

Compensation Report

Introduction

This compensation report explains the principles of the compensation systems 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 2023 fiscal year (January 1 to December 31, 2024).

With effect from January 1, 2024, the provisions of the incentive architecture (STI, LTI) were amended and supplemented by malus and clawback arrangements, which will be gradually implemented in the service agreements of the Executive Board members. The necessary amendments of the compensation system were approved by the Annual General Meeting on April 30, 2024, with a majority of 94.69% of the votes cast. Where relevant, these amendments are described in detail below and also in the invitation to the aforementioned Annual General Meeting.

This compensation report consistently discloses the compensation granted and owed in accordance with section 162 (1) sentence 2 no. 1 AktG for the fiscal year in which the underlying work (one or more years) was completed in full. For the variable compensation components, the compensation subtargets and the calculation of the actual target achievement are presented and described in detail.

The compensation report was jointly prepared by the Executive Board and the Supervisory Board. It 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 2024 compensation report.

This compensation report is planned to be presented for approval at the Annual General Meeting on April 30, 2025.

Overview of the fiscal year

Business

The Executive Board of Knorr-Bremse AG is very satisfied with the business performance in 2024, a year which was marked by a further decrease in inflation and by geopolitical challenges.

Consolidated revenues fell by a slight 0.5% compared with the previous year (€ 7,926 million) to € 7,883 million due to the sale of the Kiepe Group and the strained situation on the commercial vehicle market. Reported EBIT came in at € 911 million, up a moderate 4.7% on the prior-year figure (€ 870 million). Free cash flow amounted to € 730 million and was therefore significantly higher than in the previous year (€ 552 million).

The Rail Vehicle Systems division saw a solid year-over-year increase in revenues of 7.9% to € 4,044 million (2023: € 3,748 million). The rise in revenues was primarily due to significantly increased aftermarket business in all regions as well as significant OE business growth in North America. Revenues of the Commercial Vehicle Systems division, at € 3,842 million, were down a moderate € 338 million year over year (previous year: € 4,180 million). This decline is mainly due to lower truck production in Europe, Asia, and North America as well as significantly diminishing OE business, while aftermarket revenues remained slightly above the prior-year level.

Executive Board

The composition of the Executive Board of Knorr-Bremse AG did not change in the 2024 fiscal year.

Supervisory Board

Having reached retirement age, Mr. Michael Jell stepped down as a member of the Supervisory Board of Knorr-Bremse AG at the close of June 30, 2024. He is replaced by Mr. Thomas Mittmann, who was elected by the employee representatives to take office as of July 1, 2024.

Executive Board compensation

Description of the compensation system

The system of compensation for Executive Board members in the version applicable since January 1, 2024, should be clear and understandable. It adheres to the specifications of the German Stock Corporation Act (AktG) as amended by the German Act on the Implementation of the Second Shareholders' Rights Directive of December 12, 2019 (Federal Gazette Part I 2019, no. 50 of December 19, 2019) and incorporates the recommendations of the German Corporate Governance Code (**GCGC**).

The remuneration system of the Executive Board members is composed of fixed and variable components. The fixed components of the Executive Board members' remuneration are the fixed annual salary, fringe benefits, and pension contribution. The variable components are the short-term variable remuneration (short-term incentive, **STI**) and long-term variable remuneration (long-term incentive, **LTI**). The remuneration system also provides for Share Ownership Guidelines ("**SOG**") for the Executive Board members. An overview of the compensation system is provided in the table below: **Fig. 1**

FIG. 1 OVERVIEW OF THE COMPENSATION SYSTEM IN 2024

Compensation components	Assessment base/parameters
Non-performance-related components	
Fixed annual salary	- Fixed, contractually agreed remuneration paid in twelve monthly installments
Fringe benefits	- Mainly private usage of the company car, possibly with the services of a driver, insurance policies (accident, D&O), reimbursement of the employer share in health and long-term care insurance
Pension contribution	- Annual payment for retirement benefit purposes - Aside from this, no company pension scheme is provided.
Performance-related components	
Short-term variable remuneration (STI)	Plan type - Target bonus
	Limitation of payment amount - 200% of the target amount
	Performance criteria - EBIT* (35%) - Revenues* (20%) - Free cash flow* (15%) - ESG* (20%) ("ESG STI") - Quality (10%) - Modifier (0.8–1.2) to reflect the individual and collective performance of the Executive Board, in addition to stakeholder
	Payout - In the month following approval of the consolidated financial statements for the fiscal year
Long-term variable remuneration (LTI)	Plan type - Performance share plan
	Limitation of payment amount - 200% of the target amount
	Performance criteria - Return on Capital Employed – ROCE* (30%) - ESG* (20%) ("ESG LTI") - Relative Total Shareholder Return – TSR (50%) - Benchmarked against selected companies in the industrial goods peer group and selected rail and truck peers
	Payout - Month following approval of the consolidated financial statements for the final fiscal year in the 4-year performance period
Other	
Share ownership obligation	- Obligation to buy shares in Knorr-Bremse AG in an amount equivalent to one gross fixed annual salary within four years and to hold them for the duration of the appointment to the Executive Board
Payments upon taking position:	- If applicable, compensation payments upon taking office - If applicable, relocation benefits
Malus and clawback	- Possibility to reduce ("malus") or claw back variable remuneration in cases of compliance breaches or in the event of a retrospective correction of objectively erroneous consolidated financial statements with relevance for variable compensation

* Measurement of achievement of subtargets EBIT, revenues, free cash flow, ESG STI, ESG LTI and ROCE is based on the actual values in the approved and audited consolidated financial statements (where available). Here, the Supervisory Board is entitled to use its discretion to subtract unbudgeted extraordinary influences based on a list of criteria defined in advance by the Audit Committee. The aim of these adjustments is to measure the actual management performance of the Executive Board without distortion, such as by currency effects or effects of M&A activities.

Target compensation and compensation structure

On the basis of the compensation system the Supervisory Board defines a specific target total compensation for each Executive Board member, which should be in appropriate relation to the tasks and performance of the Executive Board member and the company's situation and should not exceed standard compensation without justification. The Supervisory Board regularly reviews the Executive Board compensation to ensure it is appropriate and in line with the market. The regular review of compensation takes place as a comparison with companies in the DAX, MDAX and selected companies from the industrial goods peer group as well as selected rail and truck peers (horizontal comparison). A vertical comparison is also carried out, which considers the Executive Board compensation in relation to the employees at other levels of the Knorr-Bremse Group in Germany. Based on the results of the regular review of Executive Board compensation, which was most recently conducted in January 2025 with external oversight, the Supervisory Board considers that the compensation is in line with the market and appropriate.

