



KNORR-BREMSE

Corporate Governance Statement for the 2022 Fiscal Year

The Corporate Governance Statement pursuant to sections 289f and 315d German Commercial Code is the primary instrument for reporting on corporate governance (cf. Principle 23 of the German Corporate Governance Code [GCGC], as amended on April 28, 2022). This statement is jointly issued by the Executive Board and Supervisory Board, which are each responsible for those parts of the report that concern them.

In accordance with Section 317 (2) sentence 6 HGB, the auditors of the financial statements are only obliged to verify whether the disclosures pursuant to Sections 289f (2), 315d HGB have been made.

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

Pursuant to section 161 German Stock Corporation Act (AktG), the Executive Board and the Supervisory Board of Knorr-Bremse AG adopted the following declaration of compliance with the German Corporate Governance Code on December 8, 2022:

“The Executive Board and Supervisory Board of Knorr-Bremse Aktiengesellschaft (the “**Company**”) declare in accordance with Section 161 (1) AktG:

1. the Company’s Executive Board and Supervisory Board last made a declaration of compliance on March 30, 2022. Since then the Company complied with all the recommendations of the German Corporate Governance Code as amended on December 16, 2019 (“**GCGC 2020**”) until it became ineffective on June 27, 2022, with the following exception:
 - According to recommendation G.11 GCGC 2020, the Supervisory Board should be permitted to withhold or claw back the Executive Board’s variable remuneration in justified cases. The Company departed from this recommendation in fiscal 2022 and will also depart from it in 2023. The Supervisory Board is of the opinion that the Company does not require provisions for retaining or clawing back variable remuneration components to encourage its Executive Board members to act with due care and in a sustainable manner consistent with the long-term interests of the Company. The long-term variable remuneration (Long Term Incentive) and shareholding obligation (Share Ownership Guideline) plans are already adequate for this purpose. Moreover, in the event of exceptional developments and incidents, the Supervisory Board already has discretionary powers to

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

2. Since the new version of the German Corporate Governance Code as amended on April 28, 2022 ("GCGC 2022") took effect on June 27, 2022, the Company has complied with all recommendations of the GCGC 2022 and continues to comply with them, with the exception of recommendation G.11 GCGC 2022. For the reasons for non-compliance with recommendation G.11 GCGC 2022 we refer to the comments on recommendation G.11 GCGC 2020.

Munich, December 8, 2022

Knorr-Bremse Aktiengesellschaft

The Executive Board

Relevant disclosures on corporate governance practices

Corporate Values and Internal Rules

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

Our operational principles are summarized in a Code of Conduct which is binding for all our employees. This Code of Conduct may be viewed on our website at [Knorr-Bremse.com / Company / Compliance](https://www.knorr-bremse.com/Company/Compliance). The Code of Conduct provides employees across the whole Knorr-Bremse Group with guidelines for interacting responsibly with colleagues, business partners, and government agencies. As part of our capital markets compliance we also maintain event-based insider lists in accordance with section 18 Market Abuse Regulation (MAR). All individuals on an insider list are informed of the statutory obligations and sanctions that apply to insider trading and the unlawful disclosure of insider information.

Diversity above and beyond statutory requirements is also an integral part of Knorr-Bremse's corporate culture. Knorr-Bremse does not tolerate any form of discrimination – whether on grounds of gender, age, religion, ill health, ethnic origin, skin color, sexual orientation, or for any other reason. When recruiting, we take account of diversity and equal opportunities and seek to appoint more women as appropriate. We strive for appropriate inclusion of women. Workinghour models with enough flexibility to cater to individual circumstances help to ensure equality of opportunity. Given the international nature of our business, intercultural diversity and tolerance are important values at Knorr-Bremse. Knorr-Bremse's Code of Conduct defines various measures relating to occupational safety and health, human rights, and inclusivity. Our workforce receives specific training on these matters via an elearning tool. Employees can engage with various viewpoints in talks and workshops on sociopolitical topics. Further information on diversity may be found in the section below entitled Diversity on the Executive Board and Supervisory Board.

