



INVITATION

**Knorr-Bremse
Annual General Meeting
2024**



KNORR-BREMSE

Knorr-Bremse Aktiengesellschaft

Munich

ISIN DE000KBX1006

German Securities Identification Number (Wertpapierkennnummer, "WKN"): KBX100

Notice of the 2024 Annual General Meeting of Knorr-Bremse Aktiengesellschaft on April 30, 2024

Dear shareholders,

We hereby invite you to the Annual General Meeting of Knorr-Bremse Aktiengesellschaft on Tuesday, April 30, 2024, at 10:00 a.m. (CEST), which will be held as a **virtual general meeting** without the shareholders or their authorized representatives being physically present.

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

All of the members of both the Executive Board and the Supervisory Board intend to attend the entire Annual General Meeting either in person or virtually.

I. Agenda

1. Presentation of the adopted annual financial statements, the approved consolidated financial statements and the combined management report on Knorr-Bremse Aktiengesellschaft and the Knorr-Bremse Group for the fiscal year 2023 as well as the report of the Supervisory Board for the fiscal year 2023

The aforesaid documents include the explanatory report in respect of the information to be disclosed pursuant to Sec. 289a and Sec. 315a of the German Commercial Code (Handelsgesetzbuch) and the non-financial Group statement for the fiscal year 2023.

The aforesaid documents are available on our website at ir.knorr-bremse.com/agm and will also be available there during the Annual General Meeting. They will be expounded on in detail at the Annual General Meeting. The Corporate Governance Statement for the fiscal year 2023 can also be found on the aforesaid website. The Sustainability Report will be published for the General Meeting as an online report on the internet at knorr-bremse.com/en/responsibility.

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

2. Appropriation of the net income

The Supervisory Board and the Executive Board propose that an amount of EUR 264,368,000.00 from the net income of Knorr-Bremse Aktiengesellschaft in the total amount of EUR 816,576,148.02 from the expired fiscal year 2023 be used to pay a dividend of EUR 1.64 per dividend-bearing no-par value share, in the amount of EUR 300,000,000.00 to be allocated to other retained earnings and to carry forward the remaining balance to new account.

This results in the following appropriation of the net income:

Net income:	EUR 816,576,148.02
-------------	--------------------

Distribution to the shareholders:	EUR 264,368,000.00
-----------------------------------	--------------------

Allocation to other retained earnings	EUR 300,000,000.00
---------------------------------------	--------------------

Balance to be carried forward:	EUR 252,208,148.02
--------------------------------	--------------------

Pursuant to Sec. 58 (4) sentence 2 AktG, the dividend entitlement falls due for payment on the third business day following the date of the resolution of the General Meeting, i.e., the entitlement falls due on May 6, 2024.

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

The Supervisory Board and the Executive Board propose that the acts of the members of the Executive Board who held office in the fiscal year 2023 be approved for that fiscal year.

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

The Supervisory Board and the Executive Board propose that the acts of the members of the Supervisory Board who held office in the fiscal year 2023 be approved for that fiscal year.

5. Resolution on the appointment of the auditor of the annual financial statements and the consolidated financial statements as well as the auditor for the review of the half-yearly financial report for the fiscal year 2024

The Supervisory Board proposes that the audit firm KPMG AG Wirtschaftsprüfungsgesellschaft, Munich, be appointed to serve as auditor for the annual financial statements and the consolidated financial statements for the fiscal year 2024 and for the review of the half-yearly financial report for the first half-year of the fiscal year 2024.

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

6. Resolution on the approval of the remuneration system for the Executive Board members

Pursuant to Sec. 120a (1) AktG, the general meeting of a listed company resolves at least once every four years and upon every material change to the remuneration system whether or not to approve the remuneration system for the members of the company's executive board presented by the supervisory board.

With effect as of January 1, 2024, and taking into consideration the requirements of Sec. 87a (1) AktG, the Supervisory Board resolved on changes to the remuneration system for the Executive Board members. The amended remuneration system in its version resolved as of January 1, 2024, is set out in the annexes to this agenda under Annex with respect to agenda item 6 – Remuneration system for the Executive Board members and is available on our website at ir.knorr-bremse.com/agm as from the date on which notice is given of the Annual General Meeting.

The Supervisory Board proposes – based on the recommendation of its executive committee – to resolve as follows:

The remuneration system for the Executive Board members resolved with effect as of January 1, 2024, is approved

7. Resolution on the approval of the compensation report for the fiscal year 2023

In accordance with Sec. 120 (4) AktG, the Supervisory Board and the Executive Board submit to the Annual General Meeting the compensation report of Knorr-Bremse Aktiengesellschaft for the fiscal year 2023, including the auditor's report pursuant to Sec. 162 (3) sentence 3 AktG, printed in the annexes to this agenda under Annex with respect to agenda item 7 – Compensation report, which was prepared in accordance with Sec. 162 AktG and audited by KPMG AG Wirtschaftsprüfungsgesellschaft, Munich, in accordance with Sec. 162 (3) AktG. The compensation report was reviewed in accordance with Sec. 162 (3) AktG by the auditor as to whether the information to be disclosed pursuant to Sec. 162 (1) and (2) AktG has been included. In addition to what is legally required, the auditor also performed an audit as to the content.

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

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

The compensation report of Knorr-Bremse Aktiengesellschaft for the fiscal year 2023 is approved.

II. Annexes to the agenda

Remuneration System for Executive Board Members

A. Modification of the Executive Board Remuneration System

The Supervisory Board regularly reviews whether the remuneration system supports the short- and long-term development of the company's value and has a motivating effect. The current system, which was approved at the Annual General Meeting on May 20, 2021, with 96.37% of the valid votes cast, has already largely achieved these aims, though the Supervisory Board sees potential for improvement. The Supervisory Board takes into consideration findings from the course of business in recent years, the development of the company's peer group, general remuneration trends, and shareholder feedback regarding the remuneration system and compensation reports.

Based on a careful analysis, the Supervisory Board passed a resolution on December 15, 2023, for modifications of the remuneration system. The key aspects of it are:

- stronger focus on the company's financial results;
- limitation of possible figure adjustments and increased transparency in relation to them;
- sharpening of the peer group relevant to the relative total shareholder return;
- strategic ongoing development of the company.

The changes in the remuneration system are reflected in the short-term incentive ("STI") and long-term incentive ("LTI") in particular, taking into account the respective time horizon. The STI puts a priority on profitability, while the LTI focuses on the development of value and the company's earning power. Before the fiscal year starts, the performance criteria for each of these incentives are defined according to their nature and their weighting defined. The Supervisory Board can accommodate long-term changes in business and the business environment by modifying the weighting for future fiscal years and LTI tranches. The remuneration system's target schema applies analogously to the management levels beneath the Executive Board, taking into consideration the relevant business responsibility.

The main modifications of the remuneration system can be summarized as follows:

(1) Short-Term Variable Remuneration (STI)

- Given the historic business performance and resulting target achievement, the target corridor for the performance criteria – which mainly remain unchanged in their nature – is being widened from the current 80%–120% to 60%–140% of the target value. The wider target corridor ensures a balanced risk–reward profile and an appropriate relationship between performance and the resulting remuneration. The higher weighting of EBIT makes for a stronger focus on profitability in the STI.
- Potential adjustments of figures when calculating target achievement against the performance criteria are limited to a conclusive, narrowly defined catalog of cases in order to evaluate actual management performance transparently and consistently.
- Bandwidths are defined for the weighting of the STI performance criteria and enable the Supervisory Board to adapt the prioritization of the performance criteria if there are significant, long-term changes in business.
- The modifier takes significant success factors into account. The relevant strategic and nonfinancial targets are set by the Supervisory Board in advance and disclosed transparently in the Compensation Report.
- The STI is capped at a uniform level of 200% of the target amount for the Chief Executive Officer (CEO) and ordinary members of the Executive Board.

(2) Long-Term Variable Remuneration (LTI)

- With the short-term variable remuneration already putting a significant focus on profitability, the long-term variable remuneration is intended to concentrate on the return on capital employed ("ROCE") to reflect the longer-term relationship between input factors and results better.

- The total shareholder return (“**TSR**”) of Knorr-Bremse AG will be compared with the TSR of selected industrial goods companies and selected rail and truck peers in the future. The combined peer group contributes to a simplification of the remuneration system and strengthens the focus on companies that have a business model or industry comparable to Knorr-Bremse.
- Potential adjustments of figures when calculating target achievement against the performance criteria are limited to a conclusive catalog of cases even narrower than with the STI.
- Bandwidths are defined for the weighting of the performance criteria analogously to the STI so that the Supervisory Board has the necessary flexibility for prioritizing the performance criteria.
- The LTI is capped at a uniform level of 200% of the target amount for the Chief Executive Officer (CEO) and ordinary members of the Executive Board.

(3) Other

The modified remuneration system provides for common-practice malus and clawback arrangements which are progressively being implemented in the service agreements of newly appointed or reappointed Executive Board members. The arrangements are for instances of compliance violations and also take effect when there are errors in the Group’s accounting.

The modified remuneration system for the Executive Board members 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) in the version passed by the German Corporate Governance Code governmental commission on April 28, 2022, and put into effect on June 27, 2022. It has applied since January 1, 2024, to all current Executive Board members and to all new service agreements to be concluded with Executive Board members.

B. Remuneration System Details

I. Remuneration Components in the Remuneration System

1. Overview of the Remuneration System, Integration with Strategy, and Remuneration Structure

Overview of the Remuneration System

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 their fixed annual salary, fringe benefits, and allowance for post-retirement benefits (“**pension substitute**”). The variable components are the short-term variable remuneration (“**STI**”) and long-term variable remuneration (“**LTI**”). Furthermore, the remuneration system provides for Share Ownership Guidelines (“**SOG**”), common-practice malus and clawback arrangements, and maximum remuneration pursuant to section 87a AktG for the Executive Board members.

Remuneration Components	Basis for Calculation/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, insurance policies (accident, D&O), reimbursement of the employer share in health and long-term care insurance
Pension substitute	• Annual allowance payment for the purposes of post-retirement benefits • Aside from this, no company pension scheme is provided.

Performance-Related Components

Short-term variable remuneration (STI)	Plan type	<ul style="list-style-type: none"> • Annual bonus
	Limitation of payment amount	<ul style="list-style-type: none"> • 200% of the target amount
	Performance criteria	<ul style="list-style-type: none"> • EBIT* (30%–50%), in 2024 35% • Revenues* (15%–30%), in 2024 20% • Free cash flow* (10%–30%), in 2024 15% • Quality (0%–10%), in 2024 10% • ESG* (0%–20%), in 2024 20% • Modifier (0.8–1.2) for evaluating the Executive Board's performance
	Payout	<ul style="list-style-type: none"> • Month following approval of the consolidated financial statements
Long-term variable remuneration (LTI)	Plan type	<ul style="list-style-type: none"> • Performance share plan with 4-year performance period
	Limitation of payment amount	<ul style="list-style-type: none"> • 200% of the target amount
	Performance criteria	<ul style="list-style-type: none"> • Relative total shareholder return/TSR (40%–60%), in 2024 50%, benchmarked against selected companies in the industrial goods peer group and selected rail and truck peers • ROCE** (20%–40%), in 2024 30% • ESG** (0%–20%), in 2024 20%
	Payout	<ul style="list-style-type: none"> • Month following approval of the consolidated financial statements for the final fiscal year in the 4-year performance period
Other		
Share ownership obligation	<ul style="list-style-type: none"> • Obligation to buy shares in Knorr-Bremse AG in an amount equivalent to one year's gross fixed salary, to be done within 4 years • The shares bought must be held for the duration of the Executive Board role 	
Malus and clawback	<ul style="list-style-type: none"> • Possibility to reduce ("malus") or claw back variable remuneration in cases of compliance breaches or erroneous consolidated financial statements 	
Maximum remuneration	<ul style="list-style-type: none"> • Chief Executive Officer (CEO): €8,000,000 • Ordinary Executive Board member: €4,500,000 	
Payments upon taking position	<ul style="list-style-type: none"> • Possibly compensation payments in connection with taking the position • Possibly payments in connection with a move to a new place of residence 	

*When determining the actual STI target achievement of the performance criteria EBIT, revenues, free cash flow and ESG, the actual values reported in the approved and audited consolidated financial statements (if available) are used as a basis. The Supervisory Board is entitled to exclude non-budgeted special effects at its equitable discretion in accordance with a catalog of criteria predefined by the Audit Committee. The aim of this adjustment is to measure the true management performance of the Executive Board members without distortion, e.g. through currency effects or effects from M&A activities. **When determining the LTI target achievement of the ROCE and the ESG criteria, the Supervisory Board is entitled to exclude non-budgeted special effects at its equitable discretion in accordance with a catalog of criteria predefined by the Audit Committee. The aim of this adjustment is to measure the true management performance of the Executive Board members without distortion, e.g. through effects from M&A activities.

Contribution to the Promotion of the Business Strategy

The modified remuneration system for the Executive Board members makes an additional contribution to the promotion and implementation of Knorr-Bremse AG’s corporate strategy of growing more strongly than the market and continuously achieving an excellent margin. It adds value for customers, employees, and shareholders by defining performance criteria based on the company’s long-term, lasting success and attaching challenging annual and multi-year targets to these criteria. The remuneration system will create incentives that correspond to this corporate strategy and support it. The aim of the short- and long-term variable remuneration is to drive – in parallel with each other – short-term profitability as well as long-term strategic development focusing on growth and differentiation potential.

The short-term variable remuneration is mainly connected to the financial performance in the current fiscal year and, in this respect, the performance criteria of earnings before interest and taxes (“**EBIT**”), revenues, and free cash flow. The quality target reflects operational capabilities, and quality is simultaneously a key success factor for customers. The modifier reflects the structure of the strategic and organizational foundation which, while having an effect in the medium and long terms, is intended to be incentivized and monitored at an early stage.

