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KNORR-BREMSE

Corporate Governance Statement for the 2021 Fiscal Year (including Corporate Governance Report)

The Corporate Governance Statement pursuant to sections 289f and 315d German Commercial Code (HGB), in each case in the most appropriate version pursuant to section 83 (1) sentence 2 HGB Implementation Act (EGHGB), is the primary instrument for reporting on corporate governance (cf. Principle 22 of the German Corporate Governance Code [GCGC], as amended on December 16, 2019). This statement is jointly issued by the Executive Board and Supervisory Board, which are each responsible for those parts of the report that concern them.

In the Corporate Governance Statement, the Executive Board and Supervisory Board also report on the Company's corporate governance.

Declaration of Conformity by the Executive Board and the Supervisory Board of Knorr-Bremse AG

Pursuant to section 161 German Stock Corporation Act (AktG), the Executive Board and the Supervisory Board of Knorr-Bremse AG adopted the following declaration of conformity with the German Corporate Governance Code on December 9, 2021:

"Pursuant to section 161 (1) German Stock Corporation Act, the Executive Board and Supervisory Board of the Company hereby declare that the recommendations of the 'Deutscher Corporate Governance Kodex,' as amended on December 16, 2019 ('GCGC'), published in the Federal Gazette on March 20, 2020, are being complied with save for the exception below and have been complied with since the disclosure of the most recent declaration of conformity on March 30, 2021:

According to recommendation G.11 GCGC, the Supervisory Board should be permitted to retain or reclaim the Executive Board's variable remuneration if justified. The Company departed from this recommendation in fiscal 2021 and will also depart from it in 2022. The Supervisory Board is of the opinion that the Company does not require provisions for retaining or clawing back variable remuneration components to encourage its Executive Board members to act with due care and in a sustainable manner consistent with the long-term interests of the Company. The long-term variable remuneration (Long Term Incentive) and shareholding obligation (Share Ownership Guideline) plans are already adequate for this purpose. Moreover, in the event of exceptional developments and incidents, the Supervisory Board already has discretionary powers to adjust the terms of

the short-term and long-term variable remuneration plans. Ultimately, the Supervisory Board may also assert claims for damages in accordance with section 93 AktG in the event of a culpable breach of duty.

Munich, December 9, 2021

Knorr-Bremse Aktiengesellschaft

The Executive Board

The Supervisory Board"

On March 30, 2022, the Executive Board and Supervisory Board updated the declaration of conformity with the GCGC pursuant to section 161 AktG. The updated version is available on the Knorr-Bremse AG website in the Corporate Governance section.

Further Corporate-Governance Practices

Corporate Values and Internal Rules

In addition to complying with the law and the GCGC, Knorr-Bremse AG is committed to the responsible conduct of business in all areas of its group of companies.

Our operational principles are summarized in a Code of Conduct which is binding for all our employees. This Code of Conduct may be viewed on our website at <https://www.knorr-bremse.com/en/company/compliance/>. The Code of Conduct provides employees across the whole Knorr-Bremse Group with guidelines for interacting responsibly with colleagues, business partners, and government agencies. We also maintain event-based insider lists in accordance with section 18 Market Abuse Regulation (MAR). All individuals on an insider list are informed of the applicable statutory obligations and sanctions.

Diversity above and beyond statutory requirements is also an integral part of Knorr-Bremse's corporate culture. Any and every form of discrimination – whether on grounds of gender, age, religion, ill health, ethnic origin, skin color, sexual orientation, or for any other reason – is unacceptable at Knorr-Bremse. When recruiting, we take account of diversity and equal opportunities and seek to appoint more women as appropriate. We strive for appropriate inclusion of women. Working-hour models with enough flexibility to cater to individual circumstances help to ensure equality of opportunity. Given the international nature of our business, intercultural diversity and tolerance are important values at Knorr-Bremse. Knorr-Bremse's Code of Conduct defines various measures relating to occupational safety and health, human rights, and inclusivity. Our workforce receives specific training on these matters via an e-learning tool. Employees can engage with various viewpoints in talks and workshops on sociopolitical topics. Further information on diversity may be found in the section below entitled *Diversity on the Executive Board and Supervisory Board*.