Together with further details of our social and community engagement, more information on how we exercise our corporate citizenship and encourage sustainable growth is also set out in the Group's Non-Financial Statement (pursuant to section 315b HGB), which you can find included in the Annual Report from page 40 onward. More detailed information can also be found on our website in the section entitled "Responsibility."

Compliance Management System

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

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

More detailed information about the responsibilities and activities of Knorr-Bremse's compliance structures can be found in our 2022 Sustainability Report, in the chapter entitled "Compliance and Combating Corruption" (starting on page 55 of the Annual Report).

Remuneration of Executive Board and Supervisory Board members

The current remuneration system pursuant to section 87a (1) and (2) sentence 1 AktG for the Executive Board and the resolution on remuneration and the remuneration system for the Supervisory Board, which was passed at the 2020 Annual General Meeting pursuant to section 113 (3) AktG, in addition to the latest amendments adopted at the Annual General Meeting 2022, are publicly accessible on our website at [Knorr-Bremse.com / Corporate Governance](https://www.knorr-bremse.com/corporate-governance). A Compensation Report for the last fiscal year and an auditor's opinion in accordance with section 162 AktG has been prepared in line with statutory provisions and will also be available to view on our website once a corresponding resolution has been adopted at the Annual General Meeting on May 5, 2023. In it, you can find more detailed comments on the Executive Board's compensation, including the variable components of it, and the Supervisory Board's compensation.

Share Ownership on the Executive Board and Supervisory Board

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

As at December 31, 2022, Executive Board members held approximately 0.0174% of Knorr-Bremse AG's shares in total. To our knowledge, the Supervisory Board members who held minor direct interests in Knorr-Bremse AG as at December 31, 2022, were Kathrin Dahnke, Michael Jell, and Sylvia Walter.

Corporate Communications and Transparency

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

The Articles of Association, the Supervisory Board's rules of procedure, Supervisory Board Reports from the 2018 fiscal year onward, declarations of conformity from the 2018 fiscal year onward, and the Corporate Governance Reports from the 2018 fiscal year onward can be found at [Knorr-Bremse.com / Corporate Governance](https://www.knorr-bremse.com/Corporate-Governance).

Shareholders and Annual General Meetings

Knorr-Bremse AG's shareholders exercise their rights at the Annual General Meeting. Among other things, the Annual General Meeting passes resolutions on the appropriation of distributable income, the discharge of liability of the members of the Executive Board and the Supervisory Board, the election of the auditors, the approval of the annual Compensation Report and the election of the shareholder representatives on the Supervisory Board. In addition, the compensation system for the Executive Board and the compensation of Supervisory Board members must be presented to the Annual General Meeting for approval at least every four years. Changes to the Articles of Association and certain capital measures are also adopted by the Annual General Meeting and implemented by the Executive Board, with the approval of the Supervisory Board as required.

Shareholders can exercise their voting rights at the Annual General Meeting either themselves or via a proxy of their choosing, by instructing a Company proxy, or via a postal vote. By using electronic means of communication, in particular the Internet, the Executive Board facilitates shareholders' participation in the Annual General Meeting; proxies can still be contacted during the AGM.

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

Shareholders can in particular submit requests regarding the proposals from the Executive Board and Supervisory Board and challenge resolutions taken by the Annual General Meeting.

Owing to the Covid-19 pandemic, the 2022 Annual General Meeting on May 24, 2022, was again held as a virtual meeting at which neither shareholders nor their proxies were physically present. The next Annual General Meeting will take place on May 5, 2023, and will also be held as a virtual meeting on the basis of the new statutory framework for virtual annual general meetings. All reports, documents, and information required by the German Stock Corporation Act for the Annual General Meeting, including the Annual Report, can be downloaded

from our website. The AGM agenda, as well as any shareholder-proposed counter motions or candidacies that we are required to make available to AGM participants, will also be published there. Shareholders will be able to cast their votes in accordance with the rules applying to virtual annual general meetings.

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

Composition and Operation of the Executive Board

COMPOSITION OF THE EXECUTIVE BOARD

According to its Articles of Association, Knorr-Bremse AG's Executive Board must comprise at least two members. As of December 31, 2022, the Executive Board had four members, since Dr. Jan Mrosik left in the course of the year.