The Supervisory Board also regularly reviews the compensation structure of the Executive Board members in order to incentivize the company's long-term performance. 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. Long-term variable compensation accounts for a larger proportion of the target total compensation than the short-term variable compensation. The relative proportions of fixed and variable compensation are shown below on the basis of the target total compensation. **Fig. 2**

FIG. 2 STRUCTURE OF COMPENSATION ELEMENTS

CEO*: 25% – 35% OEBM*: 40% – 50%	CEO*: 25% - 35% OEBM*: 20% – 30%	CEO*: 35% – 45% OEBM*: 30% – 40%
Non-performance-related components/fixed compensation	Performance-related components/variable compensation	
Fixed annual salary including fringe benefits and pension contribution	Short-term incentive (STI)	Long-term incentive (LTI)
Annual payment		Payment after four years

* CEO = Chief Executive Officer / OEBM = Ordinary Executive Board member

The target compensation of the Executive Board members active in 2024 is presented in the following table: **Table → 4.01**

4.01 TARGET COMPENSATION OF EXECUTIVE BOARD MEMBERS

	Marc Llistosella Chief Executive Officer (CEO) (since January 1, 2023)			Frank Markus Weber Chief Financial Officer (CFO) (since July 1, 2020)			Dr. Claudia Mayfeld Executive Board Member for Integrity, Legal Affairs and HR (since May 1, 2021)		
in € thousand	2024	In %	2023	2024	In %	2023	2024	In %	2023
Base remuneration	1,000	24	1,000	900	31	900	900	35	900
Fringe benefits	28	1	45	27	1	13	33	1	19
Pension contribution	300	7	300	300	10	300	267	10	200
One-year variable compensation (STI)									
STI 2024	1,300	31	–	750	26	–	600	23	–
STI 2023	–	–	1,300	–	–	675	–	–	600
Multi-year variable compensation (LTI)									
LTI 2024-2027	1,500	36	–	900	31	–	800	31	–
LTI 2023-2026	–	–	1,500	–	–	850	–	–	800
Total target compensation	4,128	100	4,145	2,877	100	2,738	2,600	100	2,519

	Bernd Spies Commercial Vehicle Systems division (since March 12, 2022)			Dr. Nicolas Lange Rail Vehicle Systems division (since October 1, 2023) ¹⁾		
in € thousand	2024	In %	2023	2024	In %	2023
Base remuneration	900	34	880	833	32	200
Fringe benefits	28	1	16	35	1	5
Pension contribution	300	11	300	300	12	75
One-year variable compensation (STI)						
STI 2024	600	23	–	600	23	–
STI 2023	–	–	600	–	–	150
Multi-year variable compensation (LTI)						
LTI 2024-2027	800	30	–	800	31	–
LTI 2023-2026	–	–	800	–	–	200
Total target compensation	2,628	100	2,596	2,568	100	630

1) Target compensation for the 2023 fiscal year is shown pro rata temporis due to appointment in the course of the year.

Fixed compensation components

The compensation system for the Executive Board comprises the following fixed compensation components.

Annual salary

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

Fringe benefits

In addition, Executive Board members receive fringe benefits. For each member of the Executive Board, the company bears, in particular, 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, possibly with the

services of a driver. Furthermore, Executive Board members are covered by a D&O liability insurance policy.

Pension contribution

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

Other

The Supervisory Board may, on a case-by-case basis, grant a payment on the occasion of a new Executive Board member taking up his or her position 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. No such payments were pledged or made in 2024 fiscal year.

Variable compensation components

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

STI

The STI (Fig. 3) is a performance-related bonus with a performance period of one year.

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

In the first step, the STI is dependent on financial performance criteria and the achievement of quality and ESG targets (collectively the "company STI targets"). In the second step, the Supervisory Board uses a modifier to reflect the individual performance of the Executive Board member, the collective performance of the Executive Board and the achievement of stakeholder targets.

The financial performance criteria for calculating the amount paid from the STI in the 2024 fiscal year were EBIT, with a weighting of 35%, revenues, with a weighting of 20%, and free cash flow, with a weighting of 15%. In addition, target achievement depended on the quality performance criterion, which accounted for 10%, and on internal ESG targets, which accounted for 20%.

The EBIT refers to the earnings before interest, before the other financial result, and before income taxes as recognized in the company's approved and audited consolidated financial statements. EBIT reflects the company's profitability and its value promise to continue delivering an excellent margin.

Revenues are the revenues recognized in the company's approved and audited consolidated financial statements. They are a core element of the profitable growth strategy, and of Knorr-Bremse AG's value promise to grow faster than the market.

Free cash flow is calculated by deducting disbursements for capital expenditure on property, plant, and equipment and intangible assets from the cash flow from operating activities, and by adding proceeds from the sale of

property, plant, and equipment and intangible assets to the cash flow from operating activities.

The performance criteria "quality" focuses on operating activities in the divisions, with quality targets such as the "cost of poor quality" set for both divisions.

ESG targets are also included as a material non-financial performance criterion in the form of two internal criteria, each weighted at 50% ("ESG criteria"). The ESG criteria are, firstly, the company's own contribution to carbon neutrality, consisting of the sum of energy efficiency increases and internally generated solar power in relation to the Group's total energy demand, and, secondly, the development of workplace accidents per 200,000 hours of work. In contrast to the previous year, the company's relative positioning in the ESG ratings by the agencies ISS, S&P and Sustainalytics is no longer considered for the ESG targets.

The company STI targets were weighted depending on the responsibilities of each Executive Board member. For the central functions, this was either exclusively for the entire Group (Marc Llistosella, Frank Markus Weber and Dr. Claudia Mayfeld) or 50% for the entire Group and 50% for the segment for which the Executive Board member is responsible (Bernd Spies for Commercial Vehicle Systems and Dr. Nicolas Lange for Rail Vehicle Systems).

The Supervisory Board defines the targets for each fiscal year for the individual performance criteria EBIT, revenues and free cash flow, which are derived from the budget planning. For the quality performance criterion, the Supervisory Board defines a value for each subtarget that corresponds to target achievement of 100%. For the ESG performance criterion, the Supervisory Board defines values for the ESG criteria that correspond to target achievement of 100%, as well as a minimum value corresponding to target achievement of 0% and a maximum value corresponding to target achievement of 200%.

At the end of the fiscal year the total target achievement is measured on the basis of the target achievement for each performance criterion. To measure the target achievement for each of the performance criteria, the Supervisory Board compares the actual figure with the target figure (budget figure or defined value) for the respective fiscal year. The ratio of the actual figure to the target value (as a percentage) indicates the extent to which the targets have been met, and for the performance criteria EBIT, revenues, free cash flow and quality, results in the following target achievement as determined by the Supervisory Board, with target achievement between 0% (for achieving or coming in below the minimum value) and 200% (for

achieving or exceeding the minimum value) interpolated on a straight-line basis.