Together with further details of our social and community engagement, more information on how we exercise our corporate citizenship and encourage sustainable growth is also set out in the Group's *Non-Financial Statement* (pursuant to section 315b HGB), which you can find included in the Annual Report from page 41 onward. More detailed information can also be found on our website in the section entitled "Responsibility."

Compliance Management System

Another important matter to us is this: At Knorr-Bremse, we have zero tolerance for criminal offenses such as corruption or antitrust violations. For us, sustainable growth goes hand in hand with integrity. We comply with all applicable laws and have established a Group-wide compliance structure. Anyone who discovers evidence of criminal behavior or serious breaches of laws or regulations within the Knorr-Bremse Group can report them securely via an external whistleblower system, including anonymously if desired. A globally applicable Group guideline ensures that whistleblowers who use the system in good faith will not be disadvantaged in any way, insofar as the Knorr-Bremse Group is able to influence this under applicable legislation.

Under the leadership of the Chief Compliance Officer (CCO), our compliance structures are focused above all on preventing corruption, ensuring fair competition, and avoiding conflicts of interest. In doing so, we aim to prevent any violation of our rules and guidelines, especially infringements of our binding Code of Conduct. This is supported by preventive measures such as staff training, communication of specific, compliance-related issues to managers and employees; supplier briefings, and accompanying guidance on risk management. The CCO, who is responsible for ensuring compliance with Knorr-Bremse's guidelines, reports to the Compliance Committee, which is chaired by the Executive Board member in charge of Integrity and Legal, and to the Supervisory Board's Audit Committee. Our sites worldwide play a key role in our compliance strategy and structures. Regional Compliance Officers covering Asia/Australia, Europe/Africa, and the Americas are responsible for the regional implementation of compliance management, with further support from local Compliance Officers in Asia/Australia and Europe/Africa.

More detailed information about the responsibilities and activities of Knorr-Bremse's compliance structures can be found in our 2021 Sustainability Report, in the chapter entitled "Compliance and Combating Corruption" (page 57 onward in the Annual Report).

Remuneration of Executive Board and Supervisory Board members

The current remuneration system pursuant to section 87 (1) and (2) sentence 1 AktG for the Executive Board and the resolution on remuneration and the remuneration system for the Supervisory Board, which was passed at the 2020 Annual General Meeting pursuant to section 113 (3) AktG, are publicly accessible on our website at https://ir.knorr-bremse.com/websites/knorrbremse_ir/English/7000/corporate-governance.html. A *Compensation Report* for the last fiscal year and an auditor's opinion in accordance with section 162 AktG has been prepared for the first time in line with statutory provisions. It applies to the 2021 fiscal year and will also be available to view on our website following a corresponding resolution at the Annual General Meeting on May 24, 2022. In it, you can find a more detailed explanation of the Executive Board's compensation, including the variable components of it, and the Supervisory Board's compensation.

Description of the Operation of the Executive Board and Supervisory Board and of the Composition and Operation of the Supervisory Board Committees

Composition and Operation of the Executive Board

COMPOSITION OF THE EXECUTIVE BOARD

According to its Articles of Association, Knorr-Bremse AG's Executive Board must comprise at least two members. As at December 31, 2021, the Executive Board had five members:

- Dr. Jan Mrosik was appointed to the Executive Board of Knorr-Bremse AG as member and Chief Executive Officer (CEO) with effect from January 1, 2021. He was responsible in particular for Human Resources, Strategy, Communications, Internal Audit, Security, Digitalization, and IT until his resignation on March 12, 2022.
- Dr. Peter Laier served on the Executive Board of Knorr-Bremse AG from 2016 to December 31, 2021, and held global responsibility for the Commercial Vehicle Systems division. Bernd Spies was appointed as Dr. Laier's successor with effect from March 12, 2022.
- Dr. Claudia Mayfeld was appointed as a member of the Executive Board of Knorr-Bremse AG with effect from May 1, 2021. She is responsible in particular for Integrity and Legal, and currently also for Human Resources on an interim basis.
- Frank Markus Weber has been a member of the Executive Board of Knorr-Bremse AG with effect from July 1, 2020. As Chief Financial Officer (CFO), he is responsible in particular for Finance, Controlling, M&A, Sustainability, and Investor Relations.
- Dr. Jürgen Wilder joined the Executive Board of Knorr-Bremse AG as a member in September 2018 and bears global responsibility for the Rail Vehicle Systems division.