- Bernd Spies was appointed to the Executive Board of Knorr-Bremse AG with effect from March 12, 2022 and bears global responsibility for the Commercial Vehicle Systems division.
- Dr. Claudia Mayfeld has been a member of the Executive Board of Knorr-Bremse AG since May 1, 2021. She is responsible in particular for Integrity and Legal, and also for Human Resources.
- Frank Markus Weber has been a member of the Executive Board of Knorr-Bremse AG with effect from July 1, 2020. As Chief Financial Officer (CFO), he is responsible in particular for Finance, Controlling, M&A, Sustainability, and Investor Relations. He chaired the Executive Board on an interim basis from March 2022.
- Dr. Jürgen Wilder joined the Executive Board of Knorr-Bremse AG as a member in September 2018 and bears global responsibility for the Rail Vehicle Systems division.

Until he left the Executive Board on March 12, 2022, Dr. Jan Mrosik was CEO and chaired the Executive Board of Knorr-Bremse AG. Marc Llistosella was appointed to succeed him with effect from January 1, 2023. He is responsible in particular for Strategy, Communication, Internal Audit, Security, Digitalization, and IT. From January 1, 2023 the Executive Board of Knorr-Bremse AG therefore has five members again.

The following table provides an overview of the current areas of responsibility of Knorr-Bremse AG's individual Executive Board members since January 1, 2023:

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

We refer to the comments below concerning compliance with the statutory requirements for equal representation of women and men in management positions on the Executive Board, and the Diversity Policy for the Executive Board.

Operation of the Executive Board

As well as managing the day-to-day running of the Company, the Executive Board defines and implements strategy in consultation with the Supervisory Board. The Executive Board members are obliged to act in the Company's interests and are subject to a comprehensive non-competition agreement for the duration of their work for the Company. Executive Board members are collectively responsible for the overall management of the Company. As well as deciding on fundamental business policy and corporate-strategy matters, they also undertake annual and multi-year planning. Notwithstanding the Executive Board's collective responsibility, the individual members are responsible for managing their own divisions.

The Executive Board ensures compliance within the Company with applicable law, regulations and internal policies and monitors their compliance by Group entities. The Executive Board's tasks also include the establishment of an internal control, risk and compliance management system that is effective and suitable for the Company's scope of business and risk exposure. The principles of this system are described in the *consolidated non-financial statement* (cf. p. 40 ff. of the Annual Report).

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

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

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

Composition and Operation of the Supervisory Board

COMPOSITION OF THE SUPERVISORY BOARD AS AT DECEMBER 31, 2022

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

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

Following the departure of Prof. Klaus Mangold and Dr. Thomas Enders from the Supervisory Board at the close of the Annual General Meeting on May 24, 2022, the Annual General Meeting elected Dr. Reinhard Ploss and Dr. Sigrid Nikutta to succeed them as shareholder representatives on the Supervisory Board. Dr. Ploss was also elected as Chair of the Supervisory Board at the constitutive meeting held after the Annual General Meeting.

The Supervisory Board was composed as follows as at December 31, 2022:

