



# INVITATION

**Knorr-Bremse  
Annual General Meeting  
2023**



**KNORR-BREMSE**



# Knorr-Bremse Aktiengesellschaft

Munich

ISIN DE000KBX1006

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

## Notice of the 2023 Annual General Meeting of Knorr-Bremse Aktiengesellschaft on May 5, 2023

Dear shareholders,

We hereby invite you to the Annual General Meeting of Knorr-Bremse Aktiengesellschaft on Friday, May 5, 2023, 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 or by issuing powers of attorney 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.

## 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 2022 as well as the report of the Supervisory Board for the fiscal year 2022

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).

The documents to be presented will be expounded on in detail during the Annual General Meeting. The aforesaid documents and the Declaration on Corporate Governance, which also includes the report on corporate governance, are available on our website at [ir.knorr-bremse.com/agm](http://ir.knorr-bremse.com/agm) and will also be available there during the Annual General Meeting. The Sustainability Report will be published for the General Meeting for the first time as an online report on the internet at [knorr-bremse.com/en/responsibility](http://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 retained earnings

The Supervisory Board and the Executive Board propose that an amount of EUR 233,740,000.00 from the retained earnings of Knorr-Bremse Aktiengesellschaft in the total amount of EUR 489,567,423.43 from the expired fiscal year 2022 be used to pay a dividend of EUR 1.45 per dividend-bearing no-par value share and to carry forward the remaining balance to new account.

This results in the following appropriation of retained earnings:

Retained earnings:	EUR 489,567,423.43
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Distribution to the shareholders:	EUR 233,740,000.00
Balance to be carried forward:	EUR 255,827,423.43

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 10, 2023.

### **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 2022 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 2022 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 2023**

The Supervisory Board proposes that the audit firm KPMG AG, Wirtschaftsprüfungsgesellschaft, Berlin, Munich branch, be appointed to serve as auditor for the annual financial statements and the consolidated financial statements for the fiscal year 2023 and for the review of the half-yearly financial report for the first half-year of the fiscal year 2023.

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 compensation report for the fiscal year 2022**

The Supervisory Board and the Executive Board submit to the Annual General Meeting the compensation report of Knorr-Bremse Aktiengesellschaft for the fiscal year 2022, 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 6 – Compensation report, which was prepared in accordance with Sec. 162 AktG and audited by KPMG AG, Wirtschaftsprüfungsgesellschaft, Berlin, Munich branch, 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](http://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 2022 is approved.

### **7. Authorization to hold general meetings virtually; amendment of the Articles of Association**

Through the Gesetz zur Einführung virtueller Hauptversammlungen von Aktiengesellschaften und Änderung genossenschafts- sowie insolvenz- und restrukturierungsrechtlicher Vorschriften (Act on the Introduction of Virtual General Meetings of Stock Corporations and the Amendment of Provisions of Law Governing Cooperative Societies, Insolvencies and Restructurings, German Federal Law Gazette (Bundesgesetzblatt) I no. 27 2022, pp. 1166 et seqq.), the German Stock Corporation Act now contains a permanent provision governing virtual general meetings. Pursuant to Sec. 118a (1) sentence 1 AktG, articles of association may provide, or may authorize the executive board for a period of no longer than five years after registration of the amendment of the articles of association to provide, that general meetings be held as virtual general meetings, i.e., without shareholders or their authorized representatives being physically present at the location of the general meeting.

This option is to be used. In consideration of the newly introduced provisions, the legally possible authorization period of up to five years is not to be utilized in full, but limited to two years. The shareholders can thus decide at an earlier point in time than if the legal possibility were made use of in full on possibly renewing the Executive Board's authorization to hold virtual general meetings.

It is to be decided for every future general meeting separately and in consideration of the circumstances of the individual case whether or not the authorization is to be used and a general meeting held as a virtual general meeting. The Executive Board will make its decisions taking the interests of the company and its shareholders into account, in particular the safeguarding of shareholders' rights as well as aspects of health and safety of participants, the effort and costs involved, and sustainability considerations. The Executive Board will also in subsequent years take into consideration the experience with the virtual format.

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

Art. 20 of the Articles of Association is supplemented with an additional paragraph (4), its heading is amended and – without amending paragraphs (1) to (3) – re-stated as follows:

Article 20 Venue and Convening; Virtual Shareholders' Meeting

- (1) *The Shareholders' Meeting will take place at the company's registered office or in any other German city with more than 100,000 inhabitants.*
- (2) *Subject to the statutory rights of the Supervisory Board and a shareholder minority to convene a meeting, the Shareholders' Meeting will be convened by the Executive Board.*
- (3) *Unless a different notice period is required by applicable law, the Shareholders' Meeting must be convened not less than thirty days prior to the day of the meeting. When calculating such notice period, the day the meeting is convened will not be taken into account. The minimum period is extended by the days of the registration period set forth in Article 21 para. (2).*
- (4) *The Executive Board is authorized to provide that a Shareholders' Meeting be held without shareholders or their authorized representatives being physically present at the venue of the Shareholders' Meeting (virtual shareholders' meeting). This authorization applies to the conduct of virtual shareholders' meetings in a period of two years after the registration of this provision with the commercial register (Handelsregister) of the company."*

#### **8. Cancellation of Authorized Capital 2018, provided for in Art. 6 of the Articles of Association, and creation of new authorized capital against cash contributions and/or contributions in kind with the authorization to exclude subscription rights; amendment of the Articles of Association**

By resolution of May 29, 2018, under agenda item 4, the General Meeting authorized the Executive Board to increase, with the consent of the Supervisory Board, the company's share capital until the end of May 28, 2023, on one or several occasions, by a total amount of up to EUR 40,300,000.00, by issuing up to 40,300,000 new no-par value bearer shares against cash contributions and/or contributions in kind (Authorized Capital 2018).

As of today, that authorization has not been used.

In order to continue to allow the company the flexibility in financing its activities in the next five years, a new authorization to increase the company's capital by an amount of up to EUR 32,240,000.00 by issuing new no-par value bearer shares against cash contributions and/or contributions in kind is to be approved.

The Executive Board's written report pursuant to Sec. 203 (2) in conjunction with Sec. 186 (4) sentence 2 AktG is printed below under *Annex to agenda item 8 - Report by the Executive Board to the General Meeting Report by the Executive Board to the General Meeting about the exclusion of subscription rights pursuant to Sec. 203 (2), Sec. 186 (4) sentence 2 AktG.*

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

- a) Cancellation of the existing Authorized Capital 2018

Upon registration of Authorized Capital 2023, proposed under b) below, with the commercial register (Handelsregister), the authorization of the company's Executive Board pursuant to Art. 6 (1) of the Articles of Association to increase the share capital with the consent of the Supervisory Board in the period ending May 28, 2023, against cash contributions and contributions in kind (Authorized Capital 2018) is cancelled.

b) Creation of new authorized capital

New authorized capital is created in the amount of EUR 32,240,000.00 (Authorized Capital 2023). Art. 6 of the Articles of Association is re-stated as follows:

*“(1) The Executive Board is authorized to increase, with the consent of the Supervisory Board, the company's share capital in the period ending May 4, 2028, on one or several occasions, by a total amount of up to EUR 32,240,000.00, by issuing up to 32,240,000 new no-par value bearer shares against cash contributions and/or contributions in kind (Authorized Capital 2023). The new shares will participate in profits from the beginning of the fiscal year in which they are issued. To the extent permitted by law, the Executive Board may, with the consent of the Supervisory Board, stipulate in deviation from the above and Sec. 60 (2) of the German Stock Corporation Act (Aktien-gesetz, "AktG") that the new shares participate in profits from the beginning of a fiscal year that has already ended and for which no resolution on the appropriation of retained earnings has been adopted by the Shareholders' Meeting at the time the shares are issued.*

*(2) As a rule, the new shares must be offered to the shareholders for subscription; they may also be underwritten by credit institutions or enterprises within the meaning of Sec. 186 (5) sentence 1 AktG subject to the obligation to offer the shares to the shareholders for subscription (indirect subscription right).*

*(3) The Executive Board is authorized to exclude, with the consent of the Supervisory Board, the shareholders' subscription rights in whole or in part,*

*i) in order to realize fractional shares with the subscription rights being excluded;*

*ii) in the case of capital increases against contributions in kind, in particular in the context of mergers or for the purpose of (also indirect) acquisitions of enterprises, parts of enterprises, participations in other enterprises or of other assets or claims for the acquisition of assets, including receivables from the company or its group companies within the meaning of Sec. 18 AktG;*