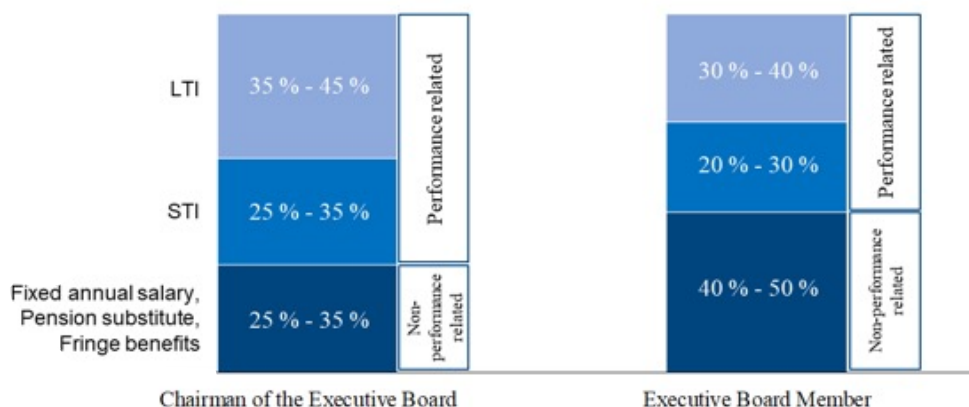
The STI is furthermore connected to environment, social, and governance (“**ESG**”) targets. They take into account contributions and progress in the fields of environment, society, and sustainable company development. The ESG targets do not exist in isolation; they are essential success factors for the company. The LTI will also be connected to certain ESG targets in the future. While the focus in the STI is on incremental improvements, the LTI incorporates long-term targets. These dual connections to ESG targets clearly shift the focus of business activities to the sustainable development of the company and its employees.

A key focus of the compensation system is the company’s long-term development. The members of the Executive Board, in this respect, face a dual orientation toward the company’s shares and thus significant equity exposure – firstly, through the share ownership guidelines provided for in the remuneration system and, secondly, through the long-term variable remuneration’s focus on market capitalization. Both ensure that the interests of the Executive Board and the shareholders are synchronized, with a view to the long-term and sustainable development of the company.

The longer-term development of the company is intended to be considered with an LTI term of four years each time and annual allocations. A combination of internal and external performance criteria takes the stakeholder and shareholder approach into account. ROCE here stands for the successful, profitable utilization of the capital invested. The comparison of Knorr-Bremse AG’s capital market performance with the performance of a relevant group of comparable companies based on total shareholder return (“**TSR**”) creates incentives for above-average capital market performance and additionally ties together the interests of the Executive Board and the shareholders.

Remuneration Structure

On the basis of the remuneration system, the Supervisory Board defines a specific target total compensation for each Executive Board member, which is in appropriate relation to the duties and performance of the Executive Board member and the company’s position and does not exceed standard remuneration without justification. The target total remuneration comprises the sum of all remuneration components relevant for total remuneration – the fixed annual salary, STI, LTI, fringe benefits, and pension substitute. For the STI and LTI, the target amount is in each case based on 100% target achievement. The share of long-term variable remuneration in the target total remuneration exceeds the share of short-term variable remuneration in the target total remuneration, ensuring that the remuneration structure is aligned with the company’s long-term, lasting development. The relative shares of fixed, non-performance-related salary components and variable, performance-related salary components are presented below in relation to the target total remuneration.



These shares in the remuneration may differ slightly for future fiscal years due to the way the costs of the contractually agreed fringe benefits develop as well as for new appointments, if any. Furthermore, these shares may differ if payments are made in connection with a new appointment taking up his or her position.

2. Fixed Remuneration Components

The Executive Board members receive a fixed annual salary paid in twelve monthly installments.

Additionally, the following particular fringe benefits are provided: Knorr-Bremse AG provides each Executive Board member with a company car for private usage, including with a driver if applicable. Moreover, the Executive Board members are included in the D&O insurance held by Knorr-Bremse AG and the employer share of health and long-term care insurance premiums is reimbursed. There also exists accident insurance (for death and invalidity) paid by Knorr-Bremse AG for the Executive Board members.

As a pension substitute and for the purposes of post-retirement benefits, the Executive Board members receive a cash allowance payable at the end of the fiscal year in question. The responsibility for old-age financial provision is therefore fully transferred to the Executive Board members. Accordingly, the company does not bear any risk and does not need to recognize provisions for the Executive Board members' post-retirement benefits. Aside from this, no occupational pension plan is provided.

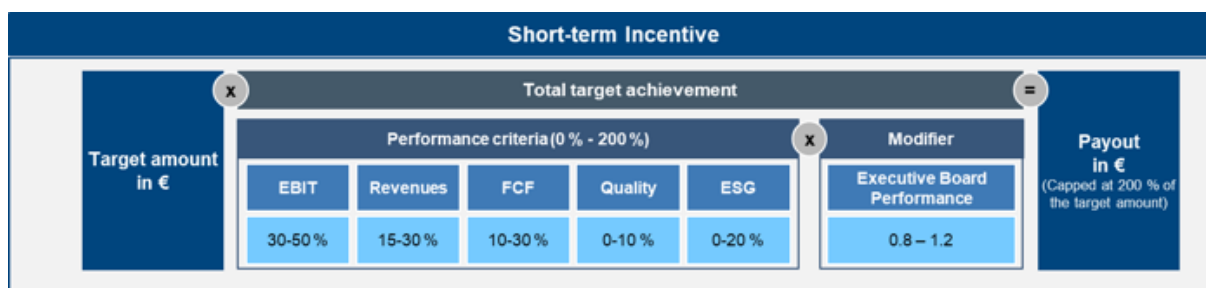
The Supervisory Board may, on a case-by-case basis, grant a payment on the occasion of a new Executive Board member taking up his or her position in the first or second year of the new member's appointment. This payment can be used to compensate for, for example, losses of variable remuneration that an Executive Board member faces from a former employer as a result of moving to Knorr-Bremse AG. Furthermore, in individual situations, the Supervisory Board can reimburse the costs incurred in connection with an Executive Board member's move to a new place of residence when taking up his or her position.

3. Variable Remuneration Components

The variable remuneration components are described below. This description illustrates the link between the achievement of the performance criteria and the amount of variable remuneration paid. It also explains the form in which the Executive Board members can access the variable remuneration amounts and when they can do so.

3.1 STI

The STI is a performance-related bonus with a one-year measurement period. The first step of 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 consider the performance of the overall Executive Board based on the strategic and nonfinancial performance criteria set by the Supervisory Board at the beginning of each fiscal year.



STI Performance Criteria

The financial performance criteria for calculating the amount paid from the STI are EBIT, with a weighting of 30%–50%, revenues, with a weighting of 15%–30%, and free cash flow, with a weighting of 10%–30%. Besides that, the target achievement is also dependent on the quality performance criterion, with a weighting of 0%–10%, and on ESG targets, weighted at 0%–20%. The Supervisory Board can determine the weighting of the company STI targets within the specified bandwidths, taking into consideration the operational and strategic priorities at the given time, although the total weighting must always add up to 100%. The weighting for the previous

fiscal year also applies to the following fiscal year unless another determination has been made. For the 2024 fiscal year, the EBIT performance criterion has been weighted at 35%, the revenues performance criterion at 20%, the free cash flow (FCF) performance criterion at 15%, the quality performance criterion at 10%, and the ESG targets at 20%.

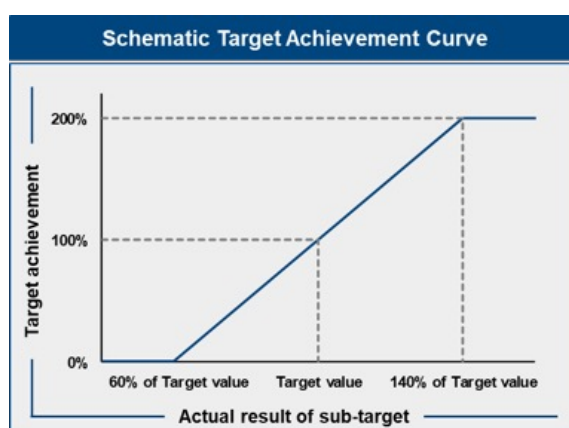
The direct link to the company STI targets ensures the variable compensation's strategic alignment. The financial performance criteria and quality targets are used not only at Group level for this, but also to strategically align business activities in the individual business units.

- 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. Incorporating EBIT promotes an increase in the company's earning power.
- The revenues are the revenues recognized in the company's approved and audited consolidated financial statements. It is a core element for the implementation of the Knorr-Bremse AG growth strategy and value proposition of growing more strongly 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 consideration of free cash flow incentivizes the company's cash conversion.
- The quality performance criterion puts a focus on the operational activities in the business units with quality subtargets such as "cost of poor quality."

Calculation of Target Achievement

Before the start of each fiscal year, the Supervisory Board sets targets for the individual financial performance criteria of EBIT, revenues, and free cash flow and for the quality performance criterion. When setting the targets for the financial performance criteria, the Supervisory Board usually orients itself with the budgeted figures in the financial target planning for the relevant fiscal year that it has approved.

Once the fiscal year has ended, the target achievement on the individual performance criteria is calculated. For this, the Supervisory Board compares the actual result for each performance criterion against the targets for the relevant fiscal year. The quotient of the actual result and the respective target set by the Supervisory Board (expressed as a percentage) reflects the relevant target achievement here. For the performance criteria of EBIT, revenues, and free cash flow, the values recognized in the approved and audited consolidated financial statements of Knorr-Bremse AG are used as a basis. The quotient that is calculated – for the performance criteria of revenues, EBIT, free cash flow, and quality – is used to assess target achievement as follows: With a quotient of 60% or less, the target achievement is 0%; with a quotient of 100%, the target achievement is 100%; and with a quotient of 140% or more, the target achievement is 200%. For quotients between these values, the target achievement is determined through linear interpolation.

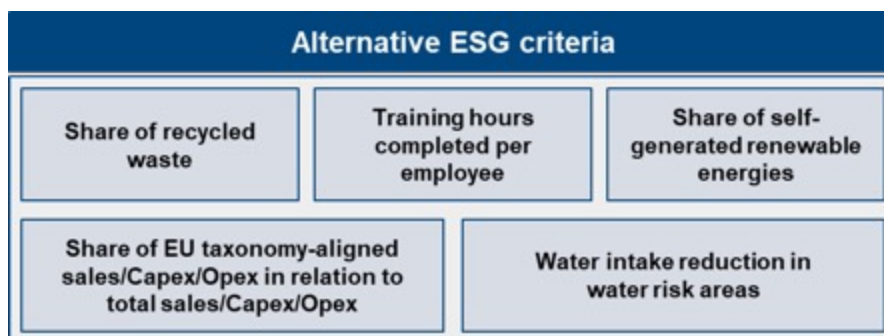


The Supervisory Board is authorized to deviate from this and determine a minimum value corresponding to 0% target achievement, a target value that corresponds to 100% target achievement, and a maximum value that corresponds to 200% target achievement for individual or all financial performance criteria for individual fiscal years in the future if the Supervisory Board believes that this is better suited for representing the subtargets and incentivizing the Executive Board members accordingly.

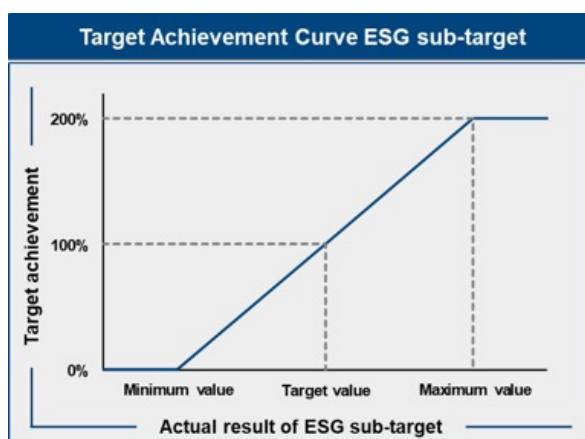
ESG targets are additionally included as material nonfinancial performance criteria in the form of two “ESG criteria” each weighted at 50%.

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.

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 modify the weighting mix when this is better suited for representing ESG developments and incentivizing the Executive Board members accordingly. The Supervisory Board can choose from the following possible ESG criteria in particular:



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 fiscal year. If the actual result is equal to the minimum value or is less, the respective target achievement will be 0%. Between the minimum value and the target value, the target achievement is interpolated on a linear basis between 0% and 100%, and between the target value and the maximum value, the target achievement is interpolated on a linear basis between 100% and 200%. If the actual result exceeds the maximum value, the target achievement will be 200%. The target achievement is rounded up or down to integer percentage values.



The company STI targets can, depending on the relevant Executive Board member’s duties, be set solely based on the full Group (e.g., for the Chief Executive Officer (CEO) and Chief Financial Officer (CFO), or 50% based on the full Group and 50% based on the segment for which the respective Executive Board member is responsible (e.g., Rail Vehicle Systems or Commercial Vehicle Systems).

When determining the actual STI target achievement of the performance criteria EBIT, revenues, free cash flow and ESG, the actual values reported in the approved and audited consolidated financial statements (if available) are used as a basis. The Supervisory Board is entitled to exclude non-budgeted special effects at its equitable discretion in accordance with a catalog of criteria pre-defined by the Audit Committee. The aim of this adjustment is to measure the true management performance of the Executive Board members without distortion, e.g. through currency effects or effects from M&A activities.