The following table provides an overview of the current areas of responsibility of Knorr-Bremse AG's individual Executive Board members since March 12, 2022:

Areas of responsibility of executive board members of Knorr-Bremse AG

CEO (TBA)	CFO (Frank Markus Weber)	Head of CVS (Bernd Spies)	Head of RVS (Dr. Jürgen Wilder)	Head of Integrity & Legal (Dr. Claudia Mayfeld)
	• Accounting/Taxes	Global CVS Division	Global RVS Division	• Legal for all divisions and all matters
	• Controlling	• Research/Development	• Research/Development	• Compliance
	• Internal Audit	• Procurement/Supply Chain Management	• Procurement/Supply Chain Management	• Data Protection (process & regulatory issues)
	• Risk Management	• Production/Quality Assurance	• Production/Quality Assurance	• Corporate Office
	• Finance & Treasury	• Sales/Marketing/Distribution	• Sales/Marketing/Distribution	• Intellectual Property
	• Insurance	• Finance/Controlling	• Finance/Controlling	• Corporate Human Resources
	• Investor Relations		Digitalization (Chief Digital Officer)	
	• Communications		Business Services (Knorr Excellence)	
	• M&A			
	• Strategy			
	• Corporate Social Responsibility (CSR) & Environmental, Social, and Governance (ESG)			
	• KB Global Care e.V. Affairs			
	• Real Estate Management			
	• Corporate Security			
	• Information Technology (Chief Information Officer, Chief Information Security Officer)			
	• Brand Management			

OPERATION OF THE EXECUTIVE BOARD

As well as managing the day-to-day running of the Company, the Executive Board defines and implements strategy in consultation with the Supervisory Board. It is obliged to act in the best interests of the Company and in accordance with the Company's business policies. Executive Board members are collectively responsible for the overall management of the Company. As well as deciding on fundamental business policy and corporate-strategy matters, they also undertake annual and multi-year planning.

Rules of procedure drawn up by the Supervisory Board set out how roles and responsibilities for the various business units and activities are allocated on the Executive Board, how decisions are reached, and other matters. The Supervisory Board regularly considers whether the rules of procedure and associated allocation of responsibilities require updating.

The Executive Board reports regularly and comprehensively to the Supervisory Board on business performance, strategy, and risks. In addition to the meetings of the Supervisory Board at which members of the Executive Board are usually present, the chairs of the two Boards regularly consult each other on all relevant current matters, in some cases at short notice in response to incidents or events. Furthermore, in close consultation with the Executive Board, the Chair of the Supervisory Board participates as appropriate in discussions with investors where such discussions relate to the work and responsibilities of the Supervisory Board. The *Report of the Supervisory Board* (page 12 and onward in the Annual Report) includes additional information about collaboration between the Executive and Supervisory Boards during the reporting period.

The second management tier within the Group comprises the heads of department at Knorr-Bremse AG, the managing directors of the European subsidiaries Knorr-Bremse Systeme für Schienenfahrzeuge GmbH and Knorr-Bremse Systeme für Nutzfahrzeuge GmbH, and the managing directors of our subsidiaries in the North America and the Asia-Pacific regions. The managing directors are responsible for the performance of their subordinate companies and stay in close contact with the Executive Board. The central departments at Knorr-Bremse AG report to the Executive Board.

Composition and Operation of the Supervisory Board

COMPOSITION OF THE SUPERVISORY BOARD AS AT DECEMBER 31, 2021

In accordance with the German Codetermination Act (MitbestG), the twelve-member Supervisory Board is composed of an equal number of shareholder representatives and employee representatives. The six members representing equity holders are elected at the Annual General Meeting, and the six members representing employees are elected by the workforce at Knorr-Bremse's German sites.

