each part of a month being rounded up to a full month, if a member of the Supervisory Board or of the committee has not been a member of the Supervisory Board or the committee, or, as applicable, has not acted as chairperson, for the full fiscal year. Furthermore, the members of the Supervisory Board are also covered under a directors and officers liability insurance policy maintained by Knorr-Bremse AG. The premiums for such insurance will be borne by the company.

III. Procedure for the determination, implementation and review of the remuneration system

The Annual General Meeting determines the Supervisory Board remuneration based on the proposal of the Executive Board and the Supervisory Board either in the Articles of Association or by resolution. Currently, the Supervisory Board remuneration is stipulated in the Articles of Association. The Annual General Meeting resolves at least every four years on the Supervisory Board remuneration. To prepare the resolution of the Annual General Meeting, the Executive Board and the Supervisory Board will each evaluate whether the Supervisory Board remuneration, in particular its amount and design, continues to be in the interest of Knorr-Bremse AG and is appropriate. Whenever necessary, the Executive Board and the Supervisory Board propose to the Annual General Meeting an adequate adjustment. This statutory decision-making hierarchy counters any conflicts of interest in the review of the remuneration system since it provides for a system of mutual control between the Executive Board and the Supervisory Board and the ultimate decision-making power as regards the Supervisory Board remuneration is allocated to the Annual General Meeting.

The proposal for an adjustment of the Supervisory Board remuneration to be resolved is based on a remuneration comparison that was prepared externally and in which the companies listed in the MDAX and DAX have been included and weighted according to sales, market capitalization and staff number. At the time of the collection of the information, Knorr-Bremse ranked at position 35 of 90 on this comparative market. In the absence of fundamental comparability between the work performed by the Supervisory Board and that performed by the staff of Knorr-Bremse AG, a vertical comparison of remuneration would not be useful in the opinion of the Executive Board and the Supervisory Board and was therefore not included in the analysis.

IV. Art. 18 of the Articles of Association taking into account the restated version proposed at the Annual General Meeting of 24 May 2022

Article 18

Compensation of the Supervisory Board

(1) The members of the Supervisory Board, except for the chairperson and the deputy chairpersons, receive a basic compensation of EUR 100,000.00 for the relevant fiscal year of the company; the chairperson of the Supervisory Board receives a basic compensation of EUR 300,000.00 for the relevant fiscal year of the company, and each of the deputy chairpersons receives a basic compensation of EUR 150,000.00 for the relevant fiscal year of the company. For their service on the Supervisory Board committees, compensation is paid as follows:

- (i) EUR 90,000.00 to the chairperson of the executive committee and EUR 30,000.00 to every other member of the executive committee;
 - (ii) EUR 120,000.00 to the chairperson of the audit committee and EUR 40,000.00 to every other member of the audit committee;
 - (iii) as from the date on which the strategy committee was established, i.e., May 1, 2021, EUR 120,000.00 to the chairperson of the strategy committee and EUR 40,000.00 to every other member of the strategy committee.
- (2) Members of the Supervisory Board who have not been a member of the Supervisory Board or of a committee, or who have not acted as chairperson, for a full fiscal year receive compensation pro rata temporis, with each part of a month being rounded up to a full month.
- (3) In addition, the members of the Supervisory Board are paid an attendance fee of EUR 1,000 for each attendance of a meeting of the Supervisory Board or its committees. Attendance of a meeting by telephone, videoconference or by any other customary means of communication will also be deemed attendance of a meeting. If several meetings are held on a single day, the corresponding attendance fee is only paid once. The annual attendance fee is limited to a maximum amount of 9.9% of the total compensation of the relevant Supervisory Board member in the relevant year.
- (4) Compensation is payable after the close of the Shareholders' Meeting at which the financial statements for the preceding fiscal year are submitted or which resolves on the adoption thereof.
- (5) D&O liability insurance will be taken out for the members of the Supervisory Board of the Knorr-Bremse Group, which will be maintained by the company in its own best interest and will provide for an adequate level of cover. The premiums for this insurance policy will be borne by the company.
- (6) The company will reimburse the members of the Supervisory Board for reasonable expenses incurred by them in the exercise of their office
- (7) VAT will be reimbursed by the company to the extent that the members of the Supervisory Board are entitled to separately invoice VAT to the company and exercise such right.