Total target achievement is calculated with a slightly different weighting than in the previous year (EBIT x 30%, free cash flow x 20%) as follows:

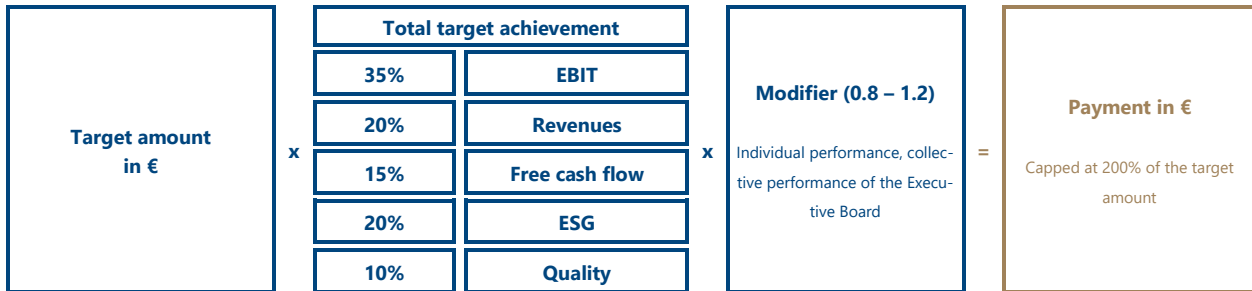
- Total target achievement =
- EBIT target achievement x 35%
- + revenues target achievement x 20%
- + free cash flow target achievement x 15%
- + ESG target achievement x 20%
- + quality target achievement x 10%

At the beginning of the year, in addition to the performance criteria, the Supervisory Board defines other non-financial performance criteria and their weightings, in order to assess the individual performance of the Executive Board member and the performance of the entire Executive Board and the achievement of stakeholder targets ("success criteria"). The individual performance criteria are taken into account by means of a modifier. This is set by the Supervisory Board at its discretion, depending on the extent to which the non-financial performance criteria are met.

The total target achievement measured on the basis of the financial performance criteria and the ESG targets is multiplied by the modifier (0.8 to 1.2) and the defined target amount (in euros) to produce the payment amount. In the 2024 fiscal year, the annual STI payment was capped at 200% of the target amount for all Executive Board members. 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.

Measurement of achievement of subtargets EBIT, revenues, free cash flow and ESG is based on the actual values in the consolidated financial statements (where available). Here, the Supervisory Board is entitled to use its discretion to subtract unbudgeted extraordinary influences based on a list of criteria defined in advance by the Audit Committee. The aim of these adjustments is to measure the *actual management performance* without distortion, such as by currency effects or M&A effects. For the past fiscal year, translational currency effects and effects from M&A and restructuring were adjusted in particular when determining STI target achievement on this basis, as quantified in [Table → 4.02](#) below.

FIG. 3 HOW THE STI WORKS



The following performance criteria, target values and actual achievement figures were used to determine STI target achievement for the 2024 fiscal year [Table → 4.02, Table → 4.03](#). The target values for the performance criteria were derived before the start of the 2024 fiscal year from the budget planning approved by the Supervisory Board. The capital market guidance for the 2024 fiscal year

confirmed these targets. The out-performance of the guidance for free cash flow of €730 million versus € 552 million in the previous year and the further improvement in the operating EBIT margin to 12.3% compared with 11.3% in the previous year led to a correspondingly high target achievement in the EBIT and free cash flow performance criteria.

4.02 STI TARGET ACHIEVEMENT 2024 – EBIT, REVENUES, FREE CASH FLOW

Performance criterion	Executive Board member weighting	Floor	Target level	Maximum value	Actual value	Adjusted actual value	Target achievement
Group	Marc Llistosella: 100%						
EBIT (in € million)	Frank Markus Weber: 100%	815	906	997	911	991	193%
Revenues (in € million)	Dr. Claudia Mayfeld: 100%	7,352	7,684	7,850	7,883	7,776	155%
Free cash flow (in € million)	Bernd Spies: 50% Dr. Nicolas Lange: 50%	346	515	600	730	747	200%
Commercial Vehicle Systems							
EBIT (in € million)	Bernd Spies: 50%	374	415	457	350	403	71%
Revenues (in € million)		3,868	3,989	4,050	3,842	3,839	0%
Free cash flow (in € million)		214	250	268	282	305	200%
Rail Vehicle Systems							
EBIT (in € million)	Dr. Nicolas Lange: 50%	506	562	618	625	652	200%
Revenues (in € million)		3,485	3,695	3,800	4,044	3,939	200%
Free cash flow (in € million)		281	400	459	508	513	200%

4.03 STI TARGET ACHIEVEMENT 2024 – QUALITY AND ESG TARGETS

Performance criterion	Weighting	Floor	Target level	Maximum value	Actual value	Target achievement
Quality Commercial Vehicle Systems						
Cost of poor quality (in %)	60.0%	1.61	1.15	0.69	1.17	128%
Ready for assembly (in ppm)	8.0%	308	220	132	156	
Raw material (in ppm)	8.0%	3,360	2,400	1,440	1,788	
Functional test failures (in ppm)	8.0%	6,440	4,600	2,760	3,691	
Intercompany rejects (in ppm)	8.0%	42	30	18	16	
Zero mileage (in ppm)	8.0%	22	16	10	9	
Quality Rail Vehicle Systems						
Cost of poor quality (in %)	50.0%	1.68	1.20	0.72	0.97	163%
Supplied delivery quality (in ppm)	25.0%	1,295	925	555	704	
Delivery quality (in ppm of external delivery quantity)	25.0%	1,876	1,340	804	824	
ESG Group						
Own contribution to carbon neutrality (in GWh) (internal)	50.0%	2.60	6.50	9.50	11.65	172%
Workplace accidents per 200,000 contractual working hours (internal)	50.0%	1.04	0.80	0.56	0.69	
ESG Commercial Vehicle Systems						
Own contribution to carbon neutrality (in GWh) (internal)	50.0%	1.45	3.60	5.40	7.36	200%
Workplace accidents per 200,000 contractual working hours (internal)	50.0%	0.79	0.61	0.43	0.40	
ESG Rail Vehicle Systems						
Own contribution to carbon neutrality (in GWh) (internal)	50.0%	1.15	2.90	4.10	4.29	159%
Workplace accidents per 200,000 contractual working hours (internal)	50.0%	1.30	1.00	0.70	0.95	

The Supervisory Board assessed the individual performance of the Executive Board members, the collective performance of the Executive Board and the achievement of stakeholder targets. For the 2024 fiscal year, the Supervisory Board defined the following overarching objectives for the Executive Board in particular, which are weighted differently: successive implementation of the BOOST project with continuous reporting on financial and strategic effects in brownfield and greenfield; harmonization of operating and strategic financial planning into integrated financial planning; gradual realization of diversity targets

for the management levels and the total workforce; execution of the implementation plan for the S4/HANA project, with the aim of maximum meaningful cross-divisional standardization; implementation of the strategic vision for the leadership culture through worldwide measures. On this basis, the Supervisory Board defined the individual modifier at its discretion for all Executive Board members as 1.0.

This resulted in the following (total) target achievement [Table → 4.04](#) for the individual Executive Board members.

4.04 INDIVIDUAL STI TARGET ACHIEVEMENT 2024

Executive Board member	Target achievement: EBIT, revenues, free cash flow	Target achievement: quality	Target achievement: ESG targets	Modifier	Total target achievement
	70% weighting	10% weighting	20% weighting		
Marc Llistosella	184%	146%	172%	1.0	178%
Frank Markus Weber	184%	146%	172%	1.0	178%
Dr. Claudia Mayfeld	184%	146%	172%	1.0	178%
Bernd Spies	131%	137%	186%	1.0	143%
Dr. Nicolas Lange	192%	155%	165%	1.0	183%

LTI (description and award of the 2024-2027 tranche)

The LTI (Fig. 2) is a performance share plan in which virtual shares in Knorr-Bremse AG are awarded in annual tranches.

