



Annual Shareholders' Meeting of Knorr-Bremse AG

Speech by the Chairman of the Supervisory Board

Prof. Dr. Klaus Mangold

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The spoken word on the day of the Annual General Meeting applies

Formal opening and welcome:

Ladies and Gentlemen, Dear Shareholders,

I am delighted that in these still unusual times you have found your way to us virtually via our AGM portal, thus showing that Knorr-Bremse as our Company is important to you.

As Chairman of the Supervisory Board, I would like to open this year's Annual Shareholders' Meeting of Knorr-Bremse AG.

Before we begin the official part of our meeting, I would like to extend a special welcome to you, dear Mrs. Nadia Thiele, and to you, dear Mrs. Thiele-Schürhoff. Together with his family, Knorr-Bremse mourns the unexpected death of Heinz Hermann Thiele on February 23, just a few weeks before his 80th birthday.

We will shortly be showing a short film in memory of Mr. Thiele, a great entrepreneur and exceptional person who left his mark on the company for decades as a member and Vice Chairman of the Supervisory Board until the end. But first I would like to say a few personal words about Mr. Thiele:

Heinz Hermann Thiele was the entrepreneur who made Knorr-Bremse what it is today.

He began his career at Knorr-Bremse in 1969 as a legal clerk in the patent department. From 1975 he was entrusted with the development and expansion of the Commercial Vehicle Systems division and in 1979 was appointed to the Executive Board, where he remained for 28 years. In 1987 he became Chairman of the Executive Board of the Knorr-Bremse Group, whose shares he had already successively acquired from 1985 onwards. From 2007 to 2016, Heinz Hermann Thiele was Chairman of the Supervisory Board.

Selflessly and in keeping with his high level of passion for the Company, Mr. Thiele once again stepped up again when the Corona crisis broke out in 2020 and, as Deputy Chairman and member of the Presiding Committee of the Supervisory Board, advised us on how to deal with the economic consequences of the pandemic for Knorr-Bremse AG.

Heinz Hermann Thiele was one of Germany's greatest entrepreneurial personalities and devoted his entire life to the service of the company with untiring dedication. With his knowledge of the markets, our customers and business partners, it was during this period in particular that his thoughtful, wise counsel for the benefit of the company and our employees became evident. Knorr-Bremse and Heinz Hermann Thiele were one for over 5 decades. Almost 15 years ago, as a far-sighted

entrepreneur, he placed the management of the company in the hands of external managers. Another step towards securing the future of the company was the IPO in 2018 and opening it up to you, the current shareholders.

Heinz Hermann Thiele left us a great legacy, which is an obligation for the Supervisory Board: to continue to lead the company into a successful future. With the establishment of a family foundation in his will, in which the shares held by the family will be held in the future, Mr. Thiele has set a decisive course: Through the foundation, the family, as an important anchor shareholder, ensures the continuity and success of Knorr-Bremse in the future. At the same time, Mr. Thiele has positioned Knorr-Bremse AG for the future as a listed company with a strong and independent management team.

In the following article, we commemorate a great entrepreneur and an extraordinary person who shaped Knorr-Bremse like no other.

Film inserts

On behalf of the Supervisory Board and the Executive Board, I would now like to extend a very warm welcome to you, our shareholders and shareholder representatives.

I would particularly like to welcome Dr. Stefan Sommer, who will be proposed by the Supervisory Board for election by today's Annual General Meeting following an intensive selection process.

Dr. Sommer's many years of experience in management positions at global industrial groups have given him extensive expertise in the automotive and e-mobility sectors. He was previously Chairman of the Executive Board of ZF Friedrichshafen AG and a member of the Executive of Volkswagen AG. With his broad industrial experience and special knowledge of commercial vehicles, he will significantly enrich the work of the Supervisory Board.

May I ask you, dear Mr. Sommer, to briefly introduce yourself to our shareholders.

I would also like to welcome Dr. Jan Michael Mrosik. Mr. Mrosik, this is your first Annual General Meeting as Chairman of the Executive Board of Knorr-Bremse AG. Shortly after taking office in January, you chaired the Annual Press Conference in March. I am delighted that in you we have gained a highly experienced manager who, thanks to many years of service at Siemens AG, has extensive expertise in the management of complex corporate units. In addition to your duties as CEO, you will focus on the further digital alignment of the company.