III. Further Information**1. I 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. At the time of the notice of the Annual General Meeting, the company does not hold any treasury shares.

2. Information regarding participation in the virtual 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 due to the ongoing COVID-19 pandemic 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), the provisions of which continue to apply on the basis of the German Act for the Establishment of the 2021 Reconstruction Aid Fund ("Aufbauhilfe 2021") and the Temporary Suspension of the Insolvency Filing Obligation Due to Heavy Rainfall and Floods in July 2021 and the Amendment of Other Laws of 10 September 2021 (German Federal Law Gazette Part I 2021, p. 4147) (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.

Live broadcast for shareholders

For properly registered shareholders, the Annual General Meeting will be broadcast in a live audio and video stream via the online AGM Portal (ir.knorr-bremse.com/agm) on 24 May 2022, 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 3 May 2022 via the company's website at 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 participate in the Annual General Meeting 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 Art. 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 shareholders 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 3 May 2022, 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

17 May 2022, 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.

The registration and the proof of shareholding require text form and must be in German or English. Proof of shareholding provided by the last intermediary pursuant to the requirements stipulated in Sec. 67c (3) AktG is sufficient.

In the relationship between shareholder and company, a shareholder will be deemed a shareholder entitled to participate in the meeting and to exercise shareholders 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 (also by means of electronic communication)

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 ir.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 **23 May 2022, 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 24 May 2022. 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 an authorized representative

Authorization of the company-nominated proxies

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, at the latest by **23 May 2022, 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 24 May 2022. 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 an authorized representative – for example an intermediary (e.g. the depository bank), a shareholders' association or any other person of their choice willing to act as an authorized 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 the company-nominated proxies.

Pursuant to Sec. 134 (3) sentence 3 AktG and Art. 21 (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 a power of attorney is granted pursuant to Sec. 135 AktG. For granting a power of attorney, shareholders may use the power of attorney form they receive along with the voting card. A power of attorney form is also available for download from the internet at

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 proxies" by no later than 23 May 2022, 24:00 hrs. (CEST). Alternatively, proof of authorization may be sent by email to inhaberaktien@linkmarketservices.de up to the beginning of the relevant vote at the Annual General Meeting.

If a power of attorney is granted in accordance with Sec. 135 AktG (granting of power of attorney to intermediaries, in particular to credit institutions), there is no text form requirement. Shareholder associations, proxy voting advisory firms and persons who professionally offer the service of exercising voting rights at annual general meetings are treated as equivalent to intermediaries in this respect, unless the individual who intends to exercise the voting right is the legal representative, spouse or life partner of the shareholder or is related to the shareholder by blood or marriage up to the fourth degree of kinship. Under applicable law, in these cases the power of attorney must be issued to a specified authorized representative and be kept by the authorized representative in a verifiable form. 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 an authorized representative to be able to exercise rights by way of electronic communication via the AGM Portal, the authorized 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 proxies 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**Motion 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 23 April 2022, 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 is not possible. 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 and communicated to the shareholders in accordance with Sec. 125 (1) sentence 3 AktG.

Motions by shareholders duly authorized and registered for the Annual General Meeting that 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 9 May 2022, 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 that are to be made available will be deemed to have 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

Any motions and election proposals submitted by shareholders that 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 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 by issuing power of attorney with instructions 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 statements with reference to the agenda for publication by the company via 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 20 May 2022, 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

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

Statements submitted prior to the Annual General Meeting will be published in advance 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.

Shareholders should note that questions, motions, election proposals or objections contained in a statement will not be considered.

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.

Questions submitted by shareholders in German language must be received by the company after proper registration by no later than 22 May 2022, 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.

It is not possible to ask questions during the virtual Annual General Meeting.

4. Lodging an objection to a resolution for the record (Widerspruch zur Niederschrift) pursuant to 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 lodged for the record by shareholders who have properly registered for the Annual General Meeting via the company's AGM Portal at 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 that 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, 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 on 20 May 2022 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 will be made available via the AGM Portal and can be 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.

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. 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 (Datenschutzbeauftragter)
Moosacher Str. 80
80809 Munich, Germany
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.

Munich, April 2022

Knorr-Bremse AG

The Executive Board