In order to link compensation to the company's long-term development, the long-term variable compensation makes up most of the variable compensation and thus a significant proportion of total compensation. With a performance period of four years and an annual award, it is intended to incentivize the beneficiaries to work for the company's positive long-term performance over multi-year cycles. A combination of internal and external performance criteria takes both the stakeholder and shareholder approach into account.

Each tranche of the performance share plan has a performance period of four years ("**performance period**"). Each performance period starts on January 1 of the first fiscal year in the performance period ("**award year**") and ends on December 31 of the third year following the award year.

At the beginning of the award year the Executive Board members are awarded a provisional number of virtual shares (performance share units), calculated using the ratio of the individual target amount agreement in the service agreement and the average XETRA closing price of the Knorr-Bremse AG share in the 60 exchange trading days before the first day of the award year.

At the end of the performance period, the target achievement for the LTI is measured and the payment amount is defined for each Executive Board member depending on the target achievement.

The relevant performance criteria for the performance share plan of the 2024–2027 tranche are the total shareholder return (TSR) of Knorr-Bremse AG compared with

the TSR for selected companies from the industrial goods peer group and selected rail and truck peers ("**relative TSR**") and the return on capital employed ("**ROCE**"). This combines an internal financial performance criterion (ROCE) with an external capital market-based criterion (relative TSR). In addition, the ESG targets of Scope 1 + 2 reduction and employee satisfaction (ESG) are taken into account in the performance share plan as non-financial performance criteria. By contrast, the 2021–2024, 2022–2025 and 2023–2026 tranches are based on the performance criteria of relative TSR (compared with the average of the TSRs from three peer groups) and the performance of earnings per share (EPS), each with a weighting of 50%.

ROCE is the return on capital employed in percent as reported in the approved and audited consolidated financial statements of Knorr-Bremse AG, based on the reported EBIT and capital employed. Capital employed includes the sum total of intangible assets, net working capital, and property, plant, and equipment.

Target achievement for the ROCE performance criterion is measured by comparing the average ROCE for the performance period ("**actual average ROCE**") and the minimum value, target value and maximum value for the ROCE set by the Supervisory Board, with the minimum value corresponding to target achievement of 0%, the target value corresponding to target achievement of 100% and the maximum value corresponding to target achievement of 200%. The target achievement is interpolated on a straight-line basis in each case between the minimum value and the target value and between the target value and the maximum value.

The non-financial ESG performance criterion is formed of the ESG criteria of reduction of Scope 1 + 2 CO₂e emissions ("**Scope 1 + 2 reduction**"), weighted at 70%, and **employee satisfaction**, weighted at 30%. The applicable figures for the Scope 1 + 2 reduction are the CO₂e

emissions in tCO₂e as presented in the company's Group management report for the final year of the performance period. The applicable figure for employee satisfaction is the final engagement score, in index points, that was calculated during the performance period. The Supervisory Board sets a minimum value corresponding to 0% target achievement, a target value corresponding to 100% target achievement, and a maximum value corresponding to 200% target achievement for each ESG criterion for each performance period. The target achievement is interpolated on a straight-line basis in each case between the minimum value and the target value and between the target value and the maximum value. The Supervisory Board is authorized to swap the ESG criteria for future fiscal years in full or in part, to remove them, to add new ESG criteria, and to change the weighting of the ESG criteria.

The TSR refers to the share price performance, on the fictitious assumption that dividends are reinvested, and taking all capital measures into account. It indicates the increase in enterprise value from the perspective of the shareholders. To take into account the competitive position of Knorr-Bremse AG and incentivize the strategy of sustainable growth above the market average, the TSR of Knorr-Bremse AG is compared against selected, relevant, comparable companies from a peer group of companies in the industrial goods as well as rail and truck sectors ("**peer group**"). The following peer group companies are used for the LTI 2024–2027 tranche: Alfa Laval AB, Assa Abloy AB, Atlas Copco AB, Kone Oyi, Schindler Holding AG, Alstom SA, CAF, Stadler Rail AG, Talgo SA, Wabtec, Jost Werke SE, Daimler Truck, Paccar Inc, SAF Holland, Traton SE and Volvo AB.

To measure relative target achievement for the TSR of Knorr-Bremse AG in relation to peer group companies, the TSR ranking achieved by Knorr-Bremse AG within the peer group is determined. The relative ranking shows the target achievement, which is interpolated on a straight-line basis between 0% for the 25th percentile and 200% for the 75th percentile.

Total target achievement is calculated using the following formula:

$$\begin{aligned} \text{Total target achievement} &= \\ &\text{ROCE target achievement} \times 30\% \\ &+ \text{ESG target achievement} \times 20\% \\ &+ \text{relative TSR target achievement} \times 50\% \end{aligned}$$

The final number of virtual shares is calculated by multiplying the number of virtual shares awarded by the total target achievement at the end of the performance period.

$$\begin{aligned} \text{Final number of virtual shares} &= \\ &\text{number of virtual shares awarded} \\ &\times \text{total target achievement} \end{aligned}$$

The payment amount is then obtained by multiplying the final number of virtual shares by the average XETRA closing price for the company share in the last sixty exchange trading days before the end of the respective performance period.

The following performance criteria, target values, and actual achievement figures were used to determine LTI target achievement in the 2021–2024 LTI tranche, which will be paid out in April 2025. [Table → 4.05, 4.06](#)

For the 2024–2027 LTI tranche, the figures shown in [Table → 4.07](#) represent the minimum, target and maximum values for ROCE, ESG and relative TSR.

In addition, [Table → 4.08](#) shows the number of virtual shares awarded to each Executive Board member for the 2024–2027 LTI tranche.

As with the STI, the presentation of compensation granted and owed for Executive Board members in office in the reporting year is based on the vested amount. The compensation report for the fiscal year shows the tranche for which the underlying work (one or more years) has been completed in full in the reporting year. A newly awarded LTI tranche has therefore been shown at fair value in the compensation report for the award year as compensation granted and owed as of the end of the award year, because in accordance with the service agreement it was already vested in the first year of the performance period [Table → 4.10](#). This does not affect the loss of vested rights for bad leavers. The compensation report for the final year of the relevant performance period then shows the difference between the originally recognized fair value and the actual payment amount below ([Fig. 4](#)).

4.05 LTI TARGET ACHIEVEMENT 2021–2024

Award price 2021	in €	104.95
Award price 2024	in €	74.95
Strategic target EPS*	in €	4.08
Average actual EPS	in €	3.27
Achievement of average actual EPS	in %	50.3
Relative TSR target		50th percentile
Actual relative TSR		31.1th percentile
Relative TSR target achievement	in %	62.6
Payout ratio derived from total target achievement**	in %	45.0

* The strategic EPS target was adjusted in fiscal year 2021 due to Covid-19.

** Increase of the payout ratio to 45.0% due to extraordinary charges at the discretion of the Supervisory Board based on the compensation system approved by the Annual General Meeting on May 20, 2021.