The Supervisory Board is elected every five years. If a member of the Supervisory Board steps down before the end of his or her term, a successor is appointed by a court or at the Annual General Meeting unless a substitute has already been elected. Such court-appointed Supervisory Board members must then stand for election at the next Annual General Meeting (shareholders' representatives) or on the next election date (employee representatives).

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

The Supervisory Board was composed as follows as at December 31, 2021:

Name and Date of Birth	Occupation	Member since	Elected until	Committees	Membership of statutory supervisory boards and comparable German or foreign supervisory bodies of business enterprises (as at Dec. 31, 2021)
Prof. Dr. Klaus Mangold Born 1943	Chair of the Supervisory Board Former member of the executive board of Daimler AG	2018	2023, resigning at AGM on May 24, 2022	<ul style="list-style-type: none"> ▪ Chairman of the Executive Committee ▪ Member of the Strategy Committee ▪ Member of the Audit Committee ▪ Chairman of the Nomination Committee ▪ Chairman of the Mediation Committee 	<p>German supervisory boards:</p> <ul style="list-style-type: none"> ▪ None <p>Comparable supervisory bodies:</p> <ul style="list-style-type: none"> ▪ Chairman of Mangold Consulting GmbH, Stuttgart ▪ Member of the Administrative Board of Baiterek National Managing Holding JSC, Nur-Sultan, Kazakhstan ▪ Chairman of the Advisory Board of Cortec GmbH, Freiburg ▪ Vice-Chairman Rothschild Europe, Frankfurt am Main ▪ Chairman of the Advisory Board, Eastsib Holding, London ▪ Member of the Board of Directors, ACRA Analytical Credit Rating Agency, Moscow <p>In the view of the Supervisory Board, this Supervisory Board member is independent of the Company, its Executive Board, and its controlling shareholder.</p>
Franz-Josef Birkeneder Born 1960	Deputy Chairman of the Supervisory Board Plant Manager of Knorr-Bremse's Aldersbach plant	2016	2026	<ul style="list-style-type: none"> ▪ Member of the Executive Committee ▪ Member of the Strategy Committee ▪ Member of the Audit Committee ▪ Member of the Mediation Committee 	<p>German supervisory boards:</p> <ul style="list-style-type: none"> ▪ None <p>Comparable supervisory bodies:</p> <ul style="list-style-type: none"> ▪ None <p>Middle-management representative</p>
Kathrin Dahnke Born 1960	Member of the executive board of OSRAM Licht AG (until June 30, 2021) Chief Financial Officer of Ottobock SE & Co. KGaA (since September 1, 2021)	2018	2026	<ul style="list-style-type: none"> ▪ Chairwoman of the Audit Committee ▪ Member of the Nomination Committee ▪ Member of the Mediation Committee 	<p>German supervisory boards:</p> <ul style="list-style-type: none"> ▪ Member of the supervisory board of B. Braun Melsungen SE <p>Comparable supervisory bodies:</p> <ul style="list-style-type: none"> ▪ None <p>In the view of the Supervisory Board, this Supervisory Board member is independent of the Company, its Executive Board, and its controlling shareholder.</p>
Dr. Thomas Enders Born 1958	President of the German Council on Foreign Relations	2020	2026	<ul style="list-style-type: none"> ▪ Member of the Strategy Committee 	<p>German supervisory boards:</p> <ul style="list-style-type: none"> ▪ Member of the supervisory board of Deutsche Lufthansa AG, Cologne ▪ Member of the supervisory board of Lilium GmbH, Wessling <p>Comparable supervisory bodies:</p> <ul style="list-style-type: none"> ▪ Member of the board of directors of Linde plc, Dublin, Ireland <p>In the view of the Supervisory Board, this Supervisory Board member is independent of the Company, its Executive Board, and its controlling shareholder.</p>