*iii) in the case of capital increases against cash contributions pursuant to Sec. 186 (3) sentence 4 AktG, if the issue price of the new shares is not substantially – within the meaning of Sec. 203 (1) and (2), Sec. 186 (3) sentence 4 AktG – below the stock exchange price of the company's shares already listed on the stock exchange at the time of the final determination of the issue price, which is to occur as close in time as possible to the placement date of the shares, and the notional amount of the share capital attributable to the new shares does not in aggregate exceed 10% of the share capital of the company, neither at the time this authorization takes effect nor at the time it is exercised. In the calculation of this 10% limit of the share capital, the pro-rata amount of the share capital attributable to shares that are sold with the subscription rights being excluded during the term of Authorized Capital 2023 on the basis of an authorization to sell treasury shares pursuant to Secs. 71 (1) no. 8 sentence 5, 186 (3) sentence 4 AktG must be taken into account. The pro-rata amount of the share capital attributable to shares issued during the term of Authorized Capital 2023 on the basis of other authorizations to issue shares in the company with the subscription rights of the shareholders being excluded in direct or analogous application of Sec. 186 (3) sentence 4 AktG must also be taken into account. Additionally, the pro-rata amount of the share capital attributable to shares that may or must be issued to satisfy claims under bonds with conversion or option rights or conversion or option obligations must be taken into account, provided that the bonds are issued during the term of Authorized Capital 2023 with the subscription rights of the shareholders being excluded in analogous application of Sec. 186 (3) sentence 4 AktG;*

*iv) and (a) to the extent necessary for fulfilling obligations or rights to acquire Knorr-Bremse shares under or in connection with bonds with warrants and/or convertible bonds and/or profit participation rights with option and/or conversion rights and/or obligations issued by the company or its group companies and (b) to the extent required to protect against dilution, in order to grant to the holders or, as the case may be, creditors of the bonds with warrants and/or convertible bonds and/or profit participation rights with option and/or conversion rights and/or obligations (or any combination of these instruments) issued by the company or its group companies subscription rights to shares in the company in the amount in which they would be entitled to receive shares after having exercised the option or conversion rights or, as the case may be, after having fulfilled any option or conversion obligations as shareholders.*

*The sum of (i) the shares that are to be issued from conditional capital under bonds that are issued under an authorization granted by the Shareholders' Meeting to this end with the subscription rights being excluded and (ii) the shares that are issued from Authorized Capital 2023 during the term of that authorization with the subscription rights being excluded must not exceed a pro-rata amount of the share capital of EUR 16,120,000.00 (at the time of authorization, this equates to 10% of the share capital amounting to EUR 161,200,000.00).*

(4) The Executive Board is authorized to determine, with the consent of the Supervisory Board, the further details of the capital increases from Authorized Capital 2023 and their implementation, in particular the further content of the rights attached to the shares and the conditions for the share issue.

(5) The Supervisory Board is authorized to amend the wording of Article 6 of the Articles of Association to reflect each use of Authorized Capital 2023, as well as upon expiration of the authorization period."

**9. Cancellation of the Executive Board's authorization approved by the General Meeting on May 29, 2018, to issue convertible bonds and/or bonds with warrants, profit participation rights and/or profit participation bonds and cancellation of Conditional Capital 2018, provided for in Art. 7 of the Articles of Association, as well as the renewed authorization of the Executive Board to issue convertible bonds and/or bonds with warrants, profit participation rights and/or profit participation bonds with the option of excluding subscription rights and the creation of new Conditional Capital 2023; amendment of the Articles of Association**

By resolution of May 29, 2018, under agenda item 5, the General Meeting authorized the Executive Board to issue, with the consent of the Supervisory Board, on one or several occasions, also simultaneously in different series, subordinated or unsubordinated bearer or registered convertible bonds and/or bonds with warrants, profit participation rights and/or profit participation bonds (or any combination of these instruments) until the end of May 28, 2023, for a total nominal amount of up to EUR 1,500,000,000.00 and to grant to the holders or creditors of those bonds conversion or, as the case may be, option rights to a total number of up to 16,120,000 no-par value bearer shares in the company representing a total pro-rata amount of the share capital of up to EUR 16,120,000.00 as specified in more detail in the terms and conditions of the bonds.

As of today, that authorization has not been used.

In order to continue to allow the company the flexibility in financing its activities in the next five years, it is proposed that a new authorization be approved to issue convertible bonds and/or bonds with warrants, profit participation rights and/or profit participation bonds for a total nominal amount of up to EUR 1,500,000,000.00 as well as new conditional capital in the amount of EUR 16,120,000.00, i.e., not more than 10% of the company's share capital at the time of the Annual General Meeting's resolution on this authorization.

The Executive Board's written report pursuant to Sec. 221 (4) sentence 2 in conjunction with Sec. 186 (4) sentence 2 AktG is printed below under Annex to agenda item 9 - Report by the Executive Board to the General Meeting about the exclusion of subscription rights pursuant to Sec. 221 (4) sentence 2 in conjunction with Sec. 186 (4) sentence 2 AktG.

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

- a) Cancellation of the Executive Board's current authorization to issue convertible bonds and/or bonds with warrants, profit participation rights and/or profit participation bonds and cancellation of the current Conditional Capital 2018

Upon registration of Conditional Capital 2023, proposed under c) below, with the commercial register (Handelsregister), the authorization of the company's Executive Board approved by the General Meeting on May 29, 2018, under agenda item 5 to issue, with the consent of the Supervisory Board, on one or several occasions, also simultaneously in different series, subordinated or unsubordinated bearer or registered convertible bonds and/or bonds with warrants, profit participation rights and/or profit participation bonds (or any combination of these instruments) for a total nominal amount of up to EUR 1,500,000,000.00 and Conditional Capital 2018 are cancelled.

- b) Authorization to issue convertible bonds and/or bonds with warrants, profit participation rights and/or profit participation bonds (or any combination of these instruments) and to exclude subscription rights

- i) Authorization, nominal amount, number of shares, issue by group companies

The Executive Board is authorized until the end of May 4, 2028, to issue, with the consent of the Supervisory Board, on one or several occasions, also simultaneously in different series, subordinated or unsubordinated bearer or registered convertible bonds and/or bonds with warrants, profit participation rights and/or profit participation bonds (or any combination of these instruments) (hereinafter collectively referred to as bonds) for a total nominal amount of up to EUR 1,500,000,000.00 and to grant to the holders or creditors of those bonds (hereinafter collectively referred to as holders) conversion or, as the case may be, option rights to a maximum number of 16,120,000 no-par value bearer shares in the company representing a total pro-rata amount of the share capital of up to EUR 16,120,000 (this equates to 10% of the share capital) as specified in more detail in the terms and conditions of the bonds (hereinafter referred to as terms of issue). The bonds may be issued against cash contributions and/or contributions in kind. The terms of issue may also stipulate an option or, as the case may be, conversion obligation upon maturity or at an earlier time or at the end of a specified period.

Other than in euros, the bonds may – limited to the equivalent amount in euros – also be issued in the legal tender of any OECD country. Where bonds are issued in a legal tender other than euro, the equivalent amount, calculated based on the euro reference exchange rate of the European Central Bank on the day before the resolution is passed to issue the bond, is to be used.

The bonds may also be issued by any group company of Knorr-Bremse Aktiengesellschaft within the meaning of Sec. 18 AktG. In such case, the Executive Board is authorized to assume, with the consent of the Supervisory Board, a guarantee on behalf of the company for the bonds and to grant to or impose upon the holders conversion and option rights or conversion and option obligations (or any combination thereof) relating to bearer shares in the company.

The bonds may be issued with or without a fixed term, and the terms of issue may provide for option or conversion rights and/or option or conversion obligations upon maturity or at any other point in time during their terms to maturity. The bonds may be issued with fixed or variable interest. Furthermore, as in the case of a profit participation bond, the interest may be linked entirely or partially to the amount of the company's dividend.

#### ii) Subscription rights, authorization to exclude subscription rights

The shareholders are, in principle, entitled to subscribe for the bonds. Subscription rights may also be granted in such a way that the bonds are underwritten by one or several credit institution(s) or enterprise(s) within the meaning of Sec. 186 (5) sentence 1 AktG specified by the Executive Board and subject to the obligation to offer the bonds to the shareholders for subscription (indirect subscription rights). Where bonds are issued by a group company of Knorr-Bremse Aktiengesellschaft within the meaning of Sec. 18 AktG, the company must ensure accordingly that shareholders of the company are granted their statutory subscription rights.