Name & date of birth	Occupation	Member since	Elected until	Committees	Membership of statutory supervisory boards and comparable German or foreign supervisory bodies of business enterprises (as at December 31, 2022)
Dr. Reinhard Ploss Born 1955	Chairman of the Supervisory Board	2022	2026	<ul style="list-style-type: none"> ▪ Chair of the Executive Committee ▪ Member of the Strategy Committee ▪ Member of the Audit Committee ▪ Chairman of the Nomination Committee ▪ Chairman of the Mediation Committee 	<p>German supervisory boards:</p> <ul style="list-style-type: none"> ▪ None <p>Comparable supervisory bodies:</p> <ul style="list-style-type: none"> ▪ President of acatech – Deutsche Akademie der Technikwissenschaften (until November 2022) ▪ Ordinary member of the TUM University Council ▪ Member of the Board of Trustees of Foundation for Demoscopy Allensbach ▪ Member of the Quantum Computing Advisory Board of Deutsches Zentrum für Luft- und Raumfahrt e. V. (DLR) ▪ Chair of Qutac (Quantum Technology & Application Consortium) Executive Committee ▪ Honorary member of Board of Trustees, Stifterverband für die Deutsche Wissenschaft <p>In the view of the Supervisory Board, this Supervisory Board member is independent of the Company, its Executive Board, and its controlling shareholder.</p>
Franz-Josef Birkeneder Born 1960	Deputy Chairman of the Supervisory Board Plant Manager of Knorr-Bremse's Aldersbach plant (until March 2022) Support globale Projekte	2016	2026	<ul style="list-style-type: none"> ▪ Member of the Executive Committee ▪ Member of the Strategy Committee ▪ Member of the Audit Committee ▪ Member of the Mediation Committee 	<p>German supervisory boards:</p> <ul style="list-style-type: none"> ▪ None <p>Comparable supervisory bodies:</p> <ul style="list-style-type: none"> ▪ None <p>Middle-management representative</p>
Kathrin Dahnke Born 1960	Chief Financial Officer of Ottobock SE & Co. KGaA (until August 2022) Independent management consultant	2018	2026	<ul style="list-style-type: none"> ▪ Chairwoman of the Audit Committee ▪ Member of the Nomination Committee 	<p>German supervisory boards:</p> <ul style="list-style-type: none"> ▪ Member of the Supervisory Board and Chair of the Audit Committee of B. Braun SE, Melsungen ▪ Member of the Supervisory Board and Chair of the Audit Committee of Jungheinrich AG, Hamburg <p>Comparable supervisory bodies:</p> <ul style="list-style-type: none"> ▪ None <p>In the view of the Supervisory Board, this Supervisory Board member is independent of the Company, its Executive Board, and its controlling shareholder.</p>
Michael Jell Born 1963	Full-time member of the Works Council of Knorr-Bremse Systeme für Schienenfahrzeuge GmbH, Knorr-Bremse AG, Knorr-Bremse Services GmbH	2014	2026	<ul style="list-style-type: none"> ▪ Member of the Executive Committee ▪ Member of the Mediation Committee 	<p>German supervisory boards:</p> <ul style="list-style-type: none"> ▪ None <p>Comparable supervisory bodies:</p> <ul style="list-style-type: none"> ▪ None <p>Employee representative</p>