Name and Date of Birth	Occupation	Member since	Elected until	Committees	Membership of statutory supervisory boards and comparable German or foreign supervisory bodies of business enterprises (as at Dec. 31, 2021)
Michael Jell Born 1963	Chairman of the Group Works Council of Knorr-Bremse AG, Chairman of the Works Council of Knorr-Bremse Systeme für Schienenfahrzeuge GmbH, Knorr-Bremse AG, Knorr-Bremse Services GmbH	2014	2026	<ul style="list-style-type: none"> ▪ Member of the Executive Committee ▪ Member of the Mediation Committee 	<p>German supervisory boards:</p> <ul style="list-style-type: none"> ▪ None <p>Comparable supervisory bodies:</p> <ul style="list-style-type: none"> ▪ None <p>Employee representative</p>
Werner Ratzisberger Born 1967	Project Engineer for mechanical processing/ surfaces, Knorr-Bremse Systeme für Nutzfahrzeuge GmbH, Deputy Chair of the Works Council of Knorr-Bremse Systeme für Nutzfahrzeuge GmbH	2006	2026	<ul style="list-style-type: none"> ▪ Member of the Audit Committee 	<p>German supervisory boards:</p> <ul style="list-style-type: none"> ▪ None <p>Comparable supervisory bodies:</p> <ul style="list-style-type: none"> ▪ None <p>Employee representative</p>
Annemarie Sedlmair Born 1987	Head of Legal Department, IG Metall office Munich	2019	2026	<ul style="list-style-type: none"> ▪ None 	<p>German supervisory boards:</p> <ul style="list-style-type: none"> ▪ Member of the supervisory board of Bosch Sicherheitssysteme GmbH <p>Comparable supervisory bodies:</p> <ul style="list-style-type: none"> ▪ None <p>Employee representative</p>
Dr. Stefan Sommer Born 1963	Freelance Consultant	2021	2026	<ul style="list-style-type: none"> ▪ Chairman of the Strategy Committee 	<p>German supervisory boards:</p> <ul style="list-style-type: none"> ▪ None <p>Comparable supervisory bodies:</p> <ul style="list-style-type: none"> ▪ Member of the presidential council of DEKRA e.V. <p>In the view of the Supervisory Board, this Supervisory Board member is independent of the Company, its Executive Board, and its controlling shareholder.</p>
Erich Starkl Born 1962	First Authorized Representative of IG Metall trade union, Passau office	2014	2026	<ul style="list-style-type: none"> ▪ None 	<p>German supervisory boards:</p> <ul style="list-style-type: none"> ▪ None <p>Comparable supervisory bodies:</p> <ul style="list-style-type: none"> ▪ None <p>Employee representative</p>
Heinz Hermann Thiele Born 1941 (until February 23, 2021 †)	Deputy Chairman of the Supervisory Board Businessman	2020	2021	<ul style="list-style-type: none"> ▪ Member of the Executive Committee 	<p>German supervisory boards:</p> <ul style="list-style-type: none"> ▪ None <p>Comparable supervisory bodies:</p> <ul style="list-style-type: none"> ▪ None
Julia Thiele-Schürhoff Born 1971	Chairwoman of the Executive Board of Knorr-Bremse Global Care e.V.	2016	2026	<ul style="list-style-type: none"> ▪ Member of the Nomination Committee 	<p>German supervisory boards:</p> <ul style="list-style-type: none"> ▪ None <p>Comparable supervisory bodies:</p> <ul style="list-style-type: none"> ▪ Chairwoman of Knorr-Bremse Global Care e.V.

Name and Date of Birth	Occupation	Member since	Elected until	Committees	Membership of statutory supervisory boards and comparable German or foreign supervisory bodies of business enterprises (as at Dec. 31, 2021)
Dr. Theodor Weimer Born 1959	Chief Executive Officer of Deutsche Börse AG	2020	2026	▪ Deputy Chairman of the Supervisory Board	German supervisory boards: ▪ Member of the Supervisory Board of Deutsche Bank AG Comparable supervisory bodies: ▪ None In the view of the Supervisory Board, this Supervisory Board member is independent of the Company, its Executive Board, and its controlling shareholder.
Sylvia Walter Born 1965	Accounting employee/ accountant Member of the works council of Hasse & Wrede GmbH	2021	2026	▪ None	German supervisory boards: ▪ None Comparable supervisory bodies: ▪ None Employee representative
Günter Wiese Born 1952 (until May 20, 2021 †)	Member of the Works Council of Knorr-Bremse Systeme für Schienen- fahrzeuge GmbH, Berlin plant	2011	2021	▪ None	German supervisory boards: ▪ Member of the Supervisory Board of Knorr-Bremse Systeme für Schienenfahrzeuge GmbH Comparable supervisory bodies: ▪ None Employee representative