4.06 INDIVIDUAL LTI TARGET ACHIEVEMENT 2021–2024

Executive Board member	Target amount (in € thousand)	Number of performance share units awarded	Fair value of performance share units awarded as of December 31, 2021 (in € thousand)	Number of final performance share units	Payment amount of final performance share units* (in € thousand)	Difference between fair value and payment amount (in € thousand)
Frank Markus Weber	800	7,623	652	4,795	360	-292
Dr. Claudia Mayfeld (from May 1, 2021)	533	5,082	434	3,197	240	-194
Former Executive Board members	Target amount (in € thousand)	Number of performance share units awarded	Fair value of performance share units awarded as of December 31, 2021 (in € thousand)	Number of final performance share units	Payment amount of final performance share units* (in € thousand)	Difference between fair value and payment amount (in € thousand)
Dr. Jürgen Wilder (until September 30, 2023)	800	7,623	652	4,795	360	-292
Dr. Peter Laier (until December 31, 2022)	800	7,623	652	4,795	360	-292
Dr. Jan Mrosik (until April 30, 2022)	1,500	14,239	1,193	8,990	675	-518

* The agreement for the maximum remuneration applicable for 2021 is complied with through the payment of LTI 2021–2024.

4.07 LTI TARGET 2024–2027

Performance criterion	Weighting	Floor	Target level	Maximum value
Relative TSR	50%	25th percentile	50th percentile	75th percentile
ROCE	30%	17%	20%	23%
Scope 1+2 reduction in tCO ₂ e	14%	48,200	43,800	39,200
Employee satisfaction	6%	65	71	74

4.08 LTI AWARD 2024–2027

Executive Board member	Target amount (in € thousand)	Award price (in €)	Number of performance share units awarded	Maximum possible number of performance share units (cap: 200%)	Fair value as of December 31, 2024	LTI measured as of December 31, 2024 (in € thousand)
Marc Llistosella	1,500	55.88	26,844	53,688	130.75%	1,961
Frank Markus Weber	900		16,106	32,212	130.75%	1,177
Dr. Claudia Mayfeld	800		14,317	28,634	130.75%	1,046
Bernd Spies	800		14,317	28,634	130.75%	1,046
Dr. Nicolas Lange	800		14,317	28,634	130.75%	1,046

Share ownership guidelines (SOG)

In addition to the LTI as a share-based compensation element, the share ownership guidelines for the Executive Board constitute a further key component of the compensation 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 base remuneration for the duration of their service agreement (the “**SOG target**”). A member of the Executive Board is to acquire shares in Knorr-Bremse AG equal to at least 25% of the SOG target in each fiscal year until the

SOG target is achieved. In individual cases, the Supervisory Board can use its 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). Starting from the 2025 fiscal year, SOG share purchases will be processed by an external service provider; the company will bear the external costs incurred for the administration.

As of December 31, 2024, the incumbent members of the Executive Board held shares in Knorr-Bremse AG as shown in [Table → 4.09](#).

4.09 OVERVIEW OF THE SHARE OWNERSHIP PROGRAM

Executive Board member	End of the build-up phase	Number of shares held	Total acquisition costs of the shares held (in €)	Proportion of the respective base remuneration
Marc Llistosella	December 31, 2026	7,400	483,964	48%
Frank Markus Weber	June 30, 2024	12,424	903,382	100%
Dr. Claudia Mayfeld	April 30, 2025	10,842	832,671	93%
Bernd Spies	March 11, 2026	9,810	649,551	72%
Dr. Nicolas Lange	September 30, 2027	6,000	412,192	49%

Malus/clawback

The compensation system for the Executive Board provides for standard market malus or clawback clauses. Starting in the 2024 fiscal year, the Supervisory Board has, in certain circumstances, the possibility of retaining short-term and long-term variable remuneration components that have been earned (“**malus**”) or reclaiming part or all of them if less than three years have passed since payment

of the variable remuneration component (“**clawback**”). In particular, such circumstances include a major breach of criminal law provisions or of material duties of care in the leadership of the company by an Executive Board member, or a breach of organizational and monitoring obligations by an Executive Board member leading to such a breach by an employee of the company, a member of a governing body, or an employee of an affiliate of the

company. Such circumstances furthermore include the subsequent correction of an objectively incorrect presentation in the consolidated financial statements for a measurement period related to the variable remuneration component, insofar as no variable remuneration payment or a smaller variable remuneration payment would be due based on the corrected consolidated financial statements. The required amendments have already been written into the contracts for four out of the five Executive Board members.

Maximum compensation

The total compensation 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 compensation components, pension contribution, and fringe benefits or any compensation payments made when new members are appointed) – irrespective of whether they are paid out in this fiscal year or at a later date – has a maximum absolute limit (“**maximum compensation**”). The maximum contractually agreed remuneration for the 2024 fiscal year is € 6,370,000 for the Chief Executive Officer (CEO) and € 4,030,000 for each ordinary Executive Board member.

Regardless of the maximum remuneration, the amount of individual variable remuneration components paid is also capped at 200% of the target amount.

None of the cash payments made to the Executive Board members during the reporting period exceeded the applicable maximum limit for the total compensation to be granted (sum of all the compensation amounts spent for the fiscal year in question, including fixed annual salary, variable compensation components, pension contribution and fringe benefits or any compensation in connection with new appointees commencing their role; maximum compensation). Because the expense for the LTI 2024–2027 will only occur in the third year after the conclusion of the reporting year due to the full-year performance period, it will only be possible to report conclusively on compliance with the maximum compensation for fiscal year 2024 in the compensation report for fiscal year 2027. If the amount for the LTI 2024–2027 results in the maximum compensation being exceeded, the payout amount would be reduced in accordance with the arrangements in the service agreement. If the limit for a fiscal year were exceeded and reducing the payout amount for the LTI for the relevant award year still did not bring the compensation back below the limit, the STI would be reduced. If necessary, the Supervisory Board can, at its discretion, reduce other remuneration components or demand that granted remuneration be paid back.

Compensation-related transactions

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 Supervisory Board may sign non-competition agreements with Executive Board members for a period of up to two years after they leave the company. Currently, all incumbent Executive Board members are subject to a non-competition agreement for twelve months after they leave the company. During this period, the Executive Board members are entitled to non-compete compensation amounting to a twelfth of the fixed annual salary (base remuneration) 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 received for activities not covered by the non-competition agreement is offset against the non-competition compensation.

The current service agreements provide that in the event of termination of the appointment by mutual agreement, members of the Executive Board receive a compensation payment. The compensation payment is composed of the fixed annual salary and the STI for remaining term of the planned appointment, which for Dr. Mayfeld, Mr. Spies, Mr. Llistosella and Dr. Lange is no longer than 12 months, and for Mr. Weber 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. The compensation payment is set off against any non-compete compensation paid by Knorr-Bremse AG.

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 their incapacity to conduct business properly or due to a vote of no confidence, or if they resign prematurely, unilaterally and effectively from their position on the Executive Board for good cause. During the notice period, the members of the Executive Board receive their base remuneration. The claims to STI and LTI are based on the rules on leaving the Executive Board prematurely described above.