Name & date of birth	Occupation	Member since	Elected until	Committees	Membership of statutory supervisory boards and comparable German or foreign supervisory bodies of business enterprises (as at December 31, 2022)
Dr. Sigrid Evelyn Nikutta Born 1969	Member of the Management Board of Deutsche Bahn AG (Freight Transport division) and CEO of DB Cargo AG	2022	2026	▪ None	<p>German supervisory boards:</p> <ul style="list-style-type: none"> ▪ Member of the Supervisory Board and Deputy Chairwoman of the Senate of the German Aerospace Center (DLR) <p>Comparable supervisory bodies:</p> <ul style="list-style-type: none"> ▪ Chairwoman of the Board of Trustees of the German Institute for Economic Research (DIW) ▪ Member of the University Council of Bielefeld University <p>In the view of the Supervisory Board, this Supervisory Board member is independent of the Company, its Executive Board, and its controlling shareholder.</p>
Werner Ratzisberger Born 1967	Full-time member of the Works Council of Knorr-Bremse Systeme für Nutzfahrzeuge GmbH, Munich	2006	2026	▪ Member of the Audit Committee	<p>German supervisory boards:</p> <ul style="list-style-type: none"> ▪ None <p>Comparable supervisory bodies:</p> <ul style="list-style-type: none"> ▪ None <p>Employee representative</p>
Annemarie Sedlmair Born 1987	Head of Legal Department, IG Metall office Munich	2019	2026	▪ None	<p>German supervisory boards:</p> <ul style="list-style-type: none"> ▪ Member of the Supervisory Board of Bosch Sicherheitssysteme GmbH (until June 2022) ▪ Member of the Supervisory Board of Bosch Rexroth AG (as of February 2023) <p>Comparable supervisory bodies:</p> <ul style="list-style-type: none"> ▪ Member of the Advisory Board of Fachakademie für Arbeitsrecht der Kritischen Akademie Inzell <p>Employee representative</p>
Dr. Stefan Sommer Born 1963		2021	2026	▪ Chairman of the Strategy Committee	<p>German supervisory boards:</p> <ul style="list-style-type: none"> ▪ Chairman of the Supervisory Board of Jost Werke AG <p>Comparable supervisory bodies:</p> <ul style="list-style-type: none"> ▪ Member of the presidential council of DEKRA e.V. ▪ Chair of the Advisory Board of In-Tech GmbH <p>In the view of the Supervisory Board, this Supervisory Board member is independent of the Company, its Executive Board, and its controlling shareholder.</p>
Erich Starkl Born 1962	1. Authorized Representative of IG Metall trade union, Passau office	2014	2026	▪ None	<p>German supervisory boards:</p> <ul style="list-style-type: none"> ▪ None <p>Comparable supervisory bodies:</p> <ul style="list-style-type: none"> ▪ None <p>Employee representative</p>
Julia Thiele-Schürhoff Born 1971	Chairwoman of the Executive Board of Knorr-Bremse Global Care e. V.	2016	2026	<ul style="list-style-type: none"> ▪ Member of the Nomination Committee ▪ Member of the Strategy Committee 	<p>German supervisory boards:</p> <ul style="list-style-type: none"> ▪ None <p>Comparable supervisory bodies:</p> <ul style="list-style-type: none"> ▪ Chair of the management board of Knorr-Bremse Global Care e.V.
Dr. Theodor Weimer Born 1959	Chief Executive Officer of Deutsche Börse AG	2020	2026	▪ Deputy Chairman of the Supervisory Board	<p>German supervisory boards:</p> <ul style="list-style-type: none"> ▪ Member of the Supervisory Board of Deutsche Bank AG <p>Comparable supervisory bodies:</p> <ul style="list-style-type: none"> ▪ None <p>In the view of the Supervisory Board, this Supervisory Board member is independent of the Company, its Executive Board, and its controlling shareholder.</p>
Sylvia Walter Born 1965	Accounting employee/ accountant Member of the works council of Hasse & Wrede GmbH	2021	2026	▪ None	<p>German supervisory boards:</p> <ul style="list-style-type: none"> ▪ None <p>Comparable supervisory bodies:</p> <ul style="list-style-type: none"> ▪ None <p>Employee representative</p>

All Supervisory Board members comply with the limits on supervisory board mandates in GCGC recommendations C.4 and C.5.

The biographies of the Supervisory Board members mentioned above are available online at [Knorr-Bremse.com / Management](https://www.knorr-bremse.com/Management).

The Supervisory Board is composed in such a way that its members are collectively familiar with the sector in which the Company operates and have the knowledge, skills and professional experience required for the proper exercise of their functions.

We refer to the comments below concerning compliance with the statutory requirements for equal representation of women and men in management positions on the Supervisory Board, and the expertise profile and diversity policy adopted by the Supervisory Board.

The expertise profile for the Supervisory Board also includes standards for the independence of Supervisory Board members in line with the GCGC recommendations. In the opinion of the Supervisory Board, five of the six shareholder representatives are to be considered independent within the meaning of recommendation C.6 GCGC as of December 31, 2022. They are Dr. Reinhard Ploss, Kathrin Dahnke, Dr. Sigrid Nikutta, Dr. Stefan Sommer and Dr. Theodor Weimer. Ms Julia Thiele-Schürhoff cannot be seen as independent, however, in the opinion of the Supervisory Board, because she holds an indirect equity interest in KB Holding GmbH, Grünwald, which is a controlling shareholder within the meaning of the GCGC. It is the opinion of the Supervisory Board that the Supervisory therefore has a suitable number of independent members – also taking the ownership structure into account. This means that the Supervisory Board also complies with GCGC recommendation C.9, according to which at least two shareholder representatives should be independent of the controlling shareholder if the Supervisory Board comprises more than six members.