The Executive Board is authorized, however, to exclude, with the consent of the Supervisory Board, shareholders' subscription rights:

- if bonds to which conversion or option rights or conversion or option obligations are attached are issued for cash and the Executive Board, upon due review, determines that the issue price of the bonds is not substantially below the theoretical market value of the bonds as computed in accordance with generally accepted methods, in particular, methods of financial mathematics. This authorization to exclude subscription rights applies to bonds issued with conversion and option rights or, as the case may be, conversion or option obligations relating to shares representing a pro-rata amount of the share capital that must not exceed, in aggregate, 10% of the company's share capital, whether at the time this authorization takes effect or – if this value is lower – at the time the authorization is exercised. In the calculation of this limit, the share capital must be taken into account that is attributable to the shares that are issued or sold during the term on or before the date of the relevant exercise of this authorization with the simplified exclusion of the subscription rights pursuant to or in analogous application of Sec. 186 (3) sentence 4 AktG;
- if bonds are issued against contributions in kind, in particular in order to be able to offer them to third parties in the context of mergers or for the purpose of (also indirect) acquisitions of enterprises, parts of enterprises, participations in enterprises or of other assets or claims for the acquisition of assets or receivables from the company or its group companies within the meaning of Sec. 18 AktG;
- to the extent that it is necessary in order to grant holders or creditors of previously issued bonds or warrants that have been issued by the company or by group companies of the company within the meaning of Sec. 18 AktG subscription rights in the scope to which they would be entitled after having exercised their conversion or option rights or, as the case may be, after having fulfilled their conversion or option obligations;
- in order to exclude fractional shares from subscription rights.

The sum of (i) the shares that are to be issued under bonds that are issued under this authorization with the subscription rights excluded and (ii) the shares that are issued from authorized capital during the term of this authorization with the subscription rights excluded must not exceed a pro-rata amount of the share capital of EUR 16,120,000.00 (at the time of authorization, this equates to 10% of the share capital amounting to EUR 161,200,000.00).

Where profit participation rights or profit participation bonds are issued without conversion or option rights or, as the case may be, conversion or option obligations, the Executive Board is authorized to exclude, with the consent of the Supervisory Board, any subscription rights of the shareholders as a whole, provided that the profit participation rights or profit participation bonds have obligation-like features, i.e., no membership rights in the company and no share in the liquidation proceeds are granted thereunder and the payable interest thereon is not calculated by reference to net income, retained earnings or dividend. Furthermore, in such case, the interest and the issue price of the profit participation rights or the profit participation bonds must, upon due review by the Executive Board, accord with the current market conditions prevailing at the time of issue.

### iii) Convertible bonds and bonds with warrants

The bonds will be divided into notes (Teilschuldverschreibungen).

Where bonds are issued with option rights and/or option obligations, one or more warrants are to be attached to each note granting to the holder the right or, as the case may be, obligating the holder to subscribe for no-par value bearer shares in the company as specified in more detail in the terms of issue. The terms of issue may provide that the option price may also be paid by way of transfer of notes (trade-in) or by offsetting against the claim for repayment under the note and, if appropriate, a supplemental payment. Should fractional shares arise, it may be stipulated that these fractional shares may be added together in accordance with the terms of issue, if appropriate against supplemental payment, for the subscription of whole shares.

Where bonds are issued with conversion rights and/or conversion obligations, the holders receive the right or, as the case may be, assume the obligation to convert their notes into no-par value bearer shares in the company as specified in more detail in the terms issue.

The conversion ratio is calculated by dividing either the nominal amount or – if the issue price is less than the nominal amount – the issue price of the note by the conversion price set for a share in the company and may be rounded up or down to a whole number; in addition, it may be stipulated that a supplemental payment is to be made and that non-convertible fractional shares may be combined or that compensation must be provided for such fractional shares. Furthermore, the terms of issue may also stipulate that the conversion ratio is to be variable and that the conversion price (subject to the minimum price defined below) is to be calculated using future stock exchange prices within a certain range.

### iv) Granting of new or existing shares, cash payment, right to provide alternative performance

The terms of issue may provide that the company has the right where a note is converted or, as the case may be, an option is exercised not to grant new shares, but to pay the equivalent value in cash. The terms of issue may also provide that, at the company's option, the bonds, instead of being converted into new shares from conditional capital, may be converted into new shares from authorized capital, into already existing shares in the company or into shares in another listed company or, if appropriate, that the option right and/or the option obligation may be satisfied by furnishing such shares.

In addition, the terms of issue may provide that the company has the right where a note is converted or, as the case may be, an option is exercised, at the company's option, instead of furnishing shares, to sell the shares to be granted through one or more third parties and to satisfy the claims of the holders or, as the case may be, creditors of the bonds from the sale proceeds.

The terms of issue may provide that the company has the right upon maturity of the bonds, to which conversion or option rights or conversion or option obligations are attached, to grant to the holders no-par value shares in the company or in another listed company fully or partially instead of paying the cash amount due.

### v) The conversion and option price

Where bonds are issued that grant conversion or option rights, the conversion or option price to be set in each case for a share must – with the exception of cases in which a conversion or option obligation is stipulated – be at least 80% of the volume-weighted average closing price of the company's shares in the XETRA trading system (or in a comparable successor system) of the Frankfurt Stock Exchange during the last ten trading days prior to the day on which the Executive Board decided on the issue of the bonds or – in the event subscription rights are granted – must be at least 80% of the volume-weighted average closing price of the company's shares in the XETRA trading system (or in a comparable successor system) of the Frankfurt Stock Exchange during the subscription period, excluding the days of the subscription period that are necessary in order to be able to announce the conversion and option price by the deadline pursuant to Sec. 186 (2) AktG. Sec. 9 (1) AktG and Sec. 199 (2) AktG remain unaffected.

### vi) The option or conversion obligation

The terms of issue may also provide for an option or conversion obligation upon maturity of the bonds or at another point in time (in each case also "maturity") or for the right of the company to grant to the holders of the relevant notes shares in the company or in another listed company fully or partially instead of paying the cash amount due upon maturity of the bonds. In such cases, the option or conversion price for a share may equate to the non-weighted average closing price of the company's shares in the XETRA trading system (or in a corresponding successor system) during the ten trading days before or after the date of maturity, even if such price is below the minimum price stated under v) above. Sec. 9 (1) AktG in conjunction with Sec. 199 (2) AktG are to be observed.



## vii) Dilution protection, adjustment mechanisms

In the case of bonds to which conversion or option rights or conversion or option obligations are attached, the conversion or, as the case may be, option price may be adjusted, Sec. 9 (1) AktG and Sec. 199 (2) AktG notwithstanding, as a value-preserving measure in the event of the economic dilution of the conversion or option rights or the conversion or option obligations as specified in more detail in the terms of issue, unless the adjustment is provided for by applicable law or subscription rights are granted as compensation, a corresponding amount is paid in cash or another adjustment mechanism is provided for.

## viii) Authorization to determine further details

The Executive Board is authorized to determine, with the consent of the Supervisory Board, the further details regarding the issue and terms and conditions of the bonds, in particular the interest rate, the type of interest, the issue price, the term to maturity, the denomination, the dilution protection provisions, the option or conversion period, the stipulation of a supplemental cash payment or of an option or conversion premium payable in cash, the compensation for and combination of fractional shares and a possible variability of the conversion ratio, or, as applicable, to stipulate such details in agreement with the corporate bodies of the group company of Knorr-Bremse Aktiengesellschaft within the meaning of Sec. 18 AktG issuing the bond with warrants or convertible bond.