The total STI target achievement is calculated from the weighted arithmetic mean of the target achievement on the individual company STI targets and takes into account the weighting determined by the Supervisory Board.

Modifier

At the beginning of the fiscal year, the Supervisory Board determines – in addition to the company STI targets – further strategic and nonfinancial performance criteria and their weighting as part of a modifier for evaluating the overall Executive Board’s performance. Performance criteria for evaluating the performance of the Executive Board might be, for example, collaboration within the Executive Board, lasting strategic, technical, or structural business development, the achievement of key strategic company targets, or the successful restructuring of business units.

The modifier is determined individually by the Supervisory Board depending on the level to which the strategic and nonfinancial performance criteria have been achieved for the respective Executive Board member. It can be between 0.8 and 1.2. The targets and the evaluation of the extent to which the targets have been achieved are explained afterward in the Compensation Report for the respective fiscal year.

Payout

The total target achievement, measured on the basis of the company STI targets, is multiplied by the individually defined modifier (0.8 to 1.2) and the relevant target amount in euros to produce the payment amount. The payment amount of the STI is limited to a maximum of 200% of the relevant target amount. The payout amount is due for payment in the month after the approval of Knorr-Bremse AG’s consolidated financial statements for the fiscal year relevant for the STI.

The Supervisory Board is entitled to temporarily adjust the plan terms of the STI in the event of extraordinary events or developments – e.g., on the acquisition or disposal of a business unit.

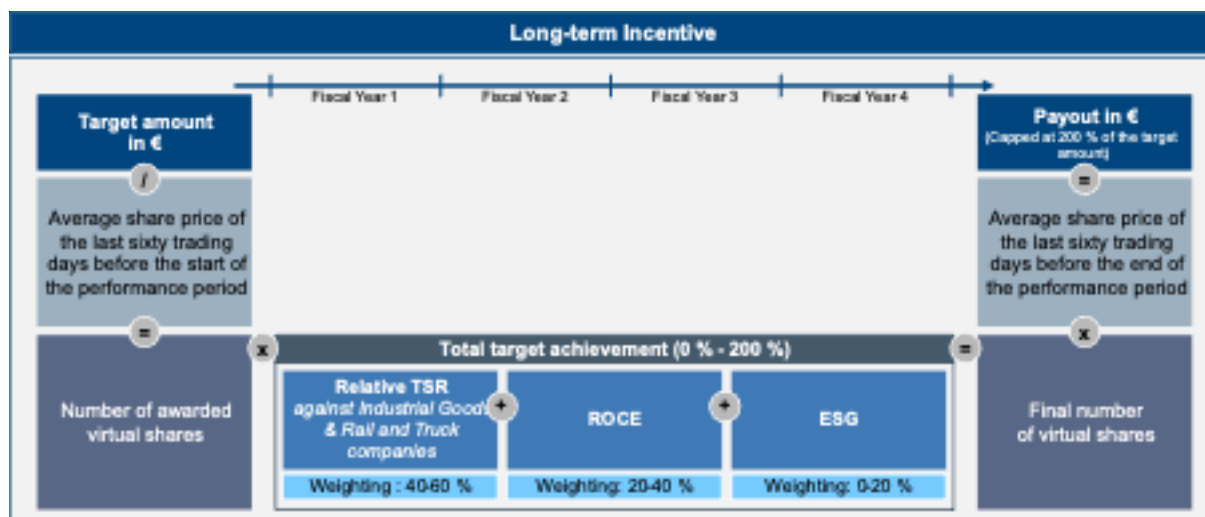
If a member’s appointment begins or ends during a fiscal year, the target amount is prorated to the time at which the appointment begins or ends. If the service agreement ends with a notice period, the target amount is prorated to the point in time at the end of the notice period. If the service agreement ends, the STI is calculated for the current fiscal year in accordance with the general STI rules and paid at the normal point in time.

3.2 LTI

The LTI is designed to be a performance share plan with a four-year performance period (“**performance period**”) where virtual shares in Knorr-Bremse AG are allocated in yearly tranches. 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 target amount and the average XETRA closing price of Knorr-Bremse AG shares in the sixty exchange trading days before the first day of the performance period.

At the end of the performance period, the target achievement for the LTI is measured and the payment amount defined for each Executive Board member, depending on the target achievement and the absolute share price performance, as follows:



LTI Performance Criteria

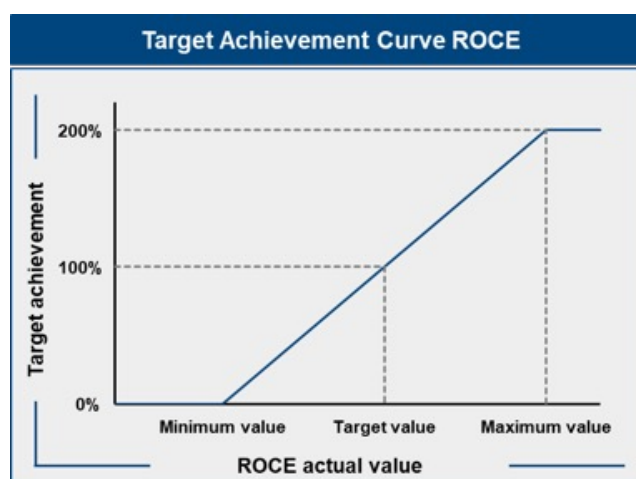
The relevant financial performance criteria for the performance share plan are the total shareholder return (“**TSR**”) for Knorr-Bremse AG compared with the TSR for companies from a peer group (“**relative TSR**”), with a weighting of 40%–60%, and the return on capital employed (“**ROCE**”), with a weighting of 20%–40%. The combination of an internal financial performance criterion (ROCE) with an external, capital market-based criterion (relative TSR) ensures that the LTI depends on the company’s long-term performance in terms of both internal and external factors. On top of that, the performance share plan also incorporates nonfinancial performance criteria in the form of ESG targets (“**ESG**”) with a weighting of 0%–20%. The Supervisory Board can determine the weighting of the performance criteria within the specified bandwidths, taking into consideration the operational and strategic priorities for each tranche at the given time, although the total weighting must always add up to 100%. The weighting for the previous tranche also applies to the following tranche unless another determination has been made. For the 2024 tranche, the weighting of the relative TSR is 50%, the weighting of the ROCE 30%, and the weighting of the ESG targets 20%.

ROCE

The term “ROCE” refers to a business management metric which is used for assessing a company’s earning power and the efficiency of its capital employed. ROCE is defined as the percentage ROCE presented in the Group Management Report based on the EBIT and capital employed presented in the approved and audited consolidated financial statements. Capital employed includes the sum total of intangible assets, net working capital, and property, plant, and equipment.

The relevant figure for the ROCE financial performance criterion is the average ROCE (“**average actual ROCE**”) of the performance period. The average actual ROCE is calculated from the arithmetic mean of the actual ROCE, as calculated according to the above definition, of all fiscal years 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 the average ROCE at the beginning of each performance period. If the actual average ROCE is equal to the minimum value or is less, the target achievement will be 0%. Between the minimum value and the target value, the target achievement is interpolated on a linear basis between 0% and 100%, and between the target value and the maximum value, the target achievement is interpolated on a linear basis between 100% and 200%. If the actual average ROCE exceeds the maximum value, the target achievement will be 200%. The target achievement is rounded up or down to integer percentage values.

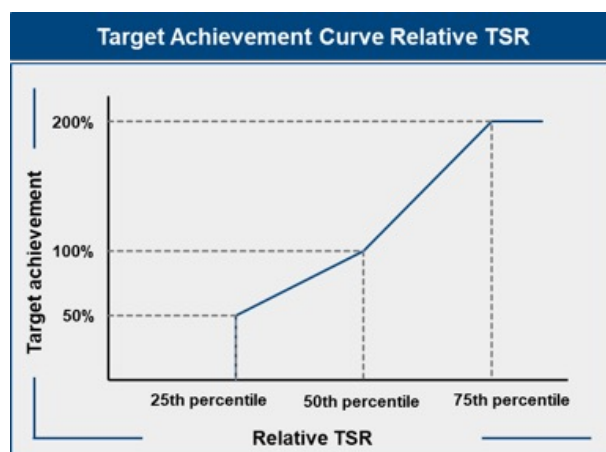


Relative TSR

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 above-average capital market performance, 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 peer group currently consists of 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.

If companies lose their suitability as a comparable company during a performance period, e.g., because they have been delisted, they are removed from the peer group and not replaced. The Supervisory Board is authorized to unilaterally modify the peer group for future tranches before the relevant performance period starts. There must be at least 12 companies in the peer group at the start of a performance period.

To measure 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. If the relative rank of Knorr-Bremse AG is at the 25th percentile, the target achievement will be 50%. For a relative rank below the 25th percentile, the target achievement will be 0%. For a position at the 50th percentile, the target achievement will be 100%. A position at the 75th percentile or above results in target achievement of 200%. Target achievement is interpolated on a linear basis for values between these points.

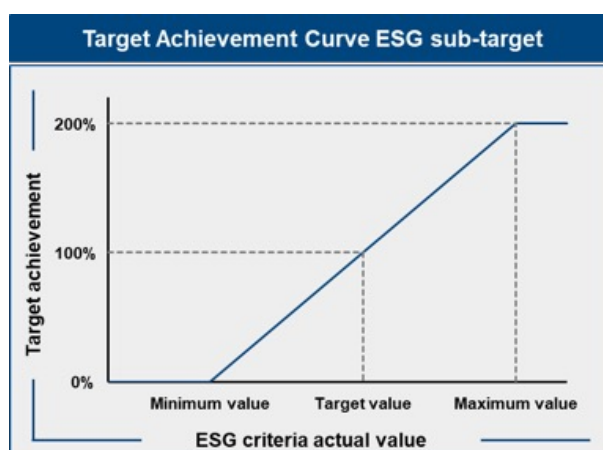


ESG

The nonfinancial ESG performance criterion is formed of two ESG criteria. The ESG criteria are, firstly, the reduction of Scopes 1 and 2 CO₂e emissions (“**Scopes 1 and 2 reduction**”), weighted at 70%, and, secondly, employee satisfaction, weighted at 30%.

- The applicable figures for the Scopes 1 and 2 reduction criterion are the CO₂e emissions in tCO₂e as presented in the company’s Group management report for the final year in the performance period.
- The applicable figure for the employee satisfaction criterion 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 fiscal year. If the actual result is equal to the minimum value or is less, the respective target achievement will be 0%. Between the minimum value and the target value, the target achievement is interpolated on a linear basis between 0% and 100%, and between the target value and the maximum value, the target achievement is interpolated on a linear basis between 100% and 200%. If the actual result exceeds the maximum value, the target achievement will be 200%. The target achievement is rounded up or down to integer percentage values. Alternatively, the Supervisory Board can opt to calculate staggered levels of target achievement from the engagement score in (integer) index points for the ESG criterion of employee satisfaction.



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 modify the weighting of the ESG criteria when this is better suited for representing ESG developments and incentivizing the Executive Board members accordingly. The Supervisory Board will take care that the ESG criteria for the single-year and multi-year variable remuneration amounts differ from each other. The Supervisory Board can choose from the following possible ESG criteria in particular:

Alternative ESG criteria		
Proportion of renewable energies	Revenue from reconditioning and overhaul work	Share of recycled waste
Share of EU taxonomy-aligned sales/Capex/Opex in relation to total sales/Capex/Opex	Share of products/product groups covered by LCA (Life Cycle Assessments)	Proportion of women in management positions
Proportion of secondary material (recyclates) in purchased products	Share of Scope 3 reduction (upstream) compared to the baseline (2021)	Share of suppliers with an ESG rating

When determining the LTI target achievement of the ROCE and the ESG criteria, the Supervisory Board is entitled to exclude non-budgeted special effects at its equitable discretion in accordance with a catalog of criteria predefined by the Audit Committee. The aim of this adjustment is to measure the true management performance of the Executive Board members without distortion, e.g. through effects from M&A activities.

Target Achievement and Payout

The total target achievement is calculated from the weighted arithmetic mean of the target achievement on the individual performance criteria and takes into account the weighting determined by the Supervisory Board.

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.

The payment amount is 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 payment amount of the LTI is limited to a maximum of 200% of the target amount. The payout amount is due for payment in the month after the approval of Knorr-Bremse AG's consolidated financial statements for the last fiscal year of the performance period.

It is not possible to make any subsequent changes to the performance criteria. The Supervisory Board is entitled to temporarily adjust the plan terms of the LTI in the event of extraordinary events or developments – e.g., on the acquisition or disposal of a business unit.

If the position of an Executive Board member begins partway through a fiscal year, the target amount of the LTI tranche starting with that fiscal year is prorated to the time at which the position begins. All claims associated with unpaid tranches and a current performance period lapse without substitution or compensation if, prior to the end of the performance period, the service agreement is terminated for good cause by the Knorr-Bremse AG, i.e., for extraordinary reasons for which the Executive Board member is responsible, or if the Executive Board member's appointment is revoked due to a gross breach of duty, or if the Executive Board member resigns from office without good cause and without the agreement of Knorr-Bremse AG. If a member's appointment ends for other reasons before the performance period has finished, the relevant LTI tranches remain as they are. On departure partway through a year, the LTI tranche of the award year in which the appointment ends is prorated to the end of the appointment. The payment amount is not paid out early.

3.3 Malus- und Clawback

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.

4. Share Ownership Guidelines (SOG)

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

II. Maximum Remuneration

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 remuneration is € 8,000,000 for the Chief Executive Officer (CEO) and € 4,500,000 for the ordinary Executive Board members.