Finally, I would like to welcome Dr. Claudia Mayfeld, who has headed the newly created Integrity and Legal Affairs Board department since May 1, 2021. In Dr. Mayfeld, we have found a highly qualified member of our Executive Board with broad

professional experience. She was most recently General Counsel and Head of Legal & Compliance at innogy SE and previously held the same position at RWE AG.

I would also like to welcome the notary, Prof. Dr. Hartmut Wicke, from Munich, who will be recording this meeting and following it here from the podium for this purpose.

Comments on the virtual AGM

Ladies and Gentlemen, this year our Annual General Meeting will again be held under special circumstances. Due to the ongoing Covid 19 pandemic, the Executive Board and Supervisory Board have decided to hold the Annual General Meeting as a virtual meeting without the physical presence of shareholders or their proxies.

The health of our shareholders, their proxies, and the employees and board members of our company is our top priority. Against this background, the event follows a strict hygiene concept under which all those present on site have undergone a Covid-19-test.

Today, too, transparency and completeness in the answers to the questions you have asked are of great concern to us. Incidentally, I very much hope that we will again be able to hold the Annual General Meeting in 2022 in the usual face-to-face format as a lively platform for discussion.

Comments on the procedure of the virtual Annual General Meeting and on the formalities

The agenda has eight items. The proposed resolutions can be found in the notice of the Annual General Meeting. Since the full text of the agenda has been published in the Federal Gazette and sent to you by the Company via your depositary bank, I assume that the agenda is known.

Agenda item 1 concerns the presentation of the adopted annual financial statements and the approved consolidated financial statements, together with the combined management report for Knorr-Bremse AG and the Group for fiscal 2020, and the report of the Supervisory Board.

In accordance with Section 171 of the German Stock Corporation Act (AktG), the Supervisory Board examined and approved the annual financial statements and the consolidated financial statements. The annual financial statements of Knorr-Bremse AG for fiscal 2020 are thus adopted. A resolution on agenda item 1 is therefore not required.

The proposal for the appropriation of profits of EUR 1.52 per share approved by the Supervisory Board corresponds exactly to the previous year's payout ratio of 46% of distributable profit. At the same time, it is within the range of 40-50% communicated at the time of the IPO, so that we can reliably continue our dividend policy even in

times of the Covid-19 pandemic and take appropriate account of the results achieved in the past fiscal year. I would like to resolutely counter the impression sometimes expressed in the public perception that "short-time allowances (Kurzarbeitsgeld) are being paid out to shareholders": Shareholders are also making a decisive contribution to overcoming the crisis by receiving a dividend that is lower in absolute terms than in the previous year. In addition, the vast majority of the KUG benefits received from the Federal Agency were passed on to the employees concerned in the form of top-ups.

Report on the work of the Supervisory Board

Before I give the floor to Ms. Dahnke and then to the Executive Board, I would first like to report to you on the work of the Supervisory Board in the past and current fiscal year.

You will find the report of the Supervisory Board in the Annual Report on pages 10 to 21. I will concentrate here on a few key points and comment on some current issues also.

The Supervisory Board met a total of twelve times last year to discuss the current course of business, the strategic development of the Knorr-Bremse Group, and also personnel issues. Dr. Mrosik and Mr. Weber will go into greater detail in their reports on the business development and corporate strategy. In compliance with the applicable distance and hygiene regulations, the meetings of the Supervisory Board were largely held in person in Munich and Aldersbach, and in individual cases also by video conference. Attendance at the meetings was consistently high. The average attendance rate was over 96 percent.

Knorr-Bremse's strategic alignment is a regular part of our annual strategy retreat, which lasts several days and took place in October 2020. At this retreat, members considered the strategic alignment of the Company as a whole and of the two Knorr-Bremse divisions, as well as key innovation projects. The particular focus on the strategy of the Knorr-Bremse Group is also served by the establishment of a Strategy Committee, on which the Supervisory Board will decide at its constituent meeting today. The Strategy Committee is to be chaired by Dr. Sommer.