Change of control

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.

Compensation granted and owed

Presentation of compensation granted and owed in accordance with section 162 AktG

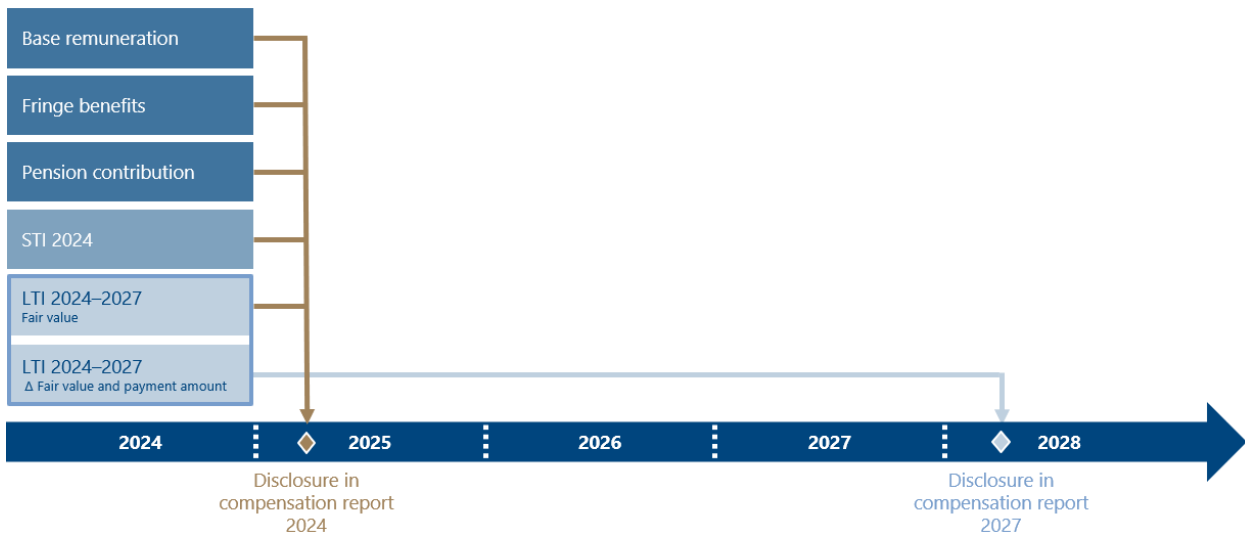
The granted compensation disclosed for the Executive Board members in office during the reporting period is the compensation for the fiscal year for which the underlying work (one or more years) has been completed in full in the reporting period. The amount shown is therefore independent of whether the compensation has already been paid during the fiscal year. For the variable compensation (STI and LTI) this means that depending on the plan’s vesting schedule, the amount shown is either that which results from the target achievement of performance periods ending in the reporting year or the fair value at the time the entitlement is vested in full.

Base remuneration, pension contributions and fringe benefits also relate to the work done in the respective fiscal year, regardless of whether they were paid during the fiscal year. The diagram in **Fig. 4** shows the presentation of compensation granted and owed in the 2024 fiscal year.

The LTI 2024-2027 was fully vested in 2024 in accordance with the agreement. The presentation therefore shows the fair value, which is obtained by multiplying the number of provisionally awarded virtual shares (performance share units) by the fair value as of December 31, 2024. The LTI 2024–2027 was not paid out, nor was or is there any entitlement to a payment before the end of the performance period at fiscal year-end 2027. A complete loss of all entitlement is also still possible.

Similarly, the LTI 2023-2026 was fully vested in 2023 in accordance with the agreement. The fair value as of December 31, 2023, calculated as for the LTI 2024-2027, is therefore shown as the previous year’s figure.

FIG. 4 PRESENTATION OF 2024 COMPENSATION ELEMENTS AS COMPENSATION GRANTED AND OWED



Active Executive Board members

The following table [Table → 4.10](#) shows the individual compensation granted and owed, on a cash flow basis, in accordance with section 162 (1) sentence 2 number 1

AktG for the incumbent Executive Board members in the 2024 fiscal year, along with the corresponding figures for 2023 (where available).

4.10 COMPENSATION GRANTED AND OWED TO EXECUTIVE BOARD MEMBERS

	Marc Llistosella Chief Executive Officer (CEO) (since January 1, 2023)			Frank Markus Weber Chief Financial Officer (CFO) (since July 1, 2020)			Dr. Claudia Mayfeld Executive Board Member for Integrity, Legal Affairs and HR (since May 1, 2021)		
in € thousand	2024	In %	2023	2024	In %	2023	2024	In %	2023
Base remuneration	1,000	18	1,000	900	26	900	900	29	900
Fringe benefits	28	0	45	27	1	13	33	1	19
Pension contribution	300	5	300	300	9	300	267	9	200
One-year variable compensation (STI)									
STI 2024	2,314	41	–	1,335	39	–	1,068	34	–
STI 2023	–	–	2,340	–	–	1,269	–	–	1,128
Multi-year variable compensation (LTI) ¹⁾									
LTI 2024–2027	1,961	35	–	1,177	34	–	1,046	34	–
LTI 2023–2026	–	–	1,517	–	–	902	–	–	849
LTI 2022–2025	–	–	–	–	–	–	–	–	–
LTI 2021–2024 ²⁾	–	–	–	-292	-8	–	-194	-6	–
Total compensation pursuant to section 162 AktG	5,603	100	5,202	3,447	100	3,384	3,120	100	3,096

	Bernd Spies Commercial Vehicle Systems division (since March 12, 2022)			Dr. Nicolas Lange Rail Vehicle Systems division (since October 1, 2023)		
in € thousand	2024	In %	2023	2024	In %	2023
Base remuneration	900	29	880	833	25	200
Fringe benefits	28	1	16	35	1	5
Pension contribution	300	10	300	300	9	75
One-year variable compensation (STI)						
STI 2024	858	27	–	1,098	33	–
STI 2023	–	–	1,128	–	–	282
Multi-year variable compensation (LTI) ¹⁾						
LTI 2024–2027	1,046	33	–	1,046	32	–
LTI 2023–2026	–	–	849	–	–	212
LTI 2022–2025	–	–	–	–	–	–
LTI 2021–2024 ²⁾	–	–	–	–	–	–
Total compensation pursuant to section 162 AktG	3,132	100	3,173	3,312	100	774

1) The LTI 2023–2026 and LTI 2024–2027 were fully vested at the close of the respective award year and are shown at fair value as of the end of the respective award year.
2) Difference between the fair value originally shown in the 2021 compensation report and the actual amount paid for the 2021–2024 performance period.

Former Executive Board members

The following table [Table → 4.11](#) shows the compensation individually granted and owed pursuant to section 162 (1) sentence 2 number 1 AktG under commitments to former members of the Executive Board. The values presented in

the table for the one-year and multi-year variable remuneration show the remuneration that was granted in connection with the termination and paid in 2024.