The maximum remuneration may differ from the fixed maximum remuneration in the first or second year of their appointment when a new member of the Executive Board takes office, provided that the Supervisory Board in exceptional cases grants the new Executive Board member payments on taking office to compensate for payments lost from their previous employment. In this case, the relevant maximum remuneration for this particular fiscal year is increased by up to 50%.

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

III. Remuneration-Related Legal Arrangements

1. Agreement Duration and Requirements for Ending Remuneration-Related Legal Arrangements

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

The service agreements end prematurely if there is mutual agreement to ending the appointment and if the Supervisory Board approves it ("**mutual ending of appointment**"), effective as of the time that the appointment is ended by mutual agreement. If the Supervisory Board revokes the appointment, the service agreement will end prematurely after a notice period pursuant to section 622 (2) of the German Civil Code (BGB). The notice period is extended to up to 24 months, counted from the end of the month, if the Executive Board member's appointment is blamelessly revoked due to incapacity to conduct business properly or due to a vote of

no confidence at an Annual General Meeting, though is not extended any longer than the end of the regular agreement term. The extended notice period also applies if the Executive Board member resigns from his or her position on the Executive Board for good cause prematurely, unilaterally, and effectively. During the notice period, the members of the Executive Board receive their fixed annual salary. The claims to STI and LTI are based on the rules on leaving the Executive Board prematurely described above.

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

2. Termination Compensation

In the event of a mutual ending of appointment, members of the Executive Board may receive a compensation payment. The compensation payment must generally not exceed the value of two years' remuneration, and no more than the value of the remuneration for the remainder of the service agreement. The compensation payment is set off against any noncompete compensation paid by Knorr-Bremse AG. Even if the appointment is terminated by mutual agreement, the Executive Board member is not entitled to the compensation payment if the premature termination of the appointment was made at the request of the Executive Board member or if Knorr-Bremse AG had good cause to revoke the appointment or terminate the service agreement without notice or if the Executive Board member is subsequently reappointed to the Executive Board following the termination of the appointment by mutual agreement.

The Supervisory Board may sign noncompetition agreements with Executive Board members for a period of up to two years after they leave the company. During this period, the Executive Board members are entitled to noncompete compensation amounting, per month, to one-twelfth of the most recent fixed annual salary. The noncompete 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 noncompetition agreement is offset against the noncompetition compensation.

IV. Consideration of the Employees' Remuneration and Employment Conditions in the Establishment of the Remuneration System

The Supervisory Board regularly reviews the Executive Board's remuneration. The evaluation of the remuneration's appropriateness considers the peers of Knorr-Bremse AG (horizontal comparison in relation to the Executive Board members' remuneration) as well as the company's internal remuneration structure (vertical comparison).

The vertical comparison refers to the ratio of Executive Board remuneration to the remuneration of the upper levels of management as well as the overall workforce of Knorr-Bremse AG. For this purpose, the Supervisory Board has defined the upper levels of management as management level 1 (including members of the Management Boards of the Knorr-Bremse AG subsidiaries) and management level 2. For the overall workforce, the Supervisory Board uses as a basis the employees covered and not covered by collective bargaining agreements, excluding the members of the Management Board of Knorr-Bremse AG subsidiaries. The Supervisory Board considers the development of the remuneration for the groups described here and how the proportion has developed over time.

V. Process for Establishing, Implementing, and Reviewing the Remuneration System

The Supervisory Board passes a resolution for a clear and comprehensible remuneration system for the Executive Board members. The Executive Committee is responsible for preparing the Supervisory Board's resolution concerning the remuneration system and the regular review of the remuneration system. The Executive Committee provides the Supervisory Board with all the information needed for reviewing the remuneration system. The Supervisory Board carries out a review of the remuneration system according to its due discretion, though no later than every four years. When the Supervisory Board does this, it performs a market comparison and also considers changes in the business environment, the company's overall business position, the company's strategy, changes and trends in the national and international corporate governance standards, and the development of the employees' remuneration and employment conditions in accordance with section B.IV., above. If needed, the Supervisory Board consults external remuneration experts and other advisers. It makes sure that the external remuneration experts and advisers are independent of the Executive Board and takes precautions to avoid conflicts of interest.

The Supervisory Board proposes the remuneration system, as based on the passed resolution, for approval at the Annual General Meeting whenever there is a significant modification and at least every four years. If the proposed system is not approved at the Annual General Meeting, the Supervisory Board proposes a revised remuneration system for approval no later than the subsequent regular Annual General Meeting.

The Supervisory Board and the Executive Committee take suitable measures to ensure that possible conflicts of interest with Supervisory Board members involved in the discussions and decisions about the remuneration system are avoided and, if applicable, resolved. Every Supervisory Board member is required to notify the Chairman of the Supervisory Board of conflicts of interest. The Chairman of the Supervisory Board discloses to the Executive Committee any conflicts of interest concerning him. The Supervisory Board decides in the individual situation on how to respond to a conflict of interest that exists. One particular option is for a Supervisory Board member affected by a conflict of interest not to attend a meeting or individual discussions and decisions of the Supervisory Board or Executive Committee.

VI. Temporary Deviation from Remuneration System

The Supervisory Board can temporarily deviate from the remuneration system (procedures and rules relating to the remuneration structure) and its individual components and from individual remuneration components in the remuneration system or introduce new remuneration components by passing a resolution if this is necessary in the interests of the long-term health of Knorr-Bremse AG. The Supervisory Board reserves the right to make such deviations for extraordinary circumstances, such as an economic or company crisis. Such deviations may lead to a temporary deviation from the maximum remuneration for the Chief Executive Officer (CEO) or other ordinary Executive Board members.

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 (Aktengesetz: German Stock Corporation Act) 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, 2023).

This compensation report takes into account the feedback regarding the 2022 compensation report that the company received from investors in conjunction with its approval at the 2023 Annual General Meeting as well as independently in dialog with investors. The 2022 compensation report was approved with a majority of 68.44% of the valid votes cast, which, in the management's view (unchanged from the previous year), represents a critical assessment by investors. In order to reflect this, the Executive Board and Supervisory Board have decided not only to provide more detail in the descriptive sections of this compensation report but also to amend the provisions of the incentive architecture (STI, LTI) with effect from January 1, 2024, and to gradually implement malus and clawback arrangements in the service agreements of the Executive Board members. The necessary amendments of the compensation system will be presented for approval to the Annual General Meeting on April 30, 2024. They are described in detail in the invitation to the Annual General Meeting published on March 21, 2024. 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 2023 compensation report.

This compensation report is planned to be presented for approval at the Annual General Meeting on April 30, 2024.

Overview of the Fiscal Year

Business

The Executive Board of Knorr-Bremse AG is very satisfied with the business development in 2023, which was shaped by a gradual decline in what had been high inflation at the beginning of the year, and by geopolitical challenges.

Driven by higher volumes and price increase in order to pass on the higher procurement prices, revenues increased by 10.9% to € 7,925.6 million, which, as expected, was very positive compared with the previous year (€ 7,149.7 million). EBIT was € 869.9 million and thus significantly above the prior-year level by 20.6% (2022: € 721.3 million). Free cash flow amounted to € 551.7 million and was therefore significantly higher than in the previous year (2022: € 219.3 million).

The increase in revenues was attributable to the Commercial Vehicle Systems division, which reported an increase of 11.5% to € 4,180.2 million in its revenues. This increase resulted from increased truck production in Europe, Asia and North America, significant growth in both the aftermarket and OE businesses and price increases to pass on inflation-related costs in all regions. The Rail Vehicle Systems division increased its revenues by 10.2% year on year to € 3,747.5 million. The increase in revenues was primarily attributable to aftermarket business growth in all regions.

The Executive Board

Marc Llistosella has been Chief Executive Officer (CEO) of Knorr-Bremse AG since January 1, 2023.

Dr. Jürgen Wilder, the member of the Executive Board responsible for the Rail Vehicle Systems division, left the company at the close of September 30, 2023, and stepped down from the Executive Board at the same time.

As of October 1, 2023, the Supervisory Board appointed Dr. Nicolas Lange to succeed Dr. Wilder for a term of three years. He will hold Executive Board responsibility for the Rail Vehicle Systems division.

The Supervisory Board

Having reached retirement age, Mr. Erich Starkl stepped down as a member of the Supervisory Board of Knorr-Bremse AG at the close of June 30, 2023. Effective July 3,

2023, the Munich local court appointed Mr. Wolfgang Nirschl to succeed Mr. Starkl as a member of the Supervisory Board.

Executive Board Compensation

Description of the Compensation System

The system of compensation for Executive Board members in the version applicable since January 1, 2022, should be clear and understandable. It meets the requirements of the AktG as amended by the German Act on the Implementation of the Second Shareholders' Rights Directive (ARUG II) of December 12, 2019 (Federal Gazette Part I 2019, no. 50 of December 19, 2019) and with the exception of recommendation G.11 it follows 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 their 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 2023

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, 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	- 180% of target amount (Chief Executive Officer; CEO)
		- 200% of target amount (other Executive Board member; OEBM)
	Performance criteria	- EBIT* (30%)
		- Revenues* (20%)
- Free cash flow* (20%)		
Payout	- ESG* (20%) - Quality (10%) - Modifier (0.8–1.2) to reflect the individual and collective performance of the Executive Board, in addition to stakeholder targets	
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	- 180% of target amount (Chief Executive Officer; CEO)
		- 200% of target amount (other Executive Board member; OEBM)
	Performance criteria	- Earnings per share – EPS (50%)
		- Relative Total Shareholder Return – TSR (50%)
- Comparison with MDAX, selected companies in the “Rail and Truck” sector and “High Quality European Industrial Goods”		
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	
	- If applicable, guaranteed minimum compensation in the first twelve months	

* 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). The Supervisory Board is entitled to use its reasonable discretion to determine extraordinary influences based on a criteria catalog defined in advance by the Audit Committee. The aim of these adjustments is to measure the actual management performance without distortion, such as by translational FX effects or M&A effects.

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 sector-specific companies in the automotive sector (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 reviews of Executive Board compensation 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 total target compensation than the short-term variable

compensation. The relative proportions of fixed and variable compensation are shown below on the basis of the total target 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

On May 4, 2023, the Supervisory Board decided to increase the STI target amount for Frank Markus Weber, who joined the Executive Board as Chief Financial Officer (CFO) as of July 1, 2020, to € 750 thousand per year, and his LTI target amount to € 900 thousand per year, each with effect from July 1, 2023. The increase applies pro rata temporis for fiscal year 2023.

The target compensation of the Executive Board members active in 2023 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) ¹⁾			Dr. Claudia Mayfeld Executive Board Member for Integrity, Legal Affairs and HR (since May 1, 2021)		
in € thousand	2023	In %	2022	2023	In %	2022	2023	In %	2022
Base remuneration	1,000	24	–	900	33	1,100	900	36	867
Fringe benefits	45	1	–	13	0	21	19	1	15
Pension contribution	300	7	–	300	11	300	200	8	183
One-year variable compensation (STI)									
STI 2023	1,300	31	–	675	25	–	600	24	–
STI 2022	–	–	–	–	–	620	–	–	600
Multi-year variable compensation (LTI)									
LTI 2023-2026	1,500	36	–	850	31	–	800	32	–
LTI 2022-2025	–	–	–	–	–	880	–	–	800
Total target compensation	4,145	100	–	2,738	100	2,921	2,519	100	2,465

	Bernd Spies Commercial Vehicle Systems division (since March 12, 2022) ²⁾			Dr. Nicolas Lange Rail Vehicle Systems division (since October 1, 2023) ²⁾			Dr. Jürgen Wilder Rail Vehicle Systems division (until September 30, 2023) ²⁾		
in € thousand	2023	In %	2022	2023	In %	2022	2023	In %	2022
Base remuneration	880	34	641	200	32	–	675	34	900
Fringe benefits	16	1	10	5	1	–	15	1	18
Pension contribution	300	12	241	75	12	–	225	11	300
One-year variable compensation (STI)									
STI 2023	600	23	–	150	24	–	450	23	–
STI 2022	–	–	482	–	–	–	–	–	600
Multi-year variable compensation (LTI)									
LTI 2023-2026	800	31	–	200	32	–	600	31	–
LTI 2022-2025	–	–	643	–	–	–	–	–	800
Total target compensation	2,596	100	2,017	630	100	–	1,965	100	2,618

1) Due to the temporary assumption of the position of Speaker of the Executive Board, Mr. Weber's compensation in 2022 was increased by a total of € 300,000 on a one-time basis; of this total, € 200,000 was paid as a fixed amount in December 2022, € 20,000 was allocated to an increase in the 2022 STI target amount and € 80,000 to an increase in the LTI target amount for the 2022–2025 tranche.

2) Target compensation for the corresponding fiscal year is shown pro rata temporis due to appointment or departure in the course of the year.

Fixed Remuneration 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 twelve 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. Furthermore, Executive

Board members are covered by a D&O liability insurance policy.

The company reimbursed the costs of Mr. Llistosella's relocation from Portugal to Munich in the amount of € 15,167, net, as a one-time fringe benefit, due to his appointment as Executive Board member and CEO. The company also bore the costs of Mr. Llistosella's temporary accommodation for the period from January 7 to May 8, 2023 in the amount of € 11,346, net.

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 made in fiscal year 2023, neither in connection with the appointment of Marc Llistosella as CEO and Executive Board member as of January 1, 2023, nor with the appointment of Dr. Nicolas Lange as Executive Board member as of October 1, 2023.

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.

The first step of 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 STI payment in fiscal year 2023 were EBIT, accounting for 30%, and revenues and free cash flow, each accounting for 20%. In addition, target achievement depended on the quality performance criterion, which accounted for 10%, and on internal and external ESG targets, which accounted for 20%.