## c) Creation of Conditional Capital 2023

New Conditional Capital 2023 is created and Art. 7 of the Articles of Association is re-stated as follows:

*“(1) The company’s share capital is conditionally increased by up to EUR 16,120,000.00 by issuing up to 16,120,000 new no-par value bearer shares (Conditional Capital 2023). The conditional capital increase will be implemented only to the extent that, under convertible bonds or bonds with warrants, profit participation rights or profit participation bonds (or any combination of these instruments) – each with conversion or option rights or, as the case may be, conversion or option obligations – issued in the period ending May 4, 2028, by Knorr Bremse Aktiengesellschaft or any group companies of Knorr Bremse Aktiengesellschaft within the meaning of Sec. 18 AktG on the basis of the authorization approved by the Shareholders’ Meeting on May 5, 2023, conversion or option rights are used or, as the case may be, holders of bonds obligated to convert them or to exercise an option fulfill their obligation to convert the bonds or exercise the option, or to the extent that the company exercises its right to grant to the holders of the relevant notes no-par value shares in the company fully or partially instead of paying the cash amount due upon maturity of the bonds, and provided that other forms of performance have not been chosen. The new shares will be issued at the conversion or option price to be determined in each case in accordance with the above-mentioned authorizing resolution. The new shares so issued will participate in profits from the beginning of the fiscal year in which they are created; to the extent permitted by law, the Executive Board, with the consent of the Supervisory Board, may – in derogation therefrom – stipulate that the new shares participate in profits from the beginning of the fiscal year for which, at the time of the exercise of the conversion or option rights or, as the case may be, the fulfilment of the conversion or option obligations, no resolution has yet been adopted by the Shareholders’ Meeting regarding the appropriation of retained earnings.*

*(2) The Executive Board is authorized to determine, with the consent of the Supervisory Board, the further details regarding the implementation of the conditional capital increase.”*

## d) Authorization to amend the Articles of Association

The Supervisory Board is authorized to amend the wording of Art. 7 (1) of the Articles of Association to reflect the relevant issue of new shares as well as to make all other amendments to the Articles of Association in connection therewith relating only to the wording. The same applies accordingly in the event that no use is made of the authorization to issue convertible bonds or bonds with warrants, profit participation rights or profit participation bonds (or any combination of these instruments) after expiration of the authorization period as well as in the event that no use is made of Conditional Capital 2023 after the deadlines for exercising conversion or option rights or, as the case may be, for fulfilling conversion or option obligations expire.

## **10. Cancellation of the current authorization to acquire and use treasury shares and establishment of a new authorization of the Executive Board to acquire and use treasury shares pursuant to Sec. 71 (1) no. 8 AktG, as well as the exclusion of subscription and tender rights**

By resolution of May 29, 2018, under agenda item 6, the General Meeting authorized the Executive Board to acquire in the period ending May 28, 2023, treasury shares in Knorr-Bremse Aktiengesellschaft in the total amount of 10% of the share capital that there is at the time that authorization took effect or – if this amount is lower – of the share capital that there is at the time the present autho-

rization is exercised in each case for any purpose permitted within the scope of the statutory restrictions and in accordance with the provisions set out below.

As of today, that authorization has not been used.

In order to retain the company's flexibility with regard to the acquisition and use of treasury shares going forward, the original authorization to acquire and use treasury shares is to now be cancelled and replaced by a new authorization with a term lasting until May 4, 2028.

The Executive Board's written report pursuant to Secs. 71 (1) no. 8, 186 (4) sentence 2 AktG is printed under Annex to agenda item 10 - Report by the Executive Board to the General Meeting about the exclusion of subscription rights pursuant to Sec. 186 (4) sentence 2 AktG in conjunction with Sec. 71 (1) no. 8 AktG.

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

a) Cancellation of the current authorization

The Executive Board's authorization approved by the General Meeting on May 29, 2018, under agenda item 6 to acquire treasury shares up to an aggregate amount of 10% of the share capital for any permitted purpose until the end of May 28, 2023, is cancelled.

b) Authorization to acquire treasury shares

The Executive Board is authorized to acquire in the period ending May 4, 2028, treasury shares in Knorr-Bremse Aktiengesellschaft up to a total amount of 10% of the share capital that there is at the time this authorization takes effect or – if this amount is lower – of the share capital that there is at the time the present authorization is exercised in each case for any purpose permitted within the scope of the statutory restrictions and in accordance with the provisions set out below. The shares acquired under this authorization together with other treasury shares that the company has already acquired and that are held by it or are attributable to it must not at any moment in time represent more than 10% of the share capital.

The authorization may be exercised by the company, but also by its group companies or by third parties acting on behalf of the company or of any group company for the account of the company or of group companies provided that the statutory requirements, in particular those pursuant to Sec. 71 (2) AktG, are met.

The acquisition may be effected via the stock exchange, by means of a public purchase offer made to all shareholders, by means of a public invitation to all shareholders to submit sale offers or by granting tender rights.

- Where an acquisition is effected via the stock exchange, the consideration per share (excluding ancillary acquisition costs) paid by the company must not exceed by more than 10% or fall below by more than 20% the price determined on the trading day by the opening auction in the XETRA trading system (or in a comparable successor system) of the Frankfurt Stock Exchange.
- Where a public purchase offer is made, the consideration per share (excluding ancillary acquisition costs) paid by the company must not exceed by more than 10% or fall below by more than 20% the average of the stock exchange prices of the company's shares in the closing auction in the XETRA trading system (or in a comparable successor system) of the Frankfurt Stock Exchange on the last three trading days prior to the Executive Board's final decision on making the purchase offer.
- Where a public invitation is extended to submit sale offers or where an acquisition is effected by granting tender rights, the consideration per share (excluding ancillary acquisition costs) paid by the company must not exceed by more than 10% or fall below by more than 20% the average of the stock exchange prices of the company's shares in the closing auction in the XETRA trading system (or in a comparable successor system) of the Frankfurt Stock Exchange on the last three trading days prior to the day on which the sale offers are accepted or, as the case may be, on which the tender rights are granted.

Should the stock exchange price deviate materially from the purchase or sale price offered or from the limits of any purchase or sale price range after the publication of a public purchase offer or, as the case may be, after a public invitation to submit sale offers or after the granting of tender rights, the offer, the invitation to submit sale offers or, as the case may be, the tender rights may be modified until the point in time of acceptance. In such case, the relevant price is to be determined based on the corresponding stock exchange price on the last trading day before the Executive Board's final decision on the modification and must not exceed by more than 10% or fall below by more than 20% that stock exchange price.

The volume of a public purchase offer or of a public invitation to submit sale offers may be limited. If a public purchase offer or a public invitation to submit sale offers has been oversubscribed, the acquisition or, as the case may be, the acceptance must be effected based on the proportions of the offered shares to be considered in each case with any potential rights of the shareholders to tender their shares being partially excluded in this respect. Any potential rights of the shareholders to sell their shares may be partially excluded such that priority is given to acquiring or accepting smaller lots of up to 150 no-par value shares per shareholder and such that the number of shares is rounded according to commercial principles.

The volume of the tender rights offered in aggregate to the shareholders may also be limited. If tender rights are granted to the shareholders for the purpose of acquisition, such rights are to be allocated to the shareholders in proportion to their shareholdings according to the relation of the volume of the shares to be repurchased by the company to the outstanding share capital. Fractions of tender rights need not be allocated; in such event, any partial tender rights will be excluded.

The Executive Board will determine the further details of the acquisition in each case, in particular of any purchase offer or any invitation to submit sale offers. This also applies to the further details of any tender rights, in particular regarding the term and, as appropriate, their tradeability. In this context, restrictions and requirements under capital market and other laws must be observed as well.

c) Authorization of the Executive Board to use treasury shares

The Executive Board is authorized to use the treasury shares acquired on the basis of this authorization for all legally permissible purposes, in particular as follows:

- i) The shares may be sold via the stock exchange or, with the consent of the Supervisory Board, by way of a public offer to all shareholders in correspondence with their shareholding proportions. In the latter case, subscription rights for fractional amounts are excluded.
- ii) The shares may, subject to the consent of the Supervisory Board, also be sold otherwise against cash payment at a price that at the time of sale is not substantially below the stock exchange price of the company's shares carrying the same rights (Secs. 71 (1) no. 8 sentence 5, 186 (3) sentence 4 AktG). The pro-rata amount of the share capital attributable to the number of shares sold under this authorization must not exceed 10% of the share capital that there is at the time this authorization takes effect or – if this value is lower – of the share capital that there is at the time the authorization is exercised in each case. In the calculation of the 10% limit, the pro-rata amount of new shares in the share capital must be taken into account that have been issued since the General Meeting adopted the resolution on this authorization based on any authorizations to issue shares from authorized capital with the subscription rights excluded pursuant to Sec. 186 (3) sentence 4 AktG, as well as the pro-rata amount of the share capital attributable to bonds with warrants and/or convertible bonds with an option or, as the case may be, conversion right or a conversion or option obligation or to tender rights relating to shares that have been issued since the General Meeting adopted the resolution on this authorization based on any authorizations pursuant to Secs. 221 (4), 186 (3) sentence 4 AktG with the subscription rights excluded.
- iii) Subject to the consent of the Supervisory Board, the shares may be offered or transferred against contribution in kind, in particular as (partial) consideration for the direct or indirect acquisition of enterprises, parts of enterprises or participations in enterprises or other assets, including receivables from the company or its group companies within the meaning of Sec. 18 AktG, or of claims for the acquisition of assets or in the context of mergers.
- iv) The shares may be used for fulfilling obligations or rights to acquire shares in Knorr-Bremse Aktiengesellschaft under or in connection with bonds with warrants and/or convertible bonds issued by the company or its group companies. Furthermore, the Executive Board is authorized to use the shares in order to grant to the holders or creditors of bonds with warrants and/or convertible bonds and/or profit participation rights with option and/or conversion rights and/or obligations (or any combination of these instruments) issued by the company or its group companies subscription rights as compensation for dilution in the scope to which they would be entitled to receive shares after having exercised the rights or having fulfilled such obligations and to fulfill subscription rights.
- v) v) The shares may be used as part of stock-based compensation and/or employee share programs of the company or its affiliated companies and may be issued to persons who are or were employed with the company or any of its affiliated companies as well as to members of corporate bodies of affiliated companies of the company. They may be offered for sale, awarded or transferred to the aforesaid persons and members of corporate bodies (against consideration or not) provided that the employment or service relationship or membership still exists at the time of the offer, award or transfer. The sum of the shares that are used based on the authorization pursuant to this letter c) (v) must not exceed 5% of the share capital either at the time this authorization takes effect or at the time the shares are used. In the calculation of this limit, shares must be taken into account that are used based on the authorization pursuant to d) below.