OPERATION OF THE SUPERVISORY BOARD

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

The rules of procedure that the Supervisory Board has drawn up for itself can be accessed on our website at [Knorr-Bremse.com / Corporate Governance](https://www.knorr-bremse.com/CorporateGovernance). In the event of a tie when the Supervisory Board passes resolutions, the Chairman has an additional casting vote. The Supervisory Board may also take decisions using a document circulation procedure. The Supervisory Board also meets regularly without members of the Executive Board present.

The members of the Supervisory Board take responsibility for their own continuing professional development. The Company provides appropriate support for this, partly by paying all of the necessary costs. The Supervisory Board also regularly verifies the efficiency of its work. The most recent review in line with recommendation D.12 GCGC took place in 2021 with the support of an external advisor.

In accordance with the GCGC recommendations, the rules of procedure adopted by the Supervisory Board include rules on dealing with any conflicts of interest. Any conflicts of interest that arose in fiscal 2022 and how they were dealt with are disclosed in the Report of the Supervisory Board.

Composition and Operation of the Supervisory Board's Committees

- The Supervisory Board of Knorr-Bremse AG has established five committees from among its members. With the exception of the Nomination and Strategy Committees, each of these committees comprises four members, with equal representation of shareholders and employees. The composition of the committees as at December 31, 2022, can be studied in the above list of Supervisory Board members.
- Following committee meetings, the committee chairpeople report the outcomes to the full Supervisory Board. The duties of the committees and the matters they discussed over the course of the past fiscal year are described in detail in the Report of the Supervisory Board.
- The Executive Committee coordinates the work of the Supervisory Board, prepares the Supervisory Board meetings, and monitors the implementation of the resolutions adopted by the Supervisory Board and its committees. Among other things, the Executive Committee is also responsible for preparing the Supervisory Board's personnel decisions relating to the Executive Board.
- The Strategy Committee advises the Supervisory Board on core issues relating to the Group's strategy, including the Group's business policy and commercial direction. In particular, it prepares the Supervisory Board's decisions in relation to the strategic development of the Commercial Vehicle Systems and Rail Vehicle Systems divisions.
- The Audit Committee oversees matters relating to accounting, risk management, the internal control system, the compliance management system, internal auditing, and the effectiveness of this internal auditing. It also supervises the Group's quarterly reports, reviews the annual and consolidated financial statements of Knorr-Bremse AG, and prepares the full Board's decisions relating to them.
- The Nomination Committee proposes candidates who are suitably qualified in terms of both expertise and character for election as shareholder representatives at the Annual General Meeting.
- The Mediation Committee is convened if a Supervisory Board resolution on the appointment or removal of an Executive Board member does not obtain a two-thirds majority of votes as required by sections 31 (2) and (5) MitbestG. No such necessity has arisen in the history of the Company to date.

Compliance with statutory requirements for equal representation of women and men in management positions

- To date, our statutory obligations with respect to the equal representation of women and men in leadership positions, last amended in 2021 by the Second Act on Management Positions (FüPoG II) have been fulfilled as follows:
- The Supervisory Board of Knorr-Bremse AG comprises five female members, of whom three are representatives of the shareholders and two representatives of employees. It therefore complies with Section 96 (2) AktG which stipulates that the supervisory board of publicly listed companies subject to the Codetermination Act must have at least 30% female members and at least 30% male members.
- Of the five members of the Executive Board of Knorr-Bremse AG, one – Dr. Mayfeld – is a woman. Knorr-Bremse therefore meets the statutory requirements of Section 76 (3a) AktG for minimum female representation on executive boards.

- As at December 31, 2022, the proportion of female managers in the first management tier below Executive Board level at Knorr-Bremse AG was 18.8%, and 27.3% in the second management tier. The targets set by the Executive Board of Knorr-Bremse AG in 2022 in accordance with Section 76 (4) AktG were 37.5% for the first management level and 40% for the second management level. A deadline of September 30, 2027 was set for achieving both the targets.