The decision to form the Strategy Committee is derived from the rapid and global changes clearly emerging on the market. This applies, for example, to the consolidation of markets among our customers and at our level, and this also applies to the new challenges of globalization with its demands on value chains and their design. The Strategy Committee is to meet at least four times a year and act as a sounding board for the Executive Board and Supervisory Board for the strategic decisions to be taken at that time. In this way we aim to involve the Supervisory

Board even more closely than before in the global issues affecting the future of our businesses.

The tasks of the Strategy Committee will include, in particular, (i) advising the Executive Board on the analysis and further development of the Truck and Rail divisions, (ii) discussing new business ideas and possible development prospects with the Executive Board, (iii) strategically evaluating the global positioning of the Knorr-Bremse Group, and (iv) supporting the Executive Board in developing and evaluating proposals for the company's innovation management.

The company's sustainability strategy is also part of its strategic alignment. In order to anchor this in the incentive system as well, the Supervisory Board resolved at the end of March to include ESG criteria in the short-term variable compensation of management. The necessary changes to the compensation system will be presented to the Annual General Meeting today for approval. I will go into this in a moment.

In addition, the Supervisory Board dealt among other things with the steering strategy in the truck business and the related integration of the US manufacturer Sheppard. Another topic of discussion was the closure of the Wülfrath site of the truck subsidiary KB Steering, which ensured both a socially responsible wind-down and the retention of steering expertise by retaining the core competency holders.

At its regular meetings, the Supervisory Board dealt with legal disputes of relevance to the Group, in particular the arbitration proceedings currently being conducted with Robert Bosch concerning the supply and withdrawal of Bosch as a minority shareholder in Knorr-Bremse Systeme für Nutzfahrzeuge GmbH.

In the reporting period, the Executive Committee held 14 meetings, which served in particular to prepare the agenda for the Supervisory Board meetings and the resolutions to be adopted by the Supervisory Board. The Executive Committee repeatedly dealt with the impact of the Covid 19 pandemic on the business situation and with the scenarios developed by the Executive Board and the measures derived from them to protect employees and contain the economic damage. Another focus of the Presidial Committee's work was the changes in the Executive Board: the search for a successor for Mr. Heuwing as CFO and for Mr. Eulitz as CEO, as well as the onboarding of the new Executive Board members, i.e. Mr. Weber, Dr. Mrosik and most recently Dr. Mayfeld. The Supervisory Board also dealt intensively with these personnel decisions - following preparation by the Executive Committee.

Ladies and Gentlemen, I would like to continue my remarks with the preparations for the election of the Supervisory Board members:

The end of today's Annual General Meeting marks the end of the term of office of all incumbent shareholder representatives, i.e. Kathrin Dahnke, Dr. Thomas Enders, Julia Thiele-Schürhoff, Dr. Theodor Weimer and also my own term of office. Heinz

Hermann Thiele retired from the Supervisory Board on his death on February 23, 2021. New elections are therefore required for all six shareholder representatives on the Supervisory Board.

Under the Stock Corporation Act, at least two women and at least two men must be members of the shareholder and employee councils. The following proposed resolution provides for the election of two women and four men, so that if the proposed candidates are elected, the stockholder side will comprise two women and four men. Following the election of employee representatives in April, the employee side will in future also comprise two women, Annemarie Sedlmair and Sylvia Walter.

At the beginning of this report, I presented Dr. Sommer as a candidate for the position of shareholder representative. The other candidates are already members of the Supervisory Board and will be proposed for re-election after being considered by the Nominations Committee and the Supervisory Board:

1. Ms. Kathrin Dahnke is a member of the Managing Board of OSRAM Licht AG and a member of the Supervisory Board of B. Braun Melsungen AG. She has proven expertise in the areas of reporting, accounting and financing and has chaired the Audit Committee of the Supervisory Board since joining the Supervisory Board of Knorr-Bremse in 2018.
2. Dr. Thomas Enders is President of the German Council on Foreign Relations and a member of the Supervisory Boards of Lufthansa AG, Liliun GmbH and Linde plc. Dr. Enders has extensive expertise in the field of complex industries.
3. Ms. Julia Thiele-Schürhoff is Chairwoman of the Executive Board of Knorr-Bremse Global Care e.V. and, also as a result of her previous work for Knorr-Bremse AG, has proven knowledge of the Company and the associated corporate strategy, as well as particular expertise in the field of corporate social responsibility. In her person, following the death of Mr. Thiele, the proven link between family and company finds a very fine continuation.
4. Dr. Theodor Weimer is Chairman of the Executive Board of Deutsche Börse AG and a member of the Supervisory Board of Deutsche Bank AG. Dr. Weimer has extensive knowledge and experience in the field of equity and debt capital markets and the management of global corporations.