vi) The shares may also be cancelled without the cancellation or its implementation requiring another resolution by the General Meeting. Cancellation will result in a capital reduction. However, in accordance with Sec. 237 (3) no. 3 AktG, the Executive Board can determine, deviating from the above, that the share capital is not reduced but that the pro-rata amount of the remaining shares in the share capital is increased pursuant to Sec. 8 (3) AktG. In this case, the Executive Board is authorized, pursuant to Sec. 237 (3) no. 3, 2nd half-sentence AktG, to adjust the number of shares stated in the Articles of Association.

d) Authorization of the Supervisory Board to use treasury shares

The Supervisory Board is authorized to use the treasury shares acquired on the basis of this or previous authorizations as follows:

The shares may be used to service obligations or rights to acquire Knorr-Bremse shares that have been or will be agreed with members of the Executive Board of Knorr-Bremse Aktiengesellschaft in the context of the provisions on compensation for the Executive Board. Specifically, they may be offered for purchase, awarded or transferred to the members of the Executive Board of Knorr-Bremse Aktiengesellschaft provided that the service relationship of the relevant member or the board membership exists at the time of the offer, award or transfer. The details regarding the compensation for the members of the Executive Board are determined by the Supervisory Board. The sum of the shares that may be used based on this lit. d) must not exceed 5% of the share capital either at the time this authorization takes effect or at the time the shares are used or awarded. In the calculation of this limit, shares must be taken into account that are used based on the authorization pursuant to c) (v) above.

e) Subscription rights

Shareholders' subscription rights to treasury shares are excluded to the extent that these shares are used in accordance with the authorizations specified in c) (i) to (v) and d) above.

f) Exercising the authorization

The authorization to acquire, sell or otherwise use, or cancel treasury shares may be exercised independently in whole or in part on one or several occasions.

## 11. Approval of a domination and profit and loss transfer agreement between Knorr-Bremse Aktiengesellschaft and Knorr-Bremse Systeme für Nutzfahrzeuge GmbH

On March 16, 2023, Knorr-Bremse Aktiengesellschaft entered into a domination and profit and loss transfer agreement with its wholly-owned subsidiary, Knorr-Bremse Systeme für Nutzfahrzeuge GmbH, with its registered office in Munich (hereinafter referred to as the **"Subsidiary"**).

The domination and profit and loss transfer agreement reads as follows:

### **"Domination and profit and loss transfer agreement"**

entered into by and between Knorr-Bremse AG registered in the commercial register (Handelsregister) of the Local Court (Amtsgericht) of Munich under HRB 42031- hereinafter the **"Controlling Company"** - and Knorr-Bremse Systeme für Nutzfahrzeuge GmbH registered in the commercial register of the Local Court of Munich under HRB 102775 - hereinafter the **"Controlled Company"** - the Controlling Company/Controlled Company hereinafter individually/collectively also referred to as the **"Party/Parties"** -

#### **Preamble**

- (1) The Controlling Company is the sole shareholder of the Controlled Company.
- (2) In order to establish a tax group pursuant to Secs. 14 et seqq. of the German Corporate Income Tax Act (Körperschaftsteuergesetz, "KStG") and Sec. 2 (2) sentence 2 of the German Trade Tax Act (Gewerbesteuer-gesetz, "GewStG") in their respective applicable versions from time to time, the following domination (pursuant to Sec. 291 of the German Stock Corporation Act (Aktiengesetz, "AktG")) and profit and loss transfer agreement (hereinafter also referred to as the **"Agreement"**) is to be entered into. The Controlled Company's legal independence will not be affected by this Agreement.

Now, therefore, the Controlling Company and the Controlled Company enter into the following domination (pursuant to Sec. 291 AktG) and profit and loss transfer agreement:

**Section 1 Management and Instructions**

- (1) The Controlled Company submits itself to the management of the Controlling Company. The latter is entitled – to the extent permitted by law – to issue instructions to the managing directors of the Controlled Company regarding its management. The managing directors of the Controlled Company are obliged to follow the instructions of the Controlling Company.
- (2) The Controlling Company will exercise its right to issue instructions only through its Executive Board.
- (3) Instructions must be issued in text form.

**Section 2 Transfer of Profit**

- (1) The Controlled Company undertakes to transfer to the Controlling Company its entire profit in accordance with all the provisions laid down in Sec. 301 AktG as amended from time to time. The obligation to transfer profit applies for the first time to the Controlled Company's fiscal year in which this Agreement takes effect.
- (2) The Controlled Company may, with the consent of the Controlling Company, allocate amounts from net income to retained earnings (Sec. 272 (3) of the German Commercial Code (Handelsgesetzbuch, "HGB")) to the extent that this is permissible under commercial law and that there are economic reasons based on reasonable business judgment.
- (3) Upon request of the Controlling Company, other retained earnings pursuant to Sec. 272 (3) HGB formed during the term of this Agreement must be reversed and transferred as profit by the Controlled Company to the extent permitted by law.
- (4) The transfer of amounts from the reversal of other retained earnings and of profit carried forward that were established or arose from profits generated before the fiscal year in which this Agreement takes effect as well as the transfer of amounts from the reversal of capital reserves within the meaning of Sec. 272 (2) HGB established prior to or during the term of this Agreement is excluded.

**Section 3 Assumption of Loss**

The assumption of loss is subject to the analogous application of the provisions of Sec. 302 AktG as amended from time to time.

**Section 4 Due Date of Payments**

The claim to have profits transferred pursuant to Section 2 arises as of the end of the Controlled Company's fiscal year. It becomes due and payable at that point in time (with that date being the value date).

**Section 5 Outside Shareholders**

The Controlling Company holds 100% of the share capital of the Controlled Company. Therefore, no compensation or settlement payment need to be made to outside shareholders.

**Section 6 Effect / Term of the Agreement / Termination**

- (1) This Agreement will take effect only with the consent of the general meeting of the Controlling Company and the shareholders' meeting of the Controlled Company and upon its registration with the commercial register of the Controlled Company.
- (2) With the exception of Section 1, this Agreement will be effective retroactively for the period beginning at the start of the Controlled Company's fiscal year in which the Agreement is registered with the commercial register of the Controlled Company. Accordingly, the claim to have profits transferred or to have losses assumed arises for the first time for the full fiscal year of the Controlled Company in which this Agreement is registered with its commercial register.
- (3) The Agreement has been entered into for an indefinite period of time.
- (4) In order to fulfill the time requirements laid down in Sec. 14 (1) sentence 1 no. 3 sentence 1 KStG, the Agreement may be terminated, by giving three months' notice, at the earliest as at the end of a period of six full years (72 months) after the start of the first fiscal year of the subsidiary to which the Agreement applies according to the preceding subsection 2, provided that the fiscal year of the subsidiary ends on that date; otherwise, termination of the Agreement is permitted, subject to the same notice period, at the earliest as at the end of the subsidiary's fiscal year that is ongoing on that date.