EBIT refers to earnings before interest, other financial result, and 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 a first-class 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 performance criterion. In fiscal year 2023, these consisted of 50% internal ESG subtargets ("**ESG internal subtargets**") and 50% external ESG subtargets ("**ESG external subtargets**"). The ESG internal subtarget reflects the own contribution to carbon neutrality (50%) and the change in the number of accidents per 200,000 working hours (50%). The ESG external subtarget tracks the company's positioning in the ESG ratings by the agencies ISS (ESG rating in the Heavy Trucks, Construction and Farm Machinery peer group), SAM (Corporate Sustainability Assessment in the IEQ Machinery and Electrical Equipment peer group) and Sustainability (CSA rating in the Heavy Machinery and Trucks peer group). Achievement is measured as the average percentile placing, which is the arithmetic mean of the three individual ratings.

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/Dr. Jürgen Wilder 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 each internal and external subtarget 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, with target achievement between 0% (for achieving 80% of the target) and 200% (for achieving 120% of the target) interpolated on a straight-line basis.

Total target achievement is calculated as follows:

- Total target achievement =
- EBIT target achievement x 30%
- + revenues target achievement x 20%
- + free cash flow target achievement x 20%
- + ESG target achievement x 20%
- + quality target achievement x 10%

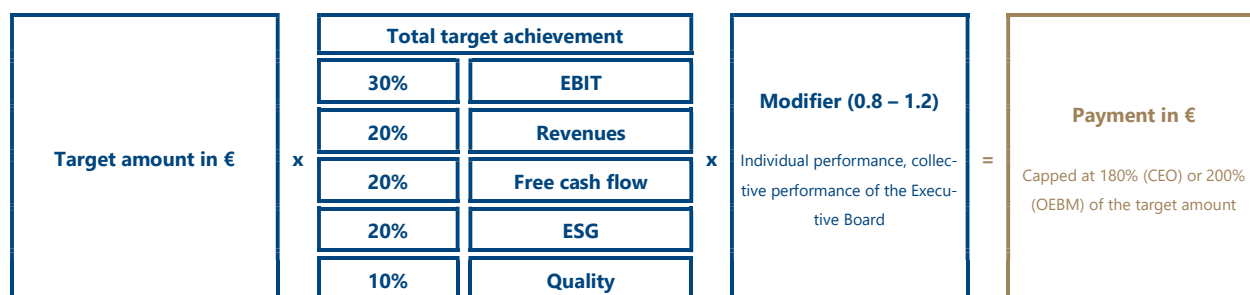
At the beginning of the year, in addition to the performance criteria, the Supervisory Board defines other non-financial performance criteria and their weightings, in order to assess the individual performance of the Executive Board member and the performance of the entire Executive Board and the achievement of stakeholder targets

("performance criteria"). The individual performance criteria are taken into account by means of a modifier. This is set by the Supervisory Board at its professional 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. The annual STI payment was capped at 180% of the target amount for the CEO and at 200% of the target amount for the ordinary Executive Board members in fiscal year 2023. 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). The Supervisory Board is entitled to use its reasonable discretion to determine extraordinary influences based on a criteria catalog defined in advance by the Audit Committee. The aim of these adjustments is to measure the *actual management performance* without distortion, such as by translational FX 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 fiscal year 2023 [Table → 4.02](#), [Table → 4.03](#). Under the influence of a very challenging fiscal year 2022, the target values for the performance criteria were derived before the start of fiscal year 2023 from the budget planning approved by the Supervisory Board. The

capital market guidance for fiscal year 2023 confirmed these targets. The outperformance of the guidance for revenues and free cash flow and a year-on-year improvement in the operating EBIT margin lead to a corresponding high target achievement in the EBIT, revenues, and free cash flow performance criteria.

4.02 STI TARGET ACHIEVEMENT 2023 – 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%	651	814	847	870	887	200%
Revenues (in € million)	Dr. Claudia Mayfeld: 100%	5,966	7,457	7,564	7,926	7,980	200%
	Bernd Spies: 50%						
Free cash flow (in € million)	Dr. Nicolas Lange: 50%	346	433	449	552	575	200%
	Dr. Jürgen Wilder: 50%						
Commercial Vehicle Systems							
EBIT (in € million)	Bernd Spies: 50%	311	389	404	398	414	200%
Revenues (in € million)		3,119	3,899	3,966	4,180	4,173	200%
Free cash flow (in € million)		187	234	245	299	297	200%
Rail Vehicle Systems							
EBIT (in € million)	Dr. Nicolas Lange: 50%	391	489	504	532	532	200%
Revenues (in € million)	Dr. Jürgen Wilder: 50%	2,847	3,559	3,599	3,748	3,809	200%
Free cash flow (in € million)		308	384	403	403	421	200%

4.03 STI TARGET ACHIEVEMENT 2023 – 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%		1.3		1.1	189%
Ready for assembly (in ppm)	8,0%		275		182	
Raw material (in ppm)	8,0%		3,000		1,433	
Functional test failures (in ppm)	8,0%		5,500		3,708	
Intercompany rejects (in ppm)	8,0%		45		24	
Zero mileage (in ppm)	8,0%		22		9	
Quality Rail Vehicle Systems						
Cost of poor quality (in %)	50,0%		1.3		1.0	192%
Supplied delivery quality (in ppm)	25,0%		950		732	
Delivery quality (in ppm of external delivery quantity)	25,0%		1,450		1,241	
ESG Group						
Own contribution to carbon neutrality (in GWh) (internal)	25,0%	2.2	5.4	8.7	8.2	147%
Workplace accidents per 200,000 contractual working hours (internal)	25,0%	1.16	0.89	0.62	0.65	
Relative placing in ESG ranking (external)	50,0%	50%	11.5% - 14.5%	5%	11%	
ESG Commercial Vehicle Systems						
Own contribution to carbon neutrality (in GWh) (internal)	25,0%	1.3	3.3	5.3	5.0	148%
Workplace accidents per 200,000 contractual working hours (internal)	25,0%	0.91	0.70	0.49	0.45	
Relative placing in ESG ranking (external)	50,0%	50%	11.5% - 14.5%	5%	11%	
ESG Rail Vehicle Systems						
Own contribution to carbon neutrality (in GWh) (internal)	25,0%	0.9	2.1	3.4	3.2	142%
Workplace accidents per 200,000 contractual working hours (internal)	25,0%	1.43	1.10	0.77	0.84	
Relative placing in ESG ranking (external)	50,0%	50%	11.5% - 14.5%	5%	11%	

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 2023, the Supervisory Board has defined the following overarching objectives for the Executive Board in particular, which are weighted differently: gradual realization of diversity targets for the management levels and the total workforce; further

development of the strategic target of the Knorr-Bremse Group and the divisions; pre-study and implementation plan for the S4/HANA project including implementing the basics with the aim of maximum cross-divisional standardization; realizing the core issues of the global employee survey and developing a strategic target for management culture. On this basis, the Supervisory Board defined the individual modifier in accordance with its

professional discretion for all Executive Board members in office as of December 31, 2023 as 1.0. When he left the company, the Supervisory Board agreed on an individual modifier of 1.0 for the prorated STI 2023 (January to

September) in the severance agreement with Dr. Jürgen Wilder.

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

4.04 INDIVIDUAL STI TARGET ACHIEVEMENT 2023

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	200%	191%	147%	1.0	188%
Frank Markus Weber	200%	191%	147%	1.0	188%
Dr. Claudia Mayfeld	200%	191%	147%	1.0	188%
Bernd Spies	200%	189%	148%	1.0	188%
Dr. Nicolas Lange	200%	192%	145%	1.0	188%
Dr. Jürgen Wilder	200%	192%	145%	1.0	188%

LTI (description and award of the 2023-2026 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 take 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 defined for each Executive Board member depending on the target achievement.

The relevant performance criteria for the performance share plan are the total shareholder return ("**TSR**") for Knorr-Bremse AG compared with the TSR for companies from three peer groups ("**relative TSR**") and the performance of earnings per share ("**EPS**"). This combines an internal financial performance criterion (EPS) with an external capital market-based criterion (TSR).

EPS are the undiluted earnings after taxes from continuing operations per share presented in the audited and approved consolidated financial statements of Knorr-Bremse AG.

Target achievement for the EPS performance criterion is measured by comparing the average actual EPS and the strategic target EPS set by the Supervisory Board during the performance period. The ratio of average actual EPS to strategic target EPS (as a percentage) reflects the EPS target achievement, which is interpolated on a straight-line basis between 0% for achieving 80% of the target and 200% for achieving 140% of the target.

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. The TSR of Knorr-Bremse AG is compared with that of peer group companies to incentivize the strategy of sustainable, above-market growth and take the competitive position of Knorr-Bremse AG into account. The following companies and peer groups are used for the LTI 2023-2026 tranche:

- All companies in the MDAX during an entire performance period (excluding Knorr-Bremse AG).
- Selected companies in the Rail and Truck sector (currently: Alstom S.A., Cummins, Inc., Jost AG, Navistar, Inc., Paccar, Inc., SAF-Holland S.A., Stadler Rail AG, Vossloh AG, and TRATON SE).
- Selected companies in the High Quality European Industrial Goods sector (currently: Alfa Laval A.B., Atlas Copco A.B., Kone Corporation, Legrand S.A., MTU Aero Engines AG, NORMA Group SE, Rotork plc., Safran S.A., Schindler Holding AG, and Stabilus S.A.).

To measure target achievement in terms of relative TSR for Knorr-Bremse AG in relation to peer group companies, the relative TSR ranking achieved by Knorr-Bremse AG within each peer group is determined and on this basis the average relative ranking across all three peer groups. The average 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:

$$\begin{aligned} \text{Total target achievement} = & \\ & \text{EPS target achievement} \times 50\% \\ + & \text{relative TSR target achievement} \times 50\% \end{aligned}$$

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 2020-2023 LTI tranche, which will be paid out in April 2024. [Table → 4.05, 4.06](#)

For the 2023-2026 LTI tranche, the figures shown in [Table → 4.07](#) represent the floor, target and cap for EPS and relative TSR.

In addition, [Table → 4.08](#) shows the number of virtual shares awarded to each Executive Board member for the 2023-2026 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 also shows the difference between the originally recognized fair value and the actual payment amount (**Fig. 4**). This is relevant for the first time in the compensation report for 2024.

4.05 LTI TARGET ACHIEVEMENT 2020-2023

Award price 2020	in €	88.33
Award price 2023	in €	55.88
Strategic target EPS*	in €	3.72
Average actual EPS	in €	3.35
Achievement of average actual EPS	in %	75.3
Relative TSR target		50th percentile
Actual relative TSR		22.6th percentile
Relative TSR target achievement	in %	0.0
Total target achievement	in %	37.6

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

4.06 INDIVIDUAL LTI TARGET ACHIEVEMENT 2020-2023

Executive Board member	Target amount (in € thousand)	Number of performance share units awarded	Target achievement	Number of final performance share units	Award price 2023 (in €)	Payment amount (in € thousand)
Frank Markus Weber	400	4,529	37.6%	1,704	55.88	95
Former Executive Board members	Target amount (in € thousand)	Number of performance share units awarded	Target achievement	Number of final performance share units	Award price 2023 (in €)	Payment amount (in € thousand)
Dr. Jürgen Wilder (until September 30, 2023)	800	9,057		3,408		190
Dr. Peter Laier (until December 31, 2022)	800	9,057	37.6%	3,408	55.88	190
Bernd Eulitz (until August 31, 2020)	1,333	15,095		5,680		317

4.07 LTI TARGET 2023-2026

Performance criterion	Weighting	Floor	Target level	Maximum value
Relative TSR	50%	25th percentile	50th percentile	75th percentile
EPS	50%	€3.15	€3.94	€5.52

4.08 LTI AWARD 2023-2026

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, 2023	LTI measured as of December 31, 2023 (in € thousand)
Marc Llistosella	1,500	50.22	29,869	53,764	101.10%	1,517
Frank Markus Weber	850		16,926	33,852	106.15%	902
Dr. Claudia Mayfeld	800		15,930	31,860	106.15%	849
Bernd Spies	800		15,930	31,860	106.15%	849
Dr. Nicolas Lange	200		3,983	7,966	106.15%	212
Dr. Jürgen Wilder	600		11,947	23,894	106.15%	637

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 should 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 reasonable discretion to depart from the SOG provisions, taking into account the circumstances of the case (e.g., on account of restrictions on the acquisition of shares as a result of contractual, internal, or legal provisions).

As of December 31, 2023, the members of the Executive Board in office 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	2,000	113,684	11%
Frank Markus Weber	Jun. 30, 2024	12,424	903,382	100%
Dr. Claudia Mayfeld	Apr. 30, 2025	7,592	600,543	67%
Bernd Spies	March 11, 2026	4,225	259,161	29%
Dr. Nicolas Lange	September 30, 2027	975	50,934	6%

Malus/clawback

The compensation system for the Executive Board does not currently have a malus or clawback clause. The Supervisory Board intends to implement common-practice malus and clawback arrangements in the service agreements of the Executive Board members from fiscal year 2024. The necessary changes to the compensation system for the Executive Board will be submitted to the Annual General Meeting on April 30, 2024 for approval and gradually implemented contractually as part of contract extensions or new contracts.

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 is € 6,370,000 for the Chief Executive Officer (CEO) and € 4,030,000 for each ordinary Executive Board member.

Regardless of the maximum compensation, the amount of individual variable compensation components paid is also capped at 180% of the target amount for the CEO and 200% for the ordinary Executive Board members.