In the view of the Supervisory Board, five of the six shareholder representatives on the Supervisory Board as at December 31, 2021 – Professor Dr. Mangold, Ms. Dahnke, Dr. Enders, Dr. Sommer, and Dr. Weimer – are independent within the meaning of the GCGC; the Supervisory Board also considers this appropriate when taking the shareholder structure into account. This means that the Supervisory Board complies with GCGC recommendation C.9, according to which at least two shareholder representatives should be independent of the controlling shareholder if the Supervisory Board comprises more than six members. All Supervisory Board members comply with the limits on supervisory board mandates in GCGC recommendations C.4 and C.5.

OPERATION OF THE SUPERVISORY BOARD

The Supervisory Board supervises and advises the Executive Board. The Supervisory Board is responsible for deciding on the appointment of Executive Board members and for the rules of procedure of and allocation of responsibilities within the Executive Board. As well as reviewing the annual financial statements, management report, proposed distribution of net earnings, consolidated financial statements, and combined management report, the Supervisory Board approves the financial statements of Knorr-Bremse AG and the consolidated financial statements, taking account of the auditor's reports and any findings from the Audit Committee's examination of the latter. In addition to the quarterly figures and half-year financial statements, the Supervisory Board regularly discusses planning and strategy. Significant Executive Board decisions, such as major acquisitions, divestments, and financial transactions, are subject to Supervisory Board approval.

The rules of procedure that the Supervisory Board has drawn up for itself can be accessed on our website at https://ir.knorr-bremse.com/websites/knorrbremse_ir/English/7000/corporate-governance.html. In the event of a tie when the Supervisory Board passes resolutions, the Chairman has an additional casting vote. The Supervisory Board may also take decisions using a document circulation procedure. The Supervisory Board also meets regularly without members of the Executive Board present.

The members of the Supervisory Board take responsibility for their own continuing professional development and the Company provides appropriate support for this. The Supervisory Board also regularly verifies the efficiency of its work. The Supervisory Board conducted an external efficiency review as laid out in GCGC recommendation D.13 during the 2021 fiscal year.

To avoid conflicts of interest, the skills profile for the Supervisory Board includes stipulations relating to the independence of Supervisory Board members. Further details may be found in the section below entitled *Diversity on the Executive Board and Supervisory Board*. Any conflicts of interest that arose in fiscal 2021 and how they were dealt with are disclosed in the *Report of the Supervisory Board*.

Composition and Operation of the Supervisory Board's Committees

The Supervisory Board of Knorr-Bremse AG has established five committees from among its members. With the exception of the Nomination and Strategy Committees, each of these committees comprises four members, with equal representation of shareholders and employees. The Strategy Committee was set up as part of the inaugural meeting of the Supervisory Board on May 20, 2021. The composition of the committees as at December 31, 2021, can be studied in the above list of Supervisory Board members.

Following committee meetings, the committee chairpeople report the outcomes to the full Supervisory Board. The duties of the committees and the matters they discussed over the course of the past fiscal year are described in detail in the *Report of the Supervisory Board*.