- (5) The right to terminate the Agreement for good cause without notice remains unaffected. The Parties are entitled to terminate the Agreement for good cause, in particular, if the Controlling Company or affiliated companies of the Controlling Company within the meaning of Secs. 15 et seqq. AktG no longer hold a majority of the capital or voting rights in the Controlled Company; this also applies in the event of the sale or contribution of a majority of the shares. Good cause may also be deemed to exist, in particular, in the case of a shareholding of another shareholder in the Controlled Company and of a merger, demerger (according to the German Transformation Act (Umwandlungsgesetz)) or liquidation of the Controlling Company or Controlled Company. During the minimum term of the Agreement according to subsection 3, the Agreement will be terminated without notice only if good cause within the meaning of tax law is deemed to exist. The right to terminate the Agreement by mutual consent instead of terminating it without notice remains unaffected.
- (6) Notice of termination must be given in writing. The point in time when the notice of termination is received by the relevant other Party is decisive for the purpose of determining whether the notice period has been observed.

### **Section 7 Final Provisions**

- (1) Where reference is made in this Agreement to any statutory provisions or their successor provisions, reference is made to their versions applicable from time to time.
- (2) The provisions set forth in Secs. 14 and 17 KStG and Sec. 2 (2) sentence 2 GewStG or, as applicable, their successor provisions in their versions applicable from time to time must be taken into account for the interpretation of this Agreement.
- (3) If dynamic references and texts reproduced in the Agreement (Vertragsurkunde) conflict with each other, the texts merely have an explanatory function in relation to the contractually agreed dynamic reference, without having an independent function. The dynamic reference has precedence.
- (4) In the event of a change in the law, the new provisions to be applied on the basis of the dynamic reference will automatically supplement (in whole or in part) the existing provisions or, where applicable, replace the conflicting provisions of this Agreement.
- (5) In the event of a change in case law and/or the opinion of the tax authorities relevant to this Agreement, the Parties reserve the right to modify the Agreement.
- (6) If any one or more provisions of this Agreement are or become invalid or impracticable in whole or in part or if this Agreement lacks any provision, this will not affect the validity of the remaining provisions. Any invalid/and impracticable provision is replaced by a provision that comes as close as possible to the intent and purpose of the invalid/impracticable provision and that results in the recognition of the tax group. In the event that this Agreement lacks a provision, a provision is deemed agreed that reflects what would have been agreed in light of the intent and purpose of this Agreement had the matter been considered previously.
- (7) In all other respects, any changes and amendments to this Agreement must be made in writing.
- (8) This Agreement is governed by the provisions of the laws of the Federal Republic of Germany. Exclusive venue is Munich, Germany."

\* \* \* \* \*

Knorr-Bremse Aktiengesellschaft is, and was at the time the agreement was concluded, the sole shareholder of the Subsidiary, and it still will be at the time of the Annual General Meeting on May 5, 2023. Compensation or settlement payments for outside shareholders pursuant to Secs. 304 and 305 AktG will therefore not need to be granted.

The agreement will take effect only with the consent of the General Meeting of Knorr-Bremse Aktiengesellschaft and the consent of the shareholders' meeting of Knorr-Bremse Systeme für Nutzfahrzeuge GmbH and only after the agreement has been registered with the commercial register kept with the local court having jurisdiction over the registered office of Knorr-Bremse Systeme für Nutzfahrzeuge GmbH.

As from the date on which notice is given of the Annual General Meeting, the following documents will be available on our website at [ir.knorr-bremse.com/agm](http://ir.knorr-bremse.com/agm):

- the domination and profit and loss transfer agreement between Knorr-Bremse Aktiengesellschaft and the Subsidiary;
- the annual financial statements and the consolidated financial statements as well as the combined management reports on Knorr-Bremse Aktiengesellschaft and the Knorr-Bremse Group as at December 31, 2020, as at December 31, 2021 and as at December 31, 2022;
- the annual financial statements and management reports on the Subsidiary as at December 31, 2020, as at December 31, 2021 and as at December 31, 2022;
- the joint report pursuant to Sec. 293a AktG rendered by the Executive Board of Knorr-Bremse Aktiengesellschaft and the managing directors of the Subsidiary.

An examination by one or more examiner(s) (contracted examiner(s)) is not required pursuant to Sec. 293b (1) 2nd half-sentence AktG because Knorr-Bremse Aktiengesellschaft is the sole shareholder of the Subsidiary.

The Supervisory Board and the Executive Board propose that the domination and profit and loss transfer agreement of March 16, 2023, between Knorr-Bremse Aktiengesellschaft (as the controlling company) and Knorr-Bremse Systeme für Nutzfahrzeuge GmbH be approved.

## **II. Annexes to the agenda**

### **Annex with respect to agenda item 6 – Compensation report**

# Compensation Report

## Introduction

This compensation report explains the principles of the remuneration systems for the Executive Board and Supervisory Board of Knorr-Bremse AG and the compensation granted and owed within the meaning of section 162 (1) sentence 1 AktG to the current and former members of the Executive Board and Supervisory Board, in each case relating to the 2022 fiscal year (January 1, 2022, to December 31, 2022).

This compensation report takes into account the feedback regarding the 2021 compensation report that the company received from investors in conjunction with its approval at the 2022 Annual General Meeting as well as independently of the 2022 Annual General Meeting. The 2021 compensation report was approved with a majority of 69.85% of the valid votes cast, which, in the management's view, represents a critical assessment by investors. The company continuously makes efforts to take on board critical remarks to an adequate extent. As part of these efforts, a revised structure for this compensation report is intended to improve legibility and, by extension, transparency. 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) has been completed in full is also disclosed consistently. For the variable compensation components, the compensation subtargets and the calculation of the actual target achievement are presented and described in more detail.

This 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 2022 compensation report.

This compensation report is planned to be presented for approval at the Annual General Meeting on May 5, 2023.

## Overview of the Fiscal Year

### Business

Business development in 2022 should be deemed as positive in light of the international difficulties, including the strict zero-Covid policy in China, the associated limitations on

supply chains, the impact of the inflation resulting from the Covid-19 pandemic and the war in Ukraine.

The revenue guidance issued at the start of the year was confirmed during the 2022 fiscal year, which meant that Knorr-Bremse was able to increase its revenues once again thanks to the growing aftermarket business and continuously high customer demand in Europe and North America. Consolidated revenues as at year-end 2022 came to € 7,150 million (2021: € 6,706 million). Despite the remaining high level of difficulty in the global situation, Knorr-Bremse attained operating EBIT of € 795 million (2021: € 908 million). Furthermore, the Group's free cash flow amounted to € 219 million, compared to € 600 million in the previous year's period.

The Rail Vehicle Systems (RVS) division continued to develop positively, however it was confronted with strongly varying market situations around the world. Its revenues of € 3,402 million were at a stable level compared to the previous year (2021: € 3,317 million). The revenues of the Commercial Vehicle Systems (CVS) division successfully rose by 11% to € 3,750 million. This increase results in particular from the high demand stemming from catch-up effects from previous years in Europe and North America as well as the aftermarket business, which is strong overall.

### The Executive Board

The previous Chief Executive Officer of Knorr-Bremse AG, Dr. Jan Michael Mrosik, left the company's Executive Board on March 11, 2022. He left the company at the close of April 30, 2022.

Frank Markus Weber took on the additional role of Executive Board Spokesman alongside his current responsibilities as Chief Financial Officer until the new Chief Executive Officer commenced his position. The Supervisory Board passed a resolution for a one-time, temporary increase the compensation of Frank Markus Weber by what it saw as an appropriate and customary amount, taking into consideration the compensation system, in view of his assumption of this role and the considerably broader adoption of responsibilities for a significant period of time; this compensation increase lasted for the duration of his additional assumption of Spokesman duties and is presented and explained in more detail in the section "Executive Board Compensation – Target Compensation and Compensation Structure."



Bernd Spies, as a newly appointed member of the Executive Board, took on responsibility for the Commercial Vehicle Systems division with effect from March 12, 2022. It had previously been headed by Dr. Jan Michael Mrosik on an interim basis.

The Supervisory Board announced on October 13, 2022, the appointment of Marc Llistosella to the Executive Board of Knorr-Bremse AG and as Chief Executive Officer with effect from January 1, 2023.

## Executive Board Compensation

### Description of the Compensation System

From January 1, 2022, the remuneration system for the Executive Board, which was presented in the Annual General Meeting of May 20, 2021 and approved with 96.37% of the votes validly cast, applies to all active members of the Executive Board. The system of compensation for Executive Board members 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") as adopted by the Government Commission German Corporate

### The Supervisory Board

With the end of the 2022 Annual General Meeting, the previous Supervisory Board Chairman, Prof. Dr. Klaus Mangold, stepped down from the company's Supervisory Board as planned on May 24, 2022. Dr. Reinhard Ploss succeeded him. Dr. Thomas Enders also left the Supervisory Board with effect from the end of the 2022 Annual General Meeting and was succeeded by Dr. Sigrid Nikutta.