4.11 COMPENSATION GRANTED AND OWED TO FORMER EXECUTIVE BOARD MEMBERS

in € thousand	Dr. Jürgen Wilder (until September 30, 2023)		Dr. Dieter Wilhelm (until June 30, 2016)		Executive Board members who left prior to December 31, 2014	
	2024	In %	2024	In %	2024	In %
Non-compete compensation	675	100	-	-	-	-
Retirement pension	-	-	262	100	288	100
Total compensation pursuant to section 162 AktG	675	100	262	100	288	100

Supervisory Board compensation

Description of the compensation system

The compensation system for members of the Knorr-Bremse AG Supervisory Board ([Fig. 5](#)) was revised with effect from fiscal year 2022 and approved at the Annual General Meeting on May 24, 2022, with 97.00% of the validly cast votes. It provides solely for fixed compensation in line with recommendation G.18 GCGC.

The Supervisory Board remuneration is intended to help attract suitable candidates for the office of Supervisory Board member. It is intended to ensure that the Supervisory Board as a whole is able to competently fulfill its duties to supervise and advise the Executive Board professionally and competently and thus to promote Knorr-Bremse AG's business strategy and long-term development.

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 2024 after the Annual General Meeting on April 30, 2025. 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.

In addition, the Supervisory Board members receive an attendance fee of € 1 thousand each time they attend a meeting of the Supervisory Board or its committees. Attendance at a meeting includes attendance by telephone, video conference or using similar common means of communication. If several meetings are held on the same day the attendance fee is paid once only.

In accordance with Article 18 (6) of the company's Articles of Association, the company reimburses the Supervisory Board members for reasonable expenditure incurred as part of 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. Supervisory Board members are included in the company's D&O insurance policy without a deductible.

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

FIG. 5 SUPERVISORY BOARD COMPENSATION

Compensation element	Supervisory Board Compensation		
	Chairman	Deputy Chairman	Member
Base remuneration	€ 300,000	€ 150,000	€ 100,000
Committee compensation	Audit Committee: € 120,000 Strategy Committee: € 120,000 Executive Committee: € 90,000	Audit Committee: € 40,000 Strategy Committee: € 40,000 Executive Committee: € 30,000	
Attendance fee	€ 1,000 per meeting ¹⁾		

1) Attendance at a meeting includes attendance by telephone, video conference or using similar common means of communication. If several meetings are held on the same day the attendance fee is paid once only. The annual attendance fee is capped at 9.9% of the total compensation for the Supervisory Board member in the respective year.

Compensation granted and owed

The following table [Table → 4.12](#) shows the committee memberships and attendance of the individual Supervisory Board members in the 2024 fiscal year on which their overall compensation is based. Here too, the compensation shown for the reporting year is that for which the underlying work has been completed in full in the reporting year. The amount shown is therefore independent of whether the compensation has already been paid during the fiscal year.

On the basis of the compensation system described above and the individual committee memberships and attendance, the following [Table → 4.13](#) shows the compensation granted and owed for the 2024 fiscal year. This is payable after the 2025 Annual General Meeting. Supervisory Board members did not receive any loans from the Company in either fiscal year 2023 or fiscal year 2024.

4.12 MEMBERSHIP OF SUPERVISORY BOARD COMMITTEES AND ATTENDANCE AT MEETINGS

	Executive Committee (attendance/all meetings ²⁾)	Audit Committee (attend- ance/all meetings ²⁾)	Strategy Committee (at- tendance/all meetings ²⁾)	Nomination Committee (attendance/all meet- ings ²⁾)
Dr. Reinhard Ploss (Chairman of the Supervisory Board)	4/4 (C)	6/6 (M)	4/4 (M)	2/2 (C)
Franz-Josef Birkeneder ¹⁾ (Deputy Chairman of the Super- visory Board)	4/4 (M)	6/6 (M)	4/4 (M)	
Dr. Theodor Weimer (Deputy Chairman of the Super- visory Board)	4/4 (M)			
Kathrin Dahnke		6/6 (C)		2/2 (M)
Thomas Mittmann ¹⁾ (since July 1, 2024)				
Dr. Sigrid Evelyn Nikutta			3/4 (M)	
Wolfgang Nirschl ¹⁾		3/3 (M)		
Werner Ratzisberger ¹⁾	2/2 (M)	3/3 (M)	2/2 (M)	
Annemarie Sedlmair ¹⁾				
Dr. Stefan Sommer			4/4 (C)	
Julia Thiele-Schürhoff			3/4 (M)	1/2 (M)
Sylvia Walter ¹⁾				
Michael Jell ¹⁾ (until June 30, 2024)	2/2 (M)		1/2 (M)	

M = member; C = chair

1) Elected by the employees.

2) Number of meetings held during the term of the respective Supervisory Board or committee member.

4.13 COMPENSATION GRANTED AND OWED

in € thousand	2024							2023						
	Base remuneration	In %	Commit-tee compensation	In %	Atten-dance fee ¹⁾	In %	Total compensation	Base remuneration	In %	Commit-tee compensation	In %	Atten-dance fee ¹⁾	In %	Total compensation
Dr. Reinhard Ploss (Chairman of the Supervisory Board)	300	62	170	35	17	3	487	300	62	170	35	16	3	486
Franz-Josef Birkeneder ²⁾ (Deputy Chairman of the Supervisory Board)	150	55	110	40	15	5	275	150	54	110	40	17	6	277
Dr. Theodor Weimer (Deputy Chairman of the Supervisory Board)	150	81	30	16	6	3	186	150	79	30	16	9	5	189
Kathrin Dahnke	100	43	120	51	14	6	234	100	43	120	52	12	5	232
Thomas Mittmann ²⁾ (since July 1, 2024)	50	94	-	-	3	6	53	-	-	-	-	-	-	-
Dr. Sigrid Evelyn Nikutta	100	68	40	27	8	5	148	100	74	27	-	9	7	136
Wolfgang Nirschl ²⁾ (since July 3, 2023)	100	78	20	16	9	7	129	50	-	-	-	4	-	54
Werner Ratzisberger ²⁾	100	60	55	33	11	7	166	100	66	40	26	11	7	151
Annemarie Sedlmair ^{2), 3)}	100	94	-	-	6	6	106	100	94	-	-	6	6	106
Dr. Stefan Sommer	100	43	120	52	10	4	230	100	43	120	52	10	4	230
Julia Thiele-Schürhoff	100	67	40	27	10	7	150	100	67	40	27	9	6	149
Sylvia Walter ²⁾	100	94	-	-	6	6	106	100	94	-	-	6	6	106
Michael Jell ^{2), 3)} (until June 30, 2024)	50	56	35	39	4	4	89	100	63	50	31	10	6	160

1) The annual attendance fee is capped at 9.9% of the total compensation for the Supervisory Board member in the respective year.

2) Elected by the employees.

3) In addition, Mr. Jell and Ms. Sedlmair received Supervisory Board compensation from subsidiaries of Knorr-Bremse AG in the 2023 and 2024 fiscal years. Mr. Jell received Supervisory Board compensation of € 19 thousand (until June 30, 2024) and of € 38 thousand (2023). Ms. Sedlmair received Supervisory Board compensation of € 25 thousand for each year.