- The *Executive Committee* coordinates the work of the Supervisory Board, prepares the Supervisory Board meetings, and monitors the implementation of the resolutions adopted by the Supervisory Board and its committees. Among other things, the Executive Committee is also responsible for preparing the Supervisory Board's personnel decisions relating to the Executive Board.
- The *Strategy Committee* advises the Supervisory Board on core issues relating to the Group's strategy, including the Group's business policy and commercial direction. In particular, it prepares the Supervisory Board's decisions in relation to the strategic development of the Commercial Vehicle Systems and Rail Vehicle Systems divisions.
- The *Audit Committee* oversees matters relating to accounting, risk management, the internal control system, the compliance management system, internal auditing, and the effectiveness of this internal auditing. It also supervises the Group's quarterly reports, reviews the annual and consolidated financial statements of Knorr-Bremse AG, and prepares the full Board's decisions relating to them.
- The *Nomination Committee* proposes candidates who are suitably qualified in terms of both expertise and character for election as shareholder representatives at the Annual General Meeting.
- The *Mediation Committee* is convened if a Supervisory Board resolution on the appointment or removal of an Executive Board member does not obtain a two-thirds majority of votes as required by sections 31 (2) and (5) MitbestG. No such necessity has arisen in the history of the Company to date.

Stipulations Pursuant to Sections 76 (4) and 111 (5) AktG and Minimum Quotas for Female and Male Supervisory Board Appointments

To date, our statutory obligations with respect to the equal representation of women and men in leadership positions have been fulfilled as follows:

- The Supervisory Board of Knorr-Bremse AG comprises four (five starting on May 24, 2022, subject to passage of a resolution at the Annual General Meeting) female members, of whom two are representatives of the shareholders and two representatives of employees. The Board's composition complies with the applicable statutory provisions.
- The Executive Board has counted one woman among its total of five members since the appointment of Dr. Mayfeld on May 1, 2021. Knorr-Bremse therefore meets the statutory requirements for minimum female representation on executive boards.
- As at December 31, 2021, the proportion of female managers in the first management tier below Executive Board level at Knorr-Bremse AG was 25%, and 20% in the second management tier. Targets of 7.7% (in line with the status quo at the time) and 16.7% were set in 2018 for the first and second management tiers respectively, with a deadline of June 30, 2023.

Diversity on the Executive Board and Supervisory Board

Diversity Policy for the Executive Board

When appointing Executive Board members, the Supervisory Board considers technical expertise and social skills in particular along with the number of years' experience in similar posts, ideally within our business sectors and in an international context. Further suitability factors are the candidate's character and educational background (university degree or equivalent). Whether a candidate is male or female makes no difference. To achieve a balanced age profile, any appointees to the Executive Board should generally speaking be no older than 65. The Executive Committee regularly deliberates on long-term succession planning for the Executive Board. The target of 20% set by the Supervisory Board back in 2018 for the proportion of female members on Knorr-Bremse AG's Executive Board has since been replaced by statutory requirements for the minimum proportion of female members on executive boards. In consultation with the Executive Board, the Executive Committee evaluates the Company's executive planning and management development activities. The Executive Committee prepares the Supervisory Board's deliberations and decisions relating to Executive Board personnel. If new members are to be appointed, the Executive Committee also proposes suitable candidates to the Supervisory Board.

Skills Profile and Diversity Policy for the Supervisory Board

The Supervisory Board has defined a skills profile and targets for the composition of the Supervisory Board, including quotas with respect to gender and international diversity. This ensures that Supervisory Board members collectively possess the requisite skills and expertise to properly perform the work of the Board. These skills include, for example, specific technical knowledge of: the rail, commercial vehicle, and automotive industries, including the suppliers in each of them; the key markets in which Knorr-Bremse operates; research and development, especially in technologies and related areas of relevance to Knorr-Bremse; digitalization and smart, digitally connected IT applications (Industry 4.0). Also required is experience in management, leadership, accounting, controlling and risk management, corporate governance, and corporate compliance. Members do not all have to be equally skilled in all these areas; rather, their skills should be complementary.

Under section 100 (5) AktG, at least one member should have expert knowledge in the field of accounting and at least one further Supervisory Board member should have expert knowledge in the field of auditing (together these individuals are referred to as “financial experts”). The chair of the Audit Committee should have a detailed knowledge of the application of accounting principles and internal control procedures. Members of the Supervisory Board should be willing and able to provide sufficient time and expertise as part of their position on the Supervisory Board. In particular, this includes being willing to take responsibility for their own continuing professional development.