Governance Code on April 28, 2022, and announced on June 27, 2022.

The compensation of Executive Board members is made up of fixed and variable components. The fixed components of Executive Board compensation are the fixed annual salary, fringe benefits and pension contribution. The variable components are the short-term variable compensation (Short-Term Incentive, **STI**) and the long-term variable compensation (Long-Term Incentive, **LTI**). The compensation system also includes share ownership guidelines (**SOG**) for the Executive Board members. An overview of the compensation system is shown in the table below: **Fig. 1**

FIG. 1 OVERVIEW OF THE COMPENSATION SYSTEM

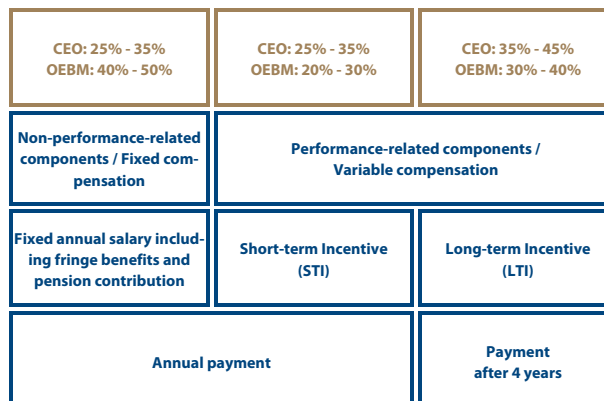
Compensation components	Assessment base / parameters	
<b>Non-performance-Related Components</b>		
Fixed annual salary	- Fixed contractually agreed compensation paid in twelve monthly installments	
Fringe benefits	- Essentially the private use of a company car, insurance (accident insurance, D&O insurance), reimbursement of the employer's contribution to health and nursing insurance	
Pension contribution	- Annual amount for retirement benefit purposes - Aside from this, no occupational pension plan is provided.	
<b>Performance-Related Components</b>		
Short-term Variable Compensation (STI)	Plan type	- Target bonus
	Cap	- 180% of target amount ( <b>CEO</b> ) - 200% of target amount (other Executive Board member; <b>OEBM</b> )
	Performance criteria	- EBIT (30%)( - Revenues (20 %) - Free cash flow (20%)
		- 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
		Payment
	Long-term Variable Compensation (LTI)	Plan type
Cap		- 180% of target amount ( <b>CEO</b> ) - 200% of target amount (other Executive Board member; <b>OEBM</b> )
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"
Payment		- In the month following approval of the consolidated financial statements for the last fiscal year of the 4-year performance period
<b>Other</b>		
Share ownership obligation	- Obligation to purchase shares in Knorr-Bremse AG for one fixed annual salary within 4 years and to hold them for the duration of the appointment to the Executive Board	
Signing benefits	- If applicable, compensation payments on the occasion of taking up office - If applicable, relocation benefits - If applicable, guaranteed minimum compensation in the first 12 months	

### 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**



In view of the fact that Frank Markus Weber temporarily took on the position of spokesperson of the Executive Board, the Supervisory Board decided to increase his compensation on a one-off, temporary basis while taking the compensation system into account. The one-off increase for the period in which he was spokesperson of the Executive Board (March to December 2022) was € 300 thousand in total, of which € 200 thousand was paid as a fixed amount in December 2022 and € 20 thousand were awarded as an increase in the STI target amount 2022 and € 80 thousand as an increase in the LTI target amount for the 2022 - 2025 tranche. The one-off increase was consistent with the principles of the compensation system.

The target compensation of the Executive Board members active in 2022 is shown in the following table: [Table → 4.01](#)

## 4.01 TARGET COMPENSATION OF EXECUTIVE BOARD MEMBERS

	Frank Markus Weber Spokesperson of the Executive Board & CFO (since July 1, 2020) <sup>1)</sup>			Dr. Claudia Mayfeld Executive Board Member for Integrity and Legal Affairs (since May 1, 2021) <sup>2)</sup>			Bernd Spies Commercial Vehicle Systems Division (since March 12, 2022) <sup>2)</sup>		
in € thousand	2022	in %	2021	2022	in %	2021	2022	in %	2021
Base remuneration	1,100	38%	850	867	35%	533	641	32%	–
Fringe benefits	21	1%	36	15	1%	19	10	1%	–
Pension contribution	300	10%	300	183	7%	100	241	12%	–
One-year variable compensation (STI)									
STI 2022	620	21%	–	600	24%	–	482	24%	–
STI 2021	–	–	600	–	–	400	–	–	–
Multi-year variable compensation (LTI)									
LTI 2022 - 2025	880	30%	–	800	32%	–	643	32%	–
LTI 2021 - 2024	–	–	800	–	–	533	–	–	–
<b>Total target compensation</b>	<b>2,921</b>	<b>100%</b>	<b>2,586</b>	<b>2,465</b>	<b>100%</b>	<b>1,585</b>	<b>2,017</b>	<b>100%</b>	<b>–</b>

	Dr. Jürgen Wilder Rail Vehicle Systems Division (since September 1, 2018)			Dr. Jan Michael Mrosik CEO (until April 30, 2022) <sup>2)</sup>		
in € thousand	2022	in %	2021	2022	in %	2021
Base remuneration	900	34%	900	333	24%	1,000
Fringe benefits	18	1%	22	4	0%	43
Pension contribution	300	11%	300	100	7%	300
One-year variable compensation (STI)						
STI 2022	600	23%	–	433	32%	–
STI 2021	–	–	600	–	–	1,300
Multi-year variable compensation (LTI)						
LTI 2022 - 2025	800	31%	–	500	36%	–
LTI 2021 - 2024	–	–	800	–	–	1,500
<b>Total target compensation</b>	<b>2,618</b>	<b>100%</b>	<b>2,622</b>	<b>1,371</b>	<b>100%</b>	<b>4,143</b>

1) In view of the fact that Frank Markus Weber temporarily took on the position of spokesperson of the Executive Board, the Supervisory Board decided to increase his compensation on a one-off, temporary basis while taking the compensation system into account. The one-off increase for the period in which he was spokesperson of the Executive Board (March to December 2022) was € 300 thousand in total, of which € 200 thousand was paid as a fixed amount in December 2022 and € 20 thousand were awarded as an increase in the STI target amount 2022 and € 80 thousand as an increase in the LTI target amount for the 2022 - 2025 tranche. The one-off increase was consistent with the principles of the compensation system.

As of July 1, 2021 the basic compensation had been increased to € 900 thousand (harmonization of compensation with Dr. Jürgen Wilder).

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 Compensation Components

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

### Annual salary

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

### Fringe Benefits

In addition, Executive Board members receive fringe benefits. For each member of the Executive Board, the company particularly bears 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.

### 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.

Under his service agreement in force until December 31, 2018, the company committed to funding defined benefits for Dr. Peter Laier. This commitment was made non-contributory as of December 31, 2018. Under this defined-benefit commitment, Dr. Peter Laier has a vested pension entitlement upon reaching retirement at the age of 65 in the

amount of 2% of his respective base annual salary per year of service. This entitlement has accrued per year of service from January 1, 2016 through to December 31, 2018. The defined-benefit obligations (IFRS) in respect of Dr. Laier came to € 719 thousand in 2022 (2021: € 1,260 thousand). Accordingly, the annual pension for Dr. Laier amounts to € 48 thousand as of December 31, 2022.

#### 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 office in the first or second year of the new member's appointment. This payment can be used to compensate, for example, losses of variable compensation 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 2022, also not in connection with the appointment of Marc Llistosella as CEO and Executive Board member as of January 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 incentive is linked to 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 STI depends initially on financial performance criteria and the achievement of ESG targets. In a second stage the Supervisory Board uses a factor known as a modifier to reflect the individual performance of the Executive Board member, the collective performance of the entire Executive Board and the achievement of stakeholder targets.

The four financial performance criteria for calculating the STI payment are EBIT, which accounts for 30%, revenues and free cash flow, which each account for 20%, and quality, which accounts for 10%. In addition, target achievement depends on internal and external ESG targets, which account for 20%.

EBIT refers to the earnings after depreciation and amortization recognized in the company's audited and approved consolidated financial statements. EBIT reflects the company's

profitability and its value promise to continue delivering a first-class margin.

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

Free cash flow is calculated by deducting payments for investments in 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, such as the "cost of poor quality".