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 2023-2026 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 2023 in the compensation report for fiscal year 2026. If the amount for the LTI 2023-2026 results in the maximum compensation were to be exceeded, the payout amount would be reduced in accordance with the arrangements in the service agreement. If the limit for a fiscal year is exceeded and reducing the payout amount for the LTI for the relevant award year still does not bring the compensation back below the limit, the STI will be reduced. If

necessary, the Supervisory Board can exercise its professional discretion to 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 active 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 twelve months, and for Mr. Weber and Dr. Wilder (who left as of September 30, 2023) 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.

Dr. Jürgen Wilder stepped down as member of the Executive Board of Knorr-Bremse AG and left the company with effect from September 30, 2023. His fixed compensation, pension contribution, STI for 2023 and LTI for the performance period 2023-2026 were paid pro rata temporis until September 30, 2023, i.e., reduced to 9/12 of the annual compensation or target amount. For the STI for fiscal year 2023, Dr. Wilder will receive a pro rata STI of € 846 thousand, which will be paid in April 2024 along with the LTI for the 2020-2023 performance period of € 190 thousand. The LTI entitlements for performance periods 2021-2024, 2022-2025 and (pro rata temporis) 2023-2026 will be paid out on the relevant due dates, i.e., in 2025, 2026 and 2027. The Supervisory has signed a non-competition agreement with Dr. Wilder for one year after he left the company. In addition, Dr. Wilder received compensation of € 3,173 thousand which was paid to him in 2023 and was offset against the non-compete compensation owed in monthly installments for the duration of the non-compete period. It was calculated on the basis of the compensation system 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 fiscal year 2023.

The LTI 2023-2026 was fully vested in 2023 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, 2023. The LTI 2023-2026 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 2026. A complete loss of all entitlement is also still possible.

Similarly, the LTI 2022-2025 was fully vested in 2022 in accordance with the agreement. The fair value as of December 31, 2022, calculated as for the LTI 2023-2026, is therefore shown as the previous year's figure.

FIG. 4 PRESENTATION OF 2023 COMPENSATION ELEMENTS AS COMPENSATION GRANTED AND OWED



Active Executive Board members

The following [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 Executive Board members active in fiscal year 2023, along with the corresponding figures for the previous year 2022 (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) ¹⁾			Dr. Claudia Mayfeld Executive Board Member for Integrity, Legal Affairs and HR (since May 1, 2021)		
in € thousand	2023	In %	2022	2023	In %	2022	2023	In %	2022
Base remuneration	1,000	19	–	900	27	1,100	900	29	867
Fringe benefits	45	1	–	13	0	21	19	1	15
Pension contribution	300	6	–	300	9	300	200	6	183
One-year variable compensation (STI)									
STI 2023	2,340	45	–	1,269	38	–	1,128	36	–
STI 2022	–	–	–	–	–	634	–	–	558
Multi-year variable compensation (LTI) ²⁾									
LTI 2023-2026	1,517	29	–	902	27	–	849	27	–
LTI 2022-2025	–	–	–	–	–	343	–	–	312
Total compensation pursuant to section 162 AktG	5,202	100	–	3,384	100	2,398	3,096	100	1,935

	Bernd Spies Commercial Vehicle Systems division (since March 12, 2022)			Dr. Nicolas Lange Rail Vehicle Systems division (since October 1, 2023)			Dr. Jürgen Wilder Rail Vehicle Systems division (until September 30, 2023)		
in € thousand	2023	In %	2022	2023	In %	2022	2023	In %	2022
Base remuneration	880	28	641	200	26	–	675	28	900
Fringe benefits	16	1	10	5	1	–	15	1	18
Pension contribution	300	9	241	75	10	–	225	9	300
One-year variable compensation (STI)									
STI 2023	1,128	36	–	282	36	–	846	35	–
STI 2022	–	–	444	–	–	–	–	–	534
Multi-year variable compensation (LTI) ²⁾									
LTI 2023-2026	849	27	–	212	27	–	637	27	–
LTI 2022-2025	–	–	250	–	–	–	–	–	312
Total compensation pursuant to section 162 AktG	3,173	100	1,586	774	100	–	2,398	100	2,064

1) Due to the temporary assumption of the position of Speaker of the Executive Board, Mr. Weber's compensation in 2022 was increased by a total of € 300,000 on a one-time basis; of this total, € 200,000 was paid as a fixed amount in December 2022, € 20,000 was allocated to an increase in the 2022 STI target amount and € 80,000 to an increase in the LTI target amount for the 2022–2025 tranche.

2) The LTI 2022-2025 and LTI 2023-2026 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.

Former Executive Board members

The following [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 2023.

4.11 COMPENSATION GRANTED AND OWED TO FORMER EXECUTIVE BOARD MEMBERS

in € thousand	Dr. Jürgen Wilder (until September 30, 2023)		Bernd Eulitz (until August 31, 2020)		Ralph Heuwing (until April 30, 2020)	
	2023	In %	2023	In %	2023	In %
Non-compete compensation	225	9	-	-	-	-
One-year variable compensation (STI)	-	-	-	-	186	100
Compensation payment	2.273	91	300	100	-	-
Retirement pension	-	-	-	-	-	-
Total compensation pursuant to section 162 AktG	2.498	100	300	100	186	100

in € thousand	Dr. Dieter Wilhelm (until June 30, 2016)		Executive Board members who left prior to December 31, 2013	
	2023	In %	2023	In %
Non-compete compensation	-	-	-	-
One-year variable compensation (STI)	-	-	-	-
Compensation payment	-	-	-	-
Retirement pension	262	100	259	100
Total compensation pursuant to section 162 AktG	262	100	259	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 year 2023 after the Annual General Meeting on April 30, 2024. 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 → 4.12](#) shows the committee memberships and attendance of the individual Supervisory Board members in fiscal year 2023 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 fiscal year 2023. This is payable after the 2024 Annual General Meeting. Supervisory Board members did not receive any loans from the company in either fiscal year 2022 or fiscal year 2023.

4.12 MEMBERSHIP OF SUPERVISORY BOARD COMMITTEES AND ATTENDANCE AT MEETINGS

	Executive Committee (attendance/all meetings ²⁾)	Audit Committee (attendance/all meetings ²⁾)	Strategy Committee (attendance/all meetings ²⁾)	Nomination Committee (attendance/all meetings ³⁾)
Dr. Reinhard Ploss (Chairman of the Supervisory Board)	6/6 (C)	5/6 (M)	4/4 (M)	-
Franz-Josef Birkeneder ¹⁾ (Deputy Chairman of the Supervisory Board)	6/6 (M)	6/6 (M)	4/4 (M)	
Dr. Theodor Weimer (Deputy Chairman of the Supervisory Board)	6/6 (M)			
Kathrin Dahnke		6/6 (C)		-
Michael Jell ¹⁾	6/6 (M)		2/2 (M)	
Dr. Sigrid Evelyn Nikutta			3/3 (M)	
Wolfgang Nirschl ¹⁾ (since July 3, 2023)				
Werner Ratzisberger ¹⁾		5/6 (M)		
Annemarie Sedlmair ¹⁾				
Dr. Stefan Sommer			4/4 (C)	
Julia Thiele-Schürhoff			4/4 (M)	-
Sylvia Walter ¹⁾				
Erich Starkl ¹⁾ (until June 30, 2023)				

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.

3) The Nomination Committee did not meet in fiscal year 2023.

4.13 COMPENSATION GRANTED AND OWED

in € thousand	2023							2022						
	Base remuneration	In %	Commit-tee compensation	In %	Attendance fee ¹⁾	In %	Total compensation	Base remuneration	In %	Commit-tee compensation	In %	Attendance fee ¹⁾	In %	Total compensation
Dr. Reinhard Ploss (Chairman of the Supervisory Board) (since May 24, 2022)	300	62	170	35	16	3	486	200	62	113	35	12	4	325
Franz-Josef Birkeneder ²⁾ (Deputy Chairman of the Supervisory Board)	150	54	110	40	17	6	277	150	53	110	39	25	9	285
Dr. Theodor Weimer (Deputy Chairman of the Supervisory Board)	150	79	30	16	9	5	189	150	77	30	15	14	7	194
Kathrin Dahnke	100	43	120	52	12	5	232	100	42	120	50	18	8	238
Michael Jell ²⁾³⁾	100	63	50	31	10	6	160	100	70	30	21	13	9	143
Dr. Sigrid Evelyn Nikutta (since May 24, 2022)	100	74	27	20	9	7	136	67	94	-	-	4	6	71
Wolfgang Nirschl ²⁾ (since July 3, 2023)	50	93	-	-	4	7	54	-	-	-	-	-	-	-
Werner Ratzisberger ²⁾	100	66	40	26	11	7	151	100	65	40	26	14	9	154
Annemarie Sedlmair ^{2), 3)}	100	94	-	-	6	6	106	100	92	-	-	9	8	109
Dr. Stefan Sommer	100	43	120	52	10	4	230	100	43	120	52	13	6	233
Julia Thiele-Schürhoff	100	67	40	27	9	6	149	100	71	27	19	13	9	140
Sylvia Walter ²⁾	100	94	-	-	6	6	106	100	93	-	-	7	7	107
Erich Starkl ²⁾ (until June 30, 2023)	50	96	-	-	2	4	52	100	93	-	-	7	7	107

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 of € 38 thousand and € 25 thousand respectively from subsidiaries of Knorr-Bremse in 2022 and 2023.

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 and earnings per share (EPS) of the Knorr-Bremse Group as well as the 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⁾

	2023	Change 2023/2022	Change 2022/2021	Change 2021/2020
	in € thousand	In %	In %	In %
Executive Board members				
Marc Llistosella ²⁾	5,202	-	-	-
Frank Markus Weber	3,384	41	-11	12
Dr. Claudia Mayfeld	3,096	60	24	-
Bernd Spies	3,173	100	-	-
Dr. Nicolas Lange ²⁾	774	-	-	-
Dr. Jürgen Wilder ²⁾	4,896	137	-32	5
Former Executive Board members				
Bernd Eulitz	300	-81	50	-68
Ralph Heuwing	186	-85	167	-83
Dr. Dieter Wilhelm	262	14	0	0
Members who left prior to December 31, 2013	259	-13	1	2
Supervisory Board members				
Dr. Reinhard Ploss	486	50	-	-
Franz-Josef Birkeneder ⁴⁾	277	-3	52	17
Dr. Theodor Weimer	189	-3	55	213
Kathrin Dahnke	232	-3	70	-18
Michael Jell ⁴⁾	160	12	43	0
Dr. Sigrid Evelyn Nikutta	136	91	-	-
Wolfgang Nirschl ³⁾⁴⁾	54	-	-	-
Werner Ratzisberger ⁴⁾	151	-2	54	0
Annemarie Sedlmair ⁴⁾	106	-3	36	0
Dr. Stefan Sommer	230	-1	75	-
Julia Thiele-Schürhoff	149	6	75	0
Sylvia Walter ⁴⁾	106	-1	102	-
Erich Starkl ³⁾⁴⁾	52	-51	34	0
Earnings indicators				
<i>Knorr-Bremse Group</i>				
Revenues (in € million)	7,926	11	7	9
EBIT (in € million)	870	21	-21	13
Free cash flow (in € million)	552	152	-63	-13
Earnings per share – undiluted (in €)	3.43	13	-21	25
<i>Knorr-Bremse AG</i>				
Net income according to German GAAP (in € million)	561	298	-58	-13
Workforce remuneration				
Workforce of the Knorr-Bremse Group in Germany	88	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) Marc Llistosella has been Chairman of the Executive Board since January 1, 2023.
Dr. Nicolas Lange has been a member of the Executive Board since October 1, 2023.
Dr. Jürgen Wilder was a member of the Executive Board until September 30, 2023.

3) Wolfgang Nirschl has been a member of the Supervisory Board since July 3, 2023.
Erich Starkl was a member of the Supervisory Board until June 30, 2023.

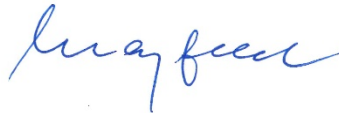
4) Elected by the employees.

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, 2024.

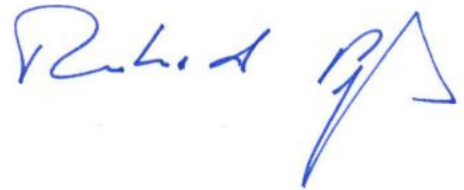
Munich, March 20, 2024



MARC LLISTOSELLA
CEO
Knorr-Bremse AG



DR. CLAUDIA MAYFELD
Executive Board member for Integrity, Legal Affairs 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, Munich, for the financial year from January 1 to December 31, 2023, 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 January 1 to December 31, 2023, 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 Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms] as amended on 1 January 2017. 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, March 21, 2024

KPMG AG

Wirtschaftsprüfungsgesellschaft

[Original German version signed by:]

Becker
Wirtschaftsprüfer
[German Public Auditor]

Mokler
Wirtschaftsprüfer
[German Public Auditor]

III. Further Information

1. Total number of shares and voting rights

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

2. Prerequisites for participation in the virtual Annual General Meeting and for exercising the voting rights

The Executive Board of Knorr-Bremse Aktiengesellschaft has decided to hold the Annual General Meeting as a virtual annual general meeting pursuant to Sec. 118a AktG without the shareholders or their authorized representatives being physically present at the location of the Annual General Meeting. Neither the shareholders nor their authorized representatives (with the exception of company-nominated proxies) can physically attend.

Properly registered shareholders and their authorized representatives therefore may participate in the Meeting and exercise their voting rights, as well as further shareholders' rights, only by attending the virtual Annual General Meeting on April 30, 2024, from 10:00 a.m. (CEST) by means of electronic communication via the online service. How to access the online service and attend the Meeting is described below.

Shareholders or their authorized representatives may exercise their voting rights exclusively by absentee voting (also by means of electronic communication) or by granting powers of attorney and issuing instructions to the company-nominated proxies as set out in more detail below.