Multi-year overview

The following overview [Table → 4.14](#) shows, in accordance with section 162 (1) sentence 2 no. 2 AktG, the relative change in the compensation of Executive Board and Supervisory Board members compared with the average compensation of employees and with selected earnings indicators for Knorr-Bremse AG and Knorr-Bremse Group.

The compensation shown for Executive Board members and Supervisory Board members represents the compensation granted and owed in accordance with section 162 (1) sentence 2 no. 1 AktG for the fiscal year in which the underlying work (one or more years) was completed in full. By contrast, the average compensation shown for employees represents the amount they received in the reporting year.

The key figures for which Knorr-Bremse AG 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 revenues, EBIT, free cash flow, ROCE and earnings per share (EPS) as well as net income according to German GAAP of the separate financial statements of Knorr-Bremse AG, are used to present the results of operations.

The Knorr-Bremse Group's total workforce in Germany (excluding trainees, working students and interns) is applied for the presentation of the average total compensation of employees on a full-time equivalent basis. The total compensation comprises all fixed and variable compensation components that were paid in the reporting period.

4.14 MULTI-YEAR COMPARISON¹⁾

	2024		Change 2023/2022 in %	Change 2022/2021 in %	Change 2021/2020 in %
	in € thousand	Change 2024/2023 in %			
Executive Board members					
Marc Llistosella	5,603	8	-	-	-
Frank Markus Weber	3,447	2	41	-11	12
Dr. Claudia Mayfeld	3,120	1	60	24	-
Bernd Spies	3,132	-1	100	-	-
Dr. Nicolas Lange	3,312	328	-	-	-
Former Executive Board members					
Dr. Jürgen Wilder	675	-86	137	-32	5
Dr. Dieter Wilhelm	262	0	14	0	0
Members who left prior to December 31, 2014	288	11	-13	1	2
Supervisory Board members					
Dr. Reinhard Ploss	487	0	50	-	-
Franz-Josef Birkeneder ²⁾	275	-1	-3	52	17
Dr. Theodor Weimer	186	-2	-3	55	213
Kathrin Dahnke	234	1	-3	70	-18
Thomas Mittmann ²⁾³⁾	53	-	-	-	-
Dr. Sigrid Evelyn Nikutta	148	9	91	-	-
Wolfgang Nirschl ²⁾	129	139	-	-	-
Werner Ratzisberger ²⁾	166	10	-2	54	0
Annemarie Sedlmair ²⁾	106	0	-3	36	0
Dr. Stefan Sommer	230	0	-1	75	-
Julia Thiele-Schürhoff	150	1	6	75	0
Sylvia Walter ²⁾	106	0	-1	102	-
Michael Jell ²⁾³⁾	89	-44	12	43	0
Earnings indicators					
<i>Knorr-Bremse Group</i>					
Revenues (in € million)	7,883	-1	11	7	9
EBIT (in € million)	911	5	21	-21	13
Operating EBIT margin (%)	12.3	9	2	-18	2
Free cash flow (in € million)	730	32	152	-63	-13
ROCE (%)	18.2	-7	16	-32	-3
Earnings per share – undiluted (in €)	2.76	-19	13	-21	25
<i>Knorr-Bremse AG</i>					
Net income pursuant to German GAAP (in € million)	342	-39	298	-58	-13
Workforce remuneration (per employee)					
Workforce of the Knorr-Bremse Group in Germany ⁴⁾	94	6	2	2	2

1) The compensation shown for Executive Board members and Supervisory Board members represents the compensation granted and owed in accordance with section 162 (1) sentence 2 no. 1 AktG for the fiscal year in which the underlying work was completed in full. By contrast, the average compensation shown for employees represents the amount they received in the reporting year.

2) Michael Jell was a member of the Supervisory Board until June 30, 2024.
Thomas Mittmann has been a member of the Supervisory Board since July 1, 2024.

3) Elected by the employees.

4) Workforce remuneration constitutes the payments made to employees in the 2024 fiscal year and includes not only the collective agreement increase granted in the 2024 fiscal year but also the EBIT bonus paid out for the first time in the 2023 fiscal year; the inflation adjustment bonus paid out once in 2024 was not taken into account.

This compensation report was jointly prepared by the Executive Board and the Supervisory Board. The Executive Board and Supervisory Board each passed resolutions to approve this compensation report on March 20, 2025.

Munich, March 20, 2025



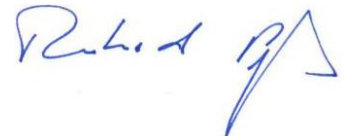
MARC LLISTOSELLA

CEO
Knorr-Bremse AG



DR. CLAUDIA MAYFELD

Executive Board member for Integrity, Legal and HR
Knorr-Bremse AG



DR. REINHARD PLOSS

Chairman of the Supervisory Board
Knorr-Bremse AG

Report on the audit of the remuneration report

We have audited the attached remuneration report of Knorr-Bremse AG, for the financial year from 01.01.2024 to 31.12.2024, including the related disclosures, prepared to meet the requirements of Section 162 AktG [Aktiengesetz: German Stock Corporation Act].

Responsibilities of Management and the Supervisory Board

The management 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 management and the Supervisory Board are also responsible for such internal control as they have determined necessary to enable the preparation of the remuneration report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities

Our responsibility is to express an opinion on this remuneration report, including the related disclosures, based on our audit. We conducted our audit in accordance with the German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report, including the related disclosures, is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts, including the related disclosures, in the remuneration report. The procedures selected depend on the auditor's professional judgement. This includes an assessment of the risks of material misstatement, whether due to fraud or error, in the remuneration report, including the related disclosures. In assessing these risks, the auditor considers the internal control system relevant for the preparation of the remuneration report, including the related disclosures. The objective is to plan and perform audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the Supervisory Board, as well as evaluating the overall presentation of the remuneration report, including the related disclosures.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, on the basis of the knowledge obtained in the audit, the remuneration report for the financial year from 01.01.2024 to 31.12.2024, including the related disclosures, complies in all material respects with the financial reporting requirements of Section 162 AktG.

Other matter – formal examination of the remuneration report

The substantive audit of the remuneration report described in this independent auditor's report includes the formal examination of the remuneration report required by Section 162 (3) AktG, including issuing an assurance report on this examination. As we have issued an unqualified opinion on the substantive audit of the remuneration report, this opinion includes the conclusion that the disclosures pursuant to Section 162 (1) and (2) AktG have been made, in all material respects, in the remuneration report.

Limitation of liability

The terms governing this engagement, which we fulfilled by rendering the aforesaid services to Knorr-Bremse AG, are set out in the General Engagement Terms for Wirtschaftsprüferinnen, Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms] as amended on 1 January 2024. By taking note of and using the information as contained in this auditor's report, each recipient confirms to have taken note of the terms and conditions laid down therein (including the limitation of liability of EUR 4 million for negligence under Clause 9 of the General Engagement Terms) and acknowledges their validity in relation to us.

Munich, 20. March 2025

KPMG AG
Wirtschaftsprüfungsgesellschaft

Huber-Straßer
Wirtschaftsprüferin

Mokler
Wirtschaftsprüfer