A wide range of professional and international experience is expected in relation to diversity; according to section 96 (2) AktG, the proportion of women and men on the Supervisory Board must be at least 30% each. Further salient points are an appropriate number of independent members, the avoidance of conflicts of interest, a general age limit of 70 at the time of election, and a maximum of three terms (i.e., 15 years) in office.

In the Supervisory Board’s view, its current composition meets the requirements set out in the skills profile with the exception of the general age limit of 70 at the time of appointment. Shareholders and employees are currently each represented by two female Supervisory Board members. The Supervisory Board’s nominations who are presented at the Annual General Meeting are based on the requirements of the skills profile. The Supervisory Board last updated the profile in May 2020.

Further Information on Corporate Governance

Share Ownership on the Executive Board and Supervisory Board

In accordance with section 19 MAR relating to managers’ own-account transactions, we publish notifiable securities transactions by members of Knorr-Bremse AG’s Executive Board and Supervisory Board (referred to as directors’ dealings) immediately upon receipt of the relevant disclosures. A summary of these transactions can be found under “Investor News” in the Investor Relations section of our website.

As at December 31, 2021, Executive Board members held approximately 0.018% of Knorr-Bremse AG’s shares in total. To our knowledge, the Supervisory Board members who held direct interests in Knorr-Bremse AG as at December 31, 2021, were Ms. Dahnke, Mr. Jell, and Ms. Walter. Mr. Thiele indirectly held around 58.99% of the shares of Knorr-Bremse AG through his controlling interests in Stella Vermögensverwaltungs GmbH, TIB Vermögens- und Beteiligungsholding GmbH, and KB Holding GmbH, all based in Grünwald, until February 23, 2021. After his death, these interests were inherited by his widow, Mrs. Nadia Thiele, although the voting rights will be controlled by the executor of his estate, Mr. Robin Brühmüller, until a family trust has been established and the interests transferred to it.

Corporate Communications and Transparency

Our Corporate Communications department issues timely and comprehensive information. In addition to our Annual Report, our interim statements, financial reports, press releases, and ad hoc news releases provide detailed information about and explanations of our business performance. All publications are available on our website. We hold press conferences and conference calls for significant events.

The Articles of Association, the Supervisory Board's rules of procedure, Supervisory Board Reports from the 2018 fiscal year onward, declarations of conformity from the 2018 fiscal year onward, and the Corporate Governance Reports from the 2018 fiscal year onward can be found at https://ir.knorr-bremse.com/websites/knorrbremse_ir/English/7000/corporate-governance.html. An outline of the remuneration system for members of the Executive Board and Supervisory Board is also available on this page.

Shareholders and Annual General Meetings

Knorr-Bremse AG's shareholders exercise their rights at the Annual General Meeting. Among other things, the Annual General Meeting passes resolutions on the appropriation of distributable income, the discharge of the members of the Executive Board and the Supervisory Board, and the appointment of the auditor. Shareholders can exercise their voting rights at a physical Annual General Meeting either in person, via a proxy of their choosing, by instructing a Company proxy, or via a postal vote. By using electronic means of communication, in particular the Internet, the Executive Board facilitates shareholders' participation in the Annual General Meeting; proxies can still be contacted during the AGM.

The Chairman of the Supervisory Board chairs the Annual General Meeting and reports on the work of the Supervisory Board and its committees done during the previous fiscal year. The Executive Board presents the annual financial statements, the consolidated financial statements, the combined management report, the proposed appropriation of net income agreed with the Supervisory Board, and other motions put on the agenda for voting on.

Owing to the Covid-19 pandemic, the 2021 Annual General Meeting on May 20, 2021, was held as a virtual meeting at which neither shareholders nor their proxies were physically present. The next Annual General Meeting will take place on May 24, 2022, and will also be held as a virtual meeting due to the current circumstances. All reports, documents, and information required by law for the Annual General Meeting, including the Annual Report, can be downloaded from our website. The AGM agenda, as well as any shareholder-proposed counter-motions or candidacies that we are required to make available to AGM participants, will also be published on it.