Live broadcast of the Annual General Meeting

For properly registered shareholders and their authorized representatives, the Annual General Meeting will be broadcast in a live audio and video stream via the online service (ir.knorr-bremse.com/agm) on April 30, 2024, at 10:00 a.m. (CEST). How shareholders and their authorized representatives can access the online service is described below under "Access to the online service and attending the meeting by electronic means".

In addition to the broadcast of the Annual General Meeting for duly registered shareholders via the online service, the entire Annual General Meeting can also be watched by other interested parties via ir.knorr-bremse.com/agm. At the same website a recording of the speeches of the Chairman of the Supervisory Board and of the Executive Board, but not of the entire Annual General Meeting, will be available after the Annual General Meeting.

Access to the online service and attending the meeting by electronic means

The company has set up an online service for the Annual General Meeting. Properly registered shareholders can attend the Annual General Meeting by electronic means via the online service and in this way participate in the Meeting and exercise shareholders' rights as well as tune in to the entire Annual General Meeting in a live audio and video stream by means of electronic communication. The password-protected online service may be accessed as from April 9, 2024, via the company's website at **ir.knorr-bremse.com/agm**.

Following receipt of their registration and proof of their shareholding in accordance with the requirements set out below, the shareholders entitled to participate and their authorized representatives will be sent registration confirmations for the Annual General Meeting that will also include the login details for the online service.

Right to participate by registering and providing proof of shareholding

Pursuant to Art. 21 of the company's Articles of Association, shareholders are entitled to attend the Annual General Meeting by electronic means via the online service and to exercise their shareholders' rights, in particular their voting rights, if they have registered for the Annual General Meeting with the company prior to the Meeting and if they have submitted proof of their entitlement to attend. Such entitlement is proven in the form of proof of a shareholding issued by the ultimate intermediary, which is usually the depository institution. The proof of shareholding must refer to April 8, 2024, 24:00 hrs. (CEST) (**record date**).

The registration for the Annual General Meeting and the proof of shareholding must be received by Knorr-Bremse Aktiengesellschaft by **April 23, 2024, 24:00 hrs. (CEST)** at the latest at the following address:

Knorr-Bremse Aktiengesellschaft
c/o ADEUS Aktienregister-Service-GmbH
Postfach 57 03 64
22772 Hamburg, Germany
or via email hv-service.knorr-bremse@adeus.de

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

Usually, the depository institutions take care of the required registration and the transmission of the proof of shareholding for their customers. Shareholders wishing to participate in the Annual General Meeting are requested to have their depository institution submit the required registration and proof of their shareholding in good time.

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

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

Procedure for absentee voting (also by means of electronic communication)

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

The form sent to shareholders together with their registration confirmation, which is also accessible in printable format on the website ir.knorr-bremse.com/agm, can be used for purposes of absentee voting by mail.

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

- If by mail, by no later than **April 29, 2024, 24:00 hrs. (CEST)** exclusively to the following address:

Knorr-Bremse Aktiengesellschaft
c/o ADEUS Aktienregister-Service-GmbH
Postfach 57 03 64
22772 Hamburg, Germany

- Alternatively via the online service up to the **time determined by the chairperson at the Annual General Meeting on April 30, 2024**. The online service is accessible as described above under "Access to the online service and attending the meeting by electronic means".

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

Procedure for voting using the company-nominated proxies

Knorr-Bremse Aktiengesellschaft also offers its shareholders the option of having company-nominated proxies represent them at the Annual General Meeting subject to and in accordance with the instructions issued by them. Timely registration and providing proof of a shareholding in accordance with the provisions under "Right to participate by registering and providing proof of shareholding" is also required in this case.

The company-nominated proxies may exercise the voting right only in respect of those agenda items for which they have been issued instructions relating to the exercise of the voting right. They are under an obligation to vote according to instructions.

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

The granting, modification or revocation of powers of attorney and instructions to the company-nominated proxies must be received by the company as follows:

- If by mail, using the power of attorney and instruction form sent together with the registration confirmation and accessible on the website ir.knorr-bremse.com/agm, at the latest **by April 29, 2024, 24:00 hrs. (CEST)** exclusively to the following address:

Knorr-Bremse Aktiengesellschaft
c/o ADEUS Aktienregister-Service-GmbH
Postfach 57 03 64
22772 Hamburg, Germany

- By email to hv-service.knorr-bremse@adeus.de or via the online service, in each case up to the **time determined by the chairperson at the Annual General Meeting on April 30, 2024**. The online service is accessible as described above under "Access to the online service and attending the meeting by electronic means".

Authorizing a third-party representative and procedure for voting by the authorized third-party representative

Shareholders may have themselves represented, and have their voting rights exercised, at the virtual Annual General Meeting by an authorized representative – for example a willing intermediary (e.g., the depository institution), a shareholders' association, a proxy voting advisory firm or any other person who professionally offers the service of exercising voting rights on behalf of shareholders at general meetings or any other person of their choice. Timely registration and providing proof of a shareholding in accordance with the provisions under "Right to participate by registering and providing proof of shareholding" is also required where a representative is authorized. If a shareholder authorizes more than one person, subject to the requirements laid down in Sec. 134 (3) sentence 2 AktG in conjunction with Art. 10(2) of the Shareholder Rights Directive (Directive 2007/36/EC of the European Parliament and of the Council of 11 July 2007 on the exercise of certain rights of shareholders in listed companies), the company may reject one or more of them.

The granting of a power of attorney that is not granted to an intermediary or a representative treated as equivalent to intermediaries pursuant to Sec. 135 (8) AktG, its revocation and the provision of proof of the authorization to the company may be done electronically via the online service mentioned above under "Access to the online service and attending the meeting by electronic means" up to the time specified by the chairperson of the meeting on the day of the Annual General Meeting, or may be transmitted in text form by letter or email to the address stated under "Right to participate by registering and providing proof of shareholding" by no later than April 29, 2024, 24:00 hrs. (CEST). For granting a power of attorney, shareholders may use the power of attorney form they receive along with their registration confirmations. A power of attorney form is also available for download from the internet at ir.knorr-bremse.com/agm

Authorization may also be effected in any other manner of proper form.

If authorization is granted in accordance with Sec. 135 AktG (granting of power of attorney to intermediaries, in particular to credit institutions), there is no text form requirement. Shareholder associations, proxy voting advisory firms and persons who professionally offer the service of exercising voting rights on behalf of shareholders at general meetings are treated as equivalent to intermediaries in this respect, unless the individual who intends to exercise the voting right is the legal representative, spouse or life partner of the shareholder or is related to the shareholder by blood or marriage up to the fourth degree of kinship. Under applicable law, in these cases the power of attorney must be issued to a specified authorized representative and be kept by the authorized representative in a verifiable form. Furthermore, the power of attorney must be complete and may only contain declarations linked to the exercise of the voting right. In those cases, please coordinate the form of the power of attorney with the intended representative. However, any violation of the aforesaid and certain other requirements set forth in Sec. 135 AktG for representative authorization of the persons

mentioned in this paragraph does not, pursuant to Sec. 135 (7) AktG, impair the validity of votes cast. In addition, intermediaries and other persons or institutions treated as equivalent thereto in accordance with Sec. 135 AktG are recommended to contact the shareholder hotline or the registration office at the address listed above prior to the Annual General Meeting as regards the exercise of voting rights.

Authorized representatives (other than the company-nominated proxies) cannot physically be present at the Annual General Meeting. They may exercise voting rights for the shareholders that they represent only by way of absentee voting (also by means of electronic communication) or by issuing a sub-power of attorney and instructions to the company-nominated proxies. The instructions on the exercise of voting rights as well as on the exercise of other shareholders' rights linked to participation, in particular the right to speak and the right to information at the Annual General Meeting, contained in this notice apply accordingly to the exercise of rights by authorized representatives. For the use of the online service, the authorized representatives will be sent login details enabling them to exercise rights by means of electronic communication via the online service. A prerequisite is the proper registration of the shareholder (see "Right to participate by registering and providing proof of shareholding" above). Shareholders should issue the authorization in good time so that the authorized representative receives their individual login details in time. Authorized representatives are requested to use only the login details sent to them for the use of the online service.

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

Please note that absentee votes cast or powers of attorney granted and instructions issued, as well as any modifications or revocations of votes, powers of attorney and instructions, effected via the online service will always be given priority and that any absentee votes cast or any powers of attorney granted and instructions issued in another way are invalid irrespective of the time of their receipt. However, in the event that several declarations have been made without using the online service in compliance with all form requirements and deadlines, the last declaration received will be given priority.

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

Any absentee votes, powers of attorney and instructions that cannot be unequivocally matched to proper registration will not be counted.

When exercising your shareholders' rights, you should note that there may be considerable delays in delivery where declarations are sent by regular mail.

3. Information on the shareholders' rights pursuant to Secs. 122 (2), 126 (1) and (4), 127, 130a, 131 (1), 118a (1) sentence 2 no. 8 in conjunction with Sec. 245 AktG

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

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

The motion must be sent in writing to the Executive Board of Knorr-Bremse Aktiengesellschaft and must be received by the company no later than March 30, 2024, 24:00 hrs. (CET).

Please send such motions to the following address:

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

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

Additions to the agenda that are to be announced will be announced – including the name and the place of residence or registered office of the person requesting them – in the German Federal Gazette (Bundesanzeiger) without undue delay after receipt of the motion unless they have already been announced together with the invitation to the Annual General Meeting. These motions will additionally be announced on the internet at ir.knorr-bremse.com/agm and communicated to the shareholders in accordance with Sec. 125 (1) sentence 3 AktG.

Shareholder counter-motions and election proposals pursuant to Secs. 126 (1) and (4), 127 AktG

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

Pursuant to Sec. 126 (1) AktG, motions of shareholders, including the shareholder's name, the statement of reasons for the motion and any comments of the management, are to be made available to the persons entitled to notification referred to in Sec. 125 (1) to (3) AktG subject to the conditions set forth therein, provided that the shareholder has sent a counter-motion against a proposal of the Executive Board and/or the Supervisory Board with respect to a specific agenda item, including a statement of reasons for the counter-motion, to the company at the address below no later than 14 days prior to the Annual General Meeting. For the purpose of calculating the above time period, the day of receipt and the day of the Annual General Meeting will not be counted. Thus, the last permissible day of receipt is April 15, 2024, 24:00 hrs. (CEST). A counter-motion need not be made available if one of the exclusion criteria pursuant to Sec. 126 (2) AktG is met. Moreover, the statement of reasons need not be made available if it exceeds a total of 5,000 characters.

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

Pursuant to Sec. 126 (4) AktG, counter-motions and election proposals that are to be made available will be deemed to have been made at the time they are made available. Voting rights may be exercised regarding such counter-motions and election proposals after timely registration through the channels described above. If the shareholder submitting the motion or election proposal is not duly entitled to do so and properly registered for the Annual General Meeting, the motion need not be dealt with at the Meeting.

Any shareholder motions (including statements of reasons therefor) and election proposals pursuant to Sec. 126 (1) and (4) and Sec. 127 AktG must be sent exclusively to

Knorr-Bremse AG
Investor Relations
Moosacher Str. 80
80809 Munich, Germany
or by email to: investor.relations@knorr-bremse.com

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

Right to submit comments pursuant to Sec. 130a (1) to (4) AktG

Prior to the Annual General Meeting, shareholders properly registered for the Annual General Meeting may submit comments on the items on the agenda by means of electronic communication. These comments may be submitted to the company in text form. They must be sent exclusively by email to investor.relations@knorr-bremse.com and must be received at the specified address no later than April 24, 2024, 24:00 hrs. (CEST). We ask that the comments be limited to a reasonable scope to enable shareholders to properly review the comments. A length of 10,000 characters should serve as guidance here.

We will publish shareholder comments to be made available, including the name and place of residence or, as applicable, registered office of the submitting shareholder, for properly registered shareholders and their representatives in the online service at the internet address ir.knorr-bremse.com/agm no later than April 25, 2024. Any comments by the management will also be published on the specified website.

The opportunity to submit comments does not constitute an opportunity to submit questions in advance pursuant to Sec. 131 (1a) AktG. Any questions contained in comments will therefore not be answered at the virtual Annual General Meeting unless they are asked by way of video communication at the meeting. Motions, election proposals or objections to resolutions of the Annual General Meeting contained in comments will not be considered either. These are to be submitted or made or declared exclusively by the means separately indicated in this notice.

Right to speak pursuant to Secs. 118a (1) sentence 2 no. 7, 130a (5) and (6) AktG

At the Annual General Meeting, properly registered shareholders and their representatives who are attending the Annual General Meeting by electronic means have the right to speak using video communication. As part of their speech, shareholders may submit motions and election proposals pursuant to Sec. 118a (1) sentence 2 no. 3 AktG as well as all types of requests for information pursuant to Sec. 131 AktG.

Requests to speak must be submitted during the Annual General Meeting upon request by the chair of the meeting through the online service at the internet address ir.knorr-bremse.com/agm. The chair of the meeting will give more detailed information during the Annual General Meeting regarding the procedure for requests to speak and their granting.

The company reserves the right to check the proper functioning of the video communication between the shareholder and the company during the Annual General Meeting and prior to that shareholder's turn to speak and will refuse the right to speak if a properly functioning connection cannot be ensured. The minimum technical requirements for being permitted to speak via live video are therefore a web-enabled device equipped with a camera and microphone and a stable internet connection. Tips on how to optimize the proper functioning of video communication can be found at ir.knorr-bremse.com/agm.