Finally, I myself am standing for re-election. My entrepreneurial experience and further key data on all the proposed candidates can be found in the invitation to the Annual General Meeting.

As you know, it was my intention not to continue in office at the end of this Annual General Meeting. However, the death of Heinz Hermann Thiele has created a new

situation. I have complied with the Supervisory Board's request for continuity in the chairmanship of the Supervisory Board -- also at the request of the family -- and have put my own ideas about my life planning aside.

The appointment will take effect from the end of today's Annual General Meeting. Whereas my colleagues are to be appointed for a full term of five years, i.e. until the end of the Annual General Meeting in 2026, in accordance with Art. 10 par. 2 sentence 1 of the Articles of Association, my own appointment is to be for a maximum term of two years, i.e. until the end of the Annual General Meeting in 2023.

I am convinced that we have succeeded in recruiting extremely suitable and qualified individuals for the Supervisory Board. Together they will help to ensure that Knorr-Bremse AG and the Executive Board not only receive intensive advice in the current challenging environment, but also make the most of the opportunities that lie ahead.

The Supervisory Board has therefore - based on the recommendation of the Nomination Committee - unanimously resolved to propose the above-mentioned persons for election to the Supervisory Board. Please also place your trust in them for election to the Supervisory Board and their subsequent term of office.

Ladies and Gentlemen,

At today's Annual General Meeting, we are submitting a revised compensation system for the Executive Board for your approval. You will find the details in the invitation to the Annual General Meeting. Compared with the compensation system presented for approval at last year's Annual General Meeting, there will be the following changes to the Executive Board's short-term variable compensation, the so-called short-term incentive, with effect from January 1, 2022:

- In the future, short-term variable compensation will be based on the financial performance criteria of sales, EBIT, free cash flow and quality. This will promote the focus of the Executive Board's activities on profitability and further growth. Free cash flow will replace net working capital as the benchmark.
- Short-term variable compensation is also based on non-financial performance criteria. For example, the achievement of environmental, social and sustainable development (ESG) targets is taken into account as a separate performance target. This supports the strategic development of the company, which also includes social and ecological aspects and focuses on sustainable corporate development.
- In their weighting, sales, free cash flow and ESG are each weighted at 20%, EBIT is weighted at 30% and quality remains unchanged at 10%.
- Individual targets of the Executive Board members and other non-financial performance criteria continue to be taken into account in the short-term variable compensation via a modifier.

Further details of the otherwise unchanged compensation system are described in detail in the invitation to the Annual General Meeting.

Supervisory Board work in the current fiscal year

Let me conclude by talking about the Supervisory Board's work in the current fiscal year:

At its meeting on March 30, 2021, the Supervisory Board strengthened the continuity and stability of the Company with two key personnel decisions - the appointment of Dr. Claudia Mayfeld as Executive Board member for Integrity and Legal Affairs and the appointment of Dr. Theodor Weimer as Deputy Chairman of the Supervisory Board and member of the Executive Committee. The selection of Dr. Mayfeld was based on a predefined requirements profile with detailed selection criteria. In addition to her Executive Board mandate, Dr. Mayfeld holds the position of General Counsel.

In addition, the Supervisory Board set an important course for the future of Knorr-Bremse by approving the introduction of a global employee share program. The program bears the name of Heinz Hermann Thiele and serves primarily to provide special recognition of employees' commitment to the Company and to promote employee loyalty. Under German stock corporation law, the Employee Stock Program does not require the approval of the Annual General Meeting. However, we are submitting the implementation of the employee share program in the USA for your approval in order to enable employee participation there as well.

That brings me to the end of my remarks. I would now like to invite Ms. Dahnke to the podium. Ms. Dahnke will report to you on the very important work of our Audit Committee.

[Report of the Audit Committee]

Thank you very much, Ms. Dahnke, for your comments and your prudent and hard-working leadership of our Audit Committee. I would now like to ask the Executive Board to give its report on the business situation and a strategic outlook.