Diversity on the Executive Board and Supervisory Board

Diversity Policy for the Executive Board

When appointing Executive Board members, the Supervisory Board considers technical expertise and social skills in particular along with the number of years' experience in similar posts, ideally within our business sectors and in an international context. Further suitability factors are the candidate's character and educational background (university degree or equivalent). A person's gender identity does not play a role in the selection. To achieve a balanced age profile, any appointees to the Executive Board should generally speaking be no older than 65. The Executive Committee regularly deliberates on long-term succession planning for the Executive Board. In consultation with the Executive Board, the Executive Committee evaluates the Company's executive planning and management development activities. The Executive Committee prepares the Supervisory Board's deliberations and decisions relating to Executive Board personnel. If new members are to be appointed, the Executive Committee also proposes suitable candidates to the Supervisory Board.

Skills Profile and Diversity Policy for the Supervisory Board

The Supervisory Board has defined a skills profile and targets for the composition of the Supervisory Board, including quotas with respect to diversity. In this way the Supervisory Board aims to ensure that it is qualified to advise and monitor the Executive Board of Knorr-Bremse AG. Following the revision of the GCGC in 2022 the skills profile and targets for the composition of the Supervisory Board were updated at the meeting in December 2022, in particular to add guidelines for sustainability matters relevant to Knorr-Bremse.

In accordance with the adopted skills profile, the members of the Supervisory Board of Knorr-Bremse AG should collectively have the professional experience, knowledge and abilities necessary for the proper exercise of their functions as the Supervisory Board of an international industrial group.

In terms of specific professional knowledge, the updated skills profile for the Supervisory Board now requires the Supervisory Board members collectively to have in-depth experience and knowledge in the following areas: (i) rail, commercial vehicle and automotive industries, including their respective suppliers, (ii) research and development, particularly in technologies and related areas relevant to Knorr-Bremse, (iii) sustainability matters relating to environmental, social and governance topics that are important for Knorr-Bremse, including knowledge of integrating sustainability targets into the corporate strategy, and sustainable technologies and business models, (iv) digitalization and intelligent and digitally networked IT applications (Industry 4.0), (v) management of a large or mediumsized international company, (vi) production, marketing and sales, (vii) personnel recruitment and development, (viii) accounting and financial reporting (including sustainability reporting) and auditing (including the audit of the sustainability reporting), (ix) controlling and risk management, and (x) corporate governance and corporate compliance. Members do not all have to be equally skilled in all these areas; rather, their skills should be complementary.

To specify the requirements for professional expertise in the fields of financial reporting and auditing, the skills profile refers to the statutory requirements and the new version of the GCGC. In accordance with Section 100 (5) in conjunction with Section 107 (4) sentence 3 AktG, at least one member of the Audit Committee should have expert knowledge in the field of accounting and at least one further member should have expert knowledge in the field of auditing (together these individuals are referred to as "financial experts"). According to recommendation D.3 sentence 2 GCGC, financial reporting and auditing also include sustainability reporting and auditing. The Chair of the Audit Committee should have expert knowledge in at least one of these two areas, according to recommendation D.3 sentence 3 GCGC. The Audit Committee includes two financial experts – the Chair, Kathrin Dahnke, and Dr. Reinhard Ploss – who in view of their long experience as a CFO (Ms Dahnke) and CEO (Dr. Ploss) and their relevant professional training, have expert knowledge of financial reporting and auditing. In particular, they are able to come to an independent opinion and proactively question the relevant specialist topics with the CFO, the statutory auditors and the heads of the relevant departments.

In terms of gender diversity on the Supervisory Board, the skills profile refers to the statutory gender quota of 30% defined in Section 96 (2) AktG (see above). To ensure an international profile, at least one third of the shareholder representatives should have long-standing international business experience. Further salient points of the skills profile are the avoidance of conflicts of interest, an age limit of 70 at the time of election, and as a rule, i.e. notwithstanding any justified exception, a maximum of three terms (i.e., 15 years) in office.