Right to information pursuant to Sec. 131 (1) AktG

At the Annual General Meeting, every shareholder or shareholder representative may – after having submitted a request in due time pursuant to Sec. 131 (1) AktG – request to be informed by the Executive Board about the company's affairs, the company's legal and business relationships with affiliated companies, and the position of the Group and the companies included in the consolidated financial statements to the extent that such information is necessary for proper assessment of an agenda item. Furthermore, Sec. 131 (1d) AktG permits questions to be asked during the Annual General Meeting regarding all answers given by the Executive Board.

It is provided that the chair of the meeting determines at the Annual General Meeting based on Sec. 131 (1f) AktG that the right to information under Sec. 131 AktG may be exercised (in all its forms) at the Annual General Meeting exclusively by way of video communication via the online service. Submitting questions any other way, whether by electronic or other communication, will not be possible either before or during the Annual General Meeting.

Lodging an objection to a resolution for the record (Widerspruch zur Niederschrift) pursuant to Secs. 118a (1) sentence 2 no. 8, 245 AktG

Shareholders and their representatives who have properly registered for the Annual General Meeting and are attending it by electronic means have the right to lodge objections by electronic communication to resolutions adopted by the Annual General Meeting. Such an objection may be lodged via the online service at ir.knorr-bremse.com/agm as soon as the Annual General Meeting has begun until the close thereof. The notary has authorized the company to accept objections via the online service and will receive the objections via the online service.

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

The present notice of the Annual General Meeting, the documents to be made available under Sec. 124a AktG as well as further information relating to the Annual General Meeting can be accessed and downloaded on the internet at ir.knorr-bremse.com/agm, where further information on the shareholders' rights pursuant to Secs. 122 (2), 126 (1) and (4), 127, 130a, 131 (1), 118a (1) sentence 2 no. 8 and 245 AktG can also be found.

Furthermore, during the virtual Annual General Meeting prior to the first vote, the list of participants will be made available via the online service at ir.knorr-bremse.com/agm to all shareholders and their representatives who have properly registered for the Annual General Meeting and are attending it by electronic means.

After the Annual General Meeting, the voting results will be published on the same website. A confirmation of the counting of the votes pursuant to Sec. 129 (5) AktG will be made available via the online service, which can be downloaded within one month after the day of the Annual General Meeting.

5. Information on data protection for shareholders

Compliance with the provisions of data protection law is very important to Knorr-Bremse Aktiengesellschaft. In the following, Knorr-Bremse Aktiengesellschaft would like to inform its shareholders and, as applicable, shareholder representatives as well as other participants attending the Annual General Meeting about the processing of their personal data and about their rights under data protection law.

The Controller

The Controller of the processing of personal data is Knorr-Bremse Aktiengesellschaft. Knorr-Bremse Aktiengesellschaft can be reached using the following contact information:

Knorr-Bremse Aktiengesellschaft
Moosacher Str. 80
80809 Munich, Germany
+49 89 3547 182121
datenschutzbeauftragter@knorr-bremse.com

The data protection officer of Knorr-Bremse Aktiengesellschaft can be reached at:

Data Protection Officer (Datenschutzbeauftragte)
Moosacher Str. 80
80809 Munich, Germany
datenschutzbeauftragter@knorr-bremse.com

Purposes and legal bases of the processing

Knorr-Bremse Aktiengesellschaft processes the personal data of its shareholders and, as applicable, of shareholder representatives and other participants attending the Annual General Meeting in full compliance with the provisions of the EU General Data Protection Regulation (GDPR), the German Federal Data Protection Act (Bundesdatenschutzgesetz), the German Stock Corporation Act (Aktiengesetz, "AktG") and all other applicable laws and regulations. To the extent that personal data is processed on the basis of the company's legitimate interests, there is no statutory or contractual obligation that the personal data must be provided.

Knorr-Bremse Aktiengesellschaft generally receives the shareholders' and, as applicable, shareholder representatives' personal data via the registration office of the credit institution that the shareholders or, as applicable, the shareholder representatives have entrusted with the safekeeping of the bearer shares. In some cases, Knorr-Bremse Aktiengesellschaft may receive personal data directly from the shareholders or, where applicable, shareholder representatives.

Knorr-Bremse Aktiengesellschaft uses the personal data (e.g., last name and first name, address, email address, number and class of shares, type of ownership of shares, absentee votes/instructions, admission ticket number, number of the voting right card and registration information for the online service for participation in the virtual Annual General Meeting) as well as, where applicable, further personal data of its shareholders or, where applicable, shareholder representatives for the purposes provided for in the AktG, particularly for communicating with the shareholders and, where applicable, shareholder representatives and for organizing and holding the Annual General Meeting of Knorr-Bremse Aktiengesellschaft. In the password-protected online service of Knorr-Bremse Aktiengesellschaft, as a rule, the shareholders' and, as applicable, shareholder representatives' personal data is used for the purpose for which the shareholders and, as applicable, shareholder representatives have made the data available to Knorr-Bremse Aktiengesellschaft, for instance, in order to allow the shareholders and, as applicable, shareholder representatives access to the General Meeting services, including the possibility of attending a General Meeting by electronic means; for the documentation of votes; for the documentation of the representation by a shareholder representative on the basis of a power of attorney as well as any instructions issued; for any revocation of powers of attorney; for the casting of votes by absentee voting (where this is offered); for lodging objections in the case of virtual General Meetings; and for communication in the event of contact and service requests in connection with a General Meeting or in order to provide the shareholders and, as applicable, shareholder representatives with access to specific information.

The legal basis for the processing of the shareholders' and, as applicable, the shareholder representatives' personal data in this respect is point (c) of Art. 6 (1) sentence 1 GDPR in conjunction with Secs. 67e, 118 et seqq. and 130a AktG. If the personal data is not provided, it is not possible to participate in the Annual General Meeting.

In addition, to the extent it is conducive to the organization of the virtual Annual General Meeting, personal data may be processed on the basis of the legitimate interests of Knorr-Bremse Aktiengesellschaft (point (f) of Art. 6(1) sentence 1 GDPR). This relates to, inter alia, the processing of contact information of guests attending the Annual General Meeting and the production of visual and audio recordings in the context of the Annual General Meeting. These visual recordings may show shareholders, shareholder representatives and other participants of the Annual General Meeting who are attending virtually. The recordings will be stored, processed and possibly published for the purpose of documenting the event and as part of the public relations work of Knorr-Bremse Aktiengesellschaft. Knorr-Bremse Aktiengesellschaft would like to point out that information available on the internet can be accessed worldwide, be found using search engines and be linked to further information, all of which makes it possible to create personality profiles. Information posted on the internet, including photographs, can easily be copied and shared, and there are archiving services specializing in permanently documenting the status of certain websites at certain points in time. Thus, information disclosed on the internet may still be found online even after it has been erased from the original website.

Additionally, when you visit the online service, data is processed automatically that is technically necessary in order to display to you our website. This data includes, for example, your IP address, the type of device, the type of browser, the date, and the time of each visit request. Our legitimate interest is in ensuring the proper functioning and security of our website.

In addition, the storage of cookies on the relevant end device is necessary for the operation of the online service. The legal basis for this data processing is Sec. 25 (2) no. 2 of the German Telecommunications and Telemedia Data Protection Act (Telekommunikation-Telemediendatenschutz-Gesetz). These cookies are necessary for technical reasons in order to ensure the functionality of the website. The data collected via cookies for using the online service are anonymized and will not be combined to create customer or profile data.

Finally, Knorr-Bremse Aktiengesellschaft processes the personal data of shareholders and, as applicable, shareholder representatives, where necessary, to comply with other legal obligations, e.g., regulatory requirements and record retention requirements under stock corporation, commercial and tax laws. In the context of the authorization of the company-nominated proxies for the Annual General Meeting, for example, Knorr-Bremse Aktiengesellschaft is obligated under the provisions of the German Stock Corporation Act to keep a verifiable record of the data provided as proof of the authorization. In this case, the respective legal provisions in conjunction with point (c) of Art. 6(1) sentence 1 GDPR form the legal basis for the processing of personal data.

In the event that Knorr-Bremse Aktiengesellschaft intends to process the shareholders' and, as applicable, shareholder representatives' personal data for a purpose that has not been previously mentioned, Knorr-Bremse Aktiengesellschaft will inform the shareholders and, as applicable, the shareholder representatives in advance in accordance with and subject to applicable statutory provisions.

Recipients of the shareholders' and shareholder representatives' data

For the purpose of organizing the virtual Annual General Meeting (e.g., for conducting the Annual General Meeting), Knorr-Bremse Aktiengesellschaft employs, to an extent, third-party service providers as well as group-affiliated companies, which receive access to shareholders' and, as applicable, shareholder representatives' or other participants' of the Annual General Meeting personal data to the extent necessary in order to complete the tasks assigned to them. In the context of this commissioned data processing, Knorr-Bremse Aktiengesellschaft's service providers are carefully selected and are obligated pursuant to Art. 28 GDPR to observe Knorr-Bremse Aktiengesellschaft's data protection standards. The service providers commissioned by Knorr-Bremse Aktiengesellschaft and the group-affiliated companies process the shareholders' and shareholder representatives' personal data exclusively as instructed by Knorr-Bremse Aktiengesellschaft and only to the extent this is necessary for the performance of the services commissioned. All employees of Knorr-Bremse Aktiengesellschaft and the group of companies as well as the staff of commissioned service providers who have access to and/or process the shareholders' and, as applicable, shareholder representatives' personal data have committed to treating the data confidentially.

Furthermore, personal data of shareholders and, as applicable, shareholder representatives exercising their voting rights, in particular their names, will be made available to other shareholders and shareholder representatives subject to the statutory requirements (in particular as regards the list of participants pursuant to Sec. 129 AktG). This, for example, also applies to comments (Sec. 130a (3) AktG) as well as to questions asked at the meeting by shareholders and, as applicable, shareholder representatives who are attending the meeting by electronic means in the context of exercising their right to speak by way of video communication (Sec. 130a (5) AktG). Personal data of shareholders and, as applicable, shareholder representatives will also be published or made available to other shareholders and shareholder representatives, as well as intermediaries and shareholders' associations, under certain conditions and subject to the statutory requirements in the event of requests for additions to the agenda, counter-motions, election proposals or lodged objections. Furthermore, to the extent necessary for the proper holding of the Annual General Meeting or for the purposes of its legitimate interests, the company will, where applicable, transmit personal data to notaries and lawyers retained by it who are under a duty of professional secrecy. The legal basis in these cases is point (c) of Art. 6(1) sentence 1 GDPR in conjunction with the

statutory provision from which the publication requirement is derived, or, to the extent that there is no legal obligation to publish the name, point (f) of Art. 6(1) sentence 1 GDPR.

Knorr-Bremse Aktiengesellschaft may provide visual and audio recordings taken at its Annual General Meeting to press representatives, who may process these recordings for journalistic purposes. Additionally, other persons following the public broadcast of the Annual General Meeting may be recipients of personal data if that personal data is disclosed during the Annual General Meeting. The legal basis for the data processing is point (f) of Art. 6(1) sentence 1 GDPR (legitimate interests of the company).

Furthermore, Knorr-Bremse Aktiengesellschaft may be obligated by law to transmit the personal data of shareholders and, as applicable, shareholder representatives to further recipients such as, for instance, government authorities, in order to comply with statutory reporting obligations. The legal basis is point (c) of Art. 6(1) sentence 1 GDPR in conjunction with the statutory provision from which the requirement is derived.

Transfer of data to third countries

In the event that Knorr-Bremse Aktiengesellschaft transfers personal data to service providers located outside the European Economic Area (EEA), the transfer will only take place to the extent that the EU Commission has confirmed that the third country offers an adequate level of data protection or that other adequate data protection safeguards are in place (e.g., binding internal rules at the relevant company on data protection or the EU Commission's standard contractual clauses and, to the extent required, data transfer impact assessments).

Detailed information in this regard as well as on the level of data protection offered by service providers located in third countries may be requested using the contact information indicated above.

Storage period

As a rule, Knorr-Bremse Aktiengesellschaft erases or anonymizes the personal data of shareholders and, as applicable, shareholder representatives in compliance with the applicable statutory provisions as soon as and to the extent that the statutory record retention periods have expired, the personal data is no longer required for the aforementioned purposes, the personal data is no longer required for any administrative or court proceedings, no other statutory obligations to furnish evidence or record retention requirements (e.g., under the German Stock Corporation Act, the German Commercial Code (Handelsgesetzbuch) or the German Tax Code (Abgabenordnung)) apply and there are no other reasons justifying the retention.

Rights of the data subjects

Subject to the statutory requirements, the fulfillment of which must be verified on a case-by-case basis, shareholders and, as applicable, shareholder representatives and other persons whose personal data is processed by the company have the right to receive information about their processed personal data (Art. 15 GDPR) and to request the rectification (Art. 16 GDPR) or erasure (Art. 17 GDPR) of their personal data or the restriction of the processing thereof (Art. 18 GDPR).

Furthermore, shareholders and, as applicable, shareholder representatives and other subjected persons may also contact the competent supervisory authority and receive their personal data in a structured, commonly used and machine-readable format (data portability) (Art. 20 GDPR).

Right to object (Art. 21 GDPR): Where Knorr-Bremse Aktiengesellschaft processes the data of the shareholders and, as applicable, shareholder representatives or of other subjected persons for the purposes of the legitimate interests of Knorr-Bremse Aktiengesellschaft (point (f) of Art. 6(1) sentence 1 GDPR), they may object to the processing. Knorr-Bremse Aktiengesellschaft will then check whether there are any grounds relating to the particular situation that conflict with such data processing.

To assert your rights or for any other questions regarding data protection, please contact the Knorr-Bremse data protection organization at privacy@knorr-bremse.com.

Munich, Germany, March 2024

Knorr-Bremse Aktiengesellschaft

The Executive Board