Finally, the skills profile also includes requirements for the individual Supervisory Board members. The individual Supervisory Board members should each have general knowledge of the sectors, markets and regions in which Knorr-Bremse AG operates, as well as business or entrepreneurial experience. Their experience, expertise, independence, motivation, integrity, professionalism and personality should enable the individual Supervisory Board members to perform the functions of a Supervisory Board member in an international industrial group successfully and to uphold the public reputation of the Knorr-Bremse Group. Furthermore, the Supervisory Board members should each have general knowledge in the areas of financial reporting and accounting, corporate governance, risk management and compliance. Members of the Supervisory Board should be willing and able to provide sufficient time and expertise as part of their position on the Supervisory Board. In particular, this includes being willing to take responsibility for their own continuing professional development.

In accordance with recommendation C.1 sentence 3 GCGC, the Supervisory Board takes the targets for its composition described above into account when proposing candidates for election to the Annual General Meeting and simultaneously aims to fulfill the overall skills profile.

Following its own review the Supervisory Board determined at its meeting in March 2023 that in its current composition it fulfills the requirements of the skills profile. The implementation status of the skills profile in line with recommendation C.1 sentence 4 GCGC and the composition targets can be found in the following **qualification matrix**.

Shareholder representatives		Ploss	Weimer	Dahnke	Nikutta	Sommer	Thiele-Schürhoff
Duration of membership	Member since	2022	2020	2018	2022	2021	2016
	Maximum regular membership ¹	√	√	√	√	√	√
Diversity	Gender	male	male	female	female	male	female
	Year of birth	1955	1959	1960	1969	1963	1971
	International business experience ²	√	√	√	√	√	
	Education/professional background	Engineering	Economics and business studies	Business studies	Psychology	Engineering	Law
Personal suitability	Independence ³	√	√	√	√	√	
	Regular age limit ⁴	√	√	√	√	√	√
Skills / experience	Rail, commercial vehicle and automotive industry (including suppliers)	√			√	√	
	Research and development (particularly in technologies and related areas relevant to the Company)	√				√	
	Sustainability – Environment	√	√		√		√
	Sustainability – Social	√	√		√		√
	Sustainability – Governance	√	√	√	√	√	
	Digitalization / Industry 4.0	√	√		√		
	Management of a large or medium-sized international company	√	√	√	√	√	
	Production, marketing and sales				√		
	Personnel recruitment and development	√			√		
	Financial reporting (including sustainability reporting) and auditing (including audit of sustainability reporting)	√ ⁵	√	√ ⁶			
	Controlling and risk management		√	√			
	Corporate governance and corporate compliance	√	√	√	√	√	

¹ According to the skills profile for the Supervisory Board the period of membership should not exceed 15 years or 3 terms of office.

² Only relevant for shareholder representatives according to the skills profile for the Supervisory Board

³ Within the meaning of the GCG; only relevant for shareholder representatives

⁴ According to the skills profile for the Supervisory Board the candidates should not be older than 70 at the time of the election

⁵ Financial expert within the meaning of Section 100 (5) AktG and recommendation D.3 German Corporate Governance Code

⁶ Financial expert within the meaning of Section 100 (5) AktG and recommendation D.3 German Corporate Governance Code

Employee representatives		Birkeneder	Jell	Ratzisberger	Sedlmair	Starkl	Walter
Duration of membership	Member since	2016	2014	2006	2019	2014	2021
	Maximum regular membership	√	√		√	√	√
Diversity	Gender	male	male	male	female	male	female
	Year of birth	1960	1963	1967	1987	1962	1965
	Education/professional background	Engineering	Technician (machinist)	Technician	Law/Head of the Legal department of IG Metall, Munich	Industrial mechanic/IG Metall trade union secretary	Accountant
Personal suitability	Regular age limit	√	√	√	√	√	√
Skills / experience	Rail, commercial vehicle and automotive industry (including suppliers)	√	√	√	√	√	√
	Research and development (particularly in technologies and related areas relevant to the Company)	√	√				
	Sustainability – Environment						
	Sustainability – Social		√	√	√	√	√
	Sustainability – Governance	√					
	Digitalization / Industry 4.0	√					
	Management of a large or medium-sized international company						
	Production, marketing and sales	√	√	√		√	
	Personnel recruitment and development	√	√	√	√	√	√
	Financial reporting (including sustainability reporting) and auditing (including audit of sustainability reporting)						√
	Controlling and risk management						√
	Corporate governance and corporate compliance				√		