ESG targets are also included as a performance criterion. They consist of 50% internal ESG subtarget (**ESG internal subtarget**) and 50% external ESG subtargets (**ESG external subtarget**). 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 Machinery peer group), SAM (Corporate Sustainability Assessment in the Machinery and Electrical Equipment peer group) and Sustainalytics (CSA rating in the Machinery peer group). The achievement is measured as the average percentile placing, which is the arithmetic mean of the three individual ratings.

The financial performance criteria were weighted in 2022 depending on the responsibilities of each Executive Board member. This was either exclusively for the entire Group (Frank Markus Weber, Dr. Claudia Mayfeld and Dr. Jan Michael Mrosik) or 50% for the entire Group and 50% for the segment for which the Executive Board member is responsible (Dr. Jürgen Wilder for Rail Vehicle Systems and Bernd Spies for Commercial Vehicle Systems).

Before the beginning of each fiscal year, the Supervisory Board defines the targets for the individual performance criteria EBIT, revenues and free cash flow, which are derived from the budget planning. For the performance criterion quality the Supervisory Board defines for each year a value for each subtarget that corresponds to a target achievement of 100%. For the performance criterion ESG the Supervisory Board defines for each year values for each internal and external subtarget that correspond to a target achievement of 100%.

At the end of the fiscal year the total target achievement is measured on the basis of the target achievement for the

individual performance criteria. To measure the target achievement for the four performance criteria the Supervisory Board compares for each performance criterion the actual figure with the target (budget figure or defined value) for the respective fiscal year. The ratio of the actual figure to the budget figure or target value defined by the Supervisory Board (in per cent) indicates the extent to which the targets have been met, and for the financial performance criteria EBIT, revenues, free cash flow and quality results in the following target achievement, whereby target achievement between 0% for achieving 80% of the target and 200% for achieving 120% of the target is interpolated on a straight-line basis.

Total target achievement is calculated using the following formula:

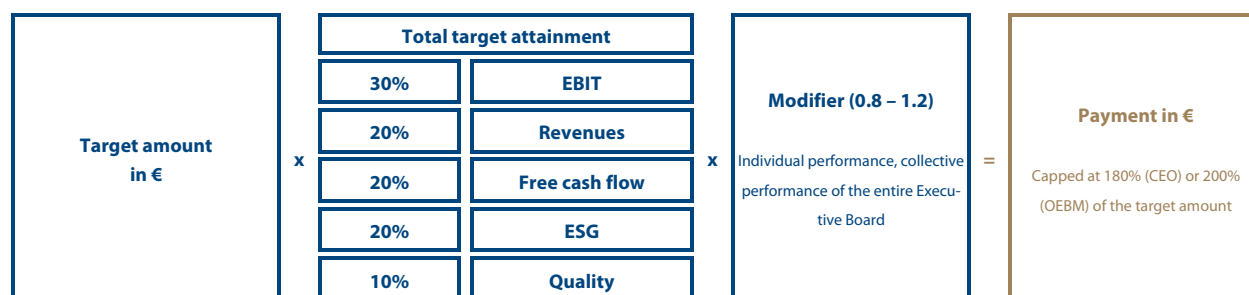
$$\begin{aligned}
 &\text{Total target achievement} = \\
 &\quad \text{Target achievement EBIT} \times 30\% \\
 + &\quad \text{Target achievement Revenues} \times 20\% \\
 + &\quad \text{Target achievement Free cash flow} \times 20\% \\
 + &\quad \text{Target achievement ESG targets} \times 20\% \\
 + &\quad \text{Target achievement Quality} \times 10\%
 \end{aligned}$$

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. 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 is capped at 180% of the target amount for the CEO and at 200% of the target amount for the ordinary Executive Board members. The payout amount is due for payment in the month after the approval of Knorr-Bremse AG's consolidated financial statements for the fiscal year relevant for the STI.

In accordance with the option included in the compensation system of eliminating non-operating effects beyond the company's control, the Supervisory Board decided to adjust the STI for non-budgeted positive and negative one-off influences when determining the target achievement for the performance criteria. These include exchange rate and inflation effects that had a positive impact on revenues and EBIT in the reporting year, as well as the effects of discontinuing the Russia business due to sanctions, and the effects of lockdowns in China resulting from the country's zero-covid policy.

FIG. 3 HOW THE STI WORKS



The following performance criteria, target values, actual and adjusted achievement figures were therefore used in 2022

[Table → 4.02](#), [Table → 4.03](#).

#### 4.02 TARGET ACHIEVEMENT STI 2022 – EBIT, REVENUES, FREE CASH FLOW

Performance criterion	Weighting for Executive Board member	Floor	Target level	Maximum value	Actual value	Adjusted actual value	Target achievement
<b>Group</b>	Dr. Jan Michael Mrosik: 100%						
EBIT (in € million)	Frank Markus Weber: 100%	789	986	1,183	721	925	69%
Revenues (in € million)	Dr. Claudia Mayfeld: 100%	5,735	7,169	8,603	7,150	7,279	108%
Free cash flow (in EUR million)	Bernd Spies: 50% Jürgen Wilder: 50%	426	532	638	219	447	20%
<b>Commercial Vehicle Systems</b>							
EBIT (in € million)	Bernd Spies: 50%	330	413	496	318	379	59%
Revenues (in € million)		2,883	3,604	4,325	3,750	3,827	131%
Free cash flow (in EUR million)		212	265	318	175	191	0%
<b>Rail Vehicle Systems</b>							
EBIT (in € million)	Dr. Jürgen Wilder: 50%	512	640	768	454	592	63%
Revenues (in € million)		2,852	3,565	4,278	3,402	3,454	84%
Free cash flow (in EUR million)		197	246	295	159	193	0%

#### 4.03 TARGET ACHIEVEMENT STI 2022 – QUALITY AND ESG TARGETS

Performance criterion	Floor	Target level	Maximum value	Actual value	Target achievement
<b>Quality Commercial Vehicle Systems</b>					
Cost of Poor Quality (in %)		1.3%		1.0%	196%
Ready for Assembly (in ppm)		300		212	
Raw Material (in ppm)		3,200		2,088	
Functional Test Failures (in ppm)		5,900		4,272	
Intercompany Rejects (in ppm)		50		18	
Zero Mileage (in ppm)		22		10	
<b>Quality Rail Vehicle Systems</b>					
Cost of Poor Quality (in %)		1.3%		1.0%	189%
Supplied Delivery Quality (in ppm)		1,000		765	
Delivery Quality (in ppm of external delivery quantity)		1,200		1,780	
<b>ESG Group</b>					
Own contribution to carbon neutrality (in GWh) (internal)	2.0	5.0	8.0	6.7	139%
Accidents per 200,000 contractual working hours (internal)	1.30	1.00	0.70	0.70	
Relative placing in ESG ranking (external)	50%	12% - 15%	5%	13%	
<b>ESG Commercial Vehicle Systems</b>					
Own contribution to carbon neutrality (in GWh) (internal)	1.3	3.3	5.3	4.0	134%
Accidents per 200,000 contractual working hours (internal)	0.98	0.75	0.53	0.53	
Relative placing in ESG ranking (external)	50%	12% - 15%	5%	13%	
<b>ESG Rail Vehicle Systems</b>					
Own contribution to carbon neutrality (in GWh) (internal)	0.7	1.7	2.7	2.7	150%

Accidents per 200,000 contractual working hours (internal)	1.69	1.30	0.91	0.86
Relative placing in ESG ranking (external)	50%	12% - 15%	5%	13%

The Supervisory Board has assessed the individual performance of the Executive Board members and the performance of the entire Executive Board and the achievement of stakeholder targets. For 2022 the Supervisory Board has defined both overarching targets for the Executive Board and strategic or project-related individual targets for the divisions, and determined their weighting. The individual targets that the Supervisory Board adopted in coordination with the Executive Board include, for example, the operational implementation of the ESG strategy, the further shortening of the reporting timelines, the integration of a global diversity concept into the HR target operating model, the further development of the e-mobility and steering strategy in CVS and the revision

of the strategy for Chinese RVS business. On this basis, the Supervisory Board defined the individual modifier in accordance with its due discretion as 1.1 for Mr. Weber – including in light of him taking on the role of interim Executive Board Spokesman – and as 1.0 for all other Executive Board members holding positions on December 31, 2022. When he left the company, the Supervisory Board agreed on an individual modifier of 1.1 for the prorated 2022 STI (January to April) in the severance agreement with Dr. Jan Michael Mrosik.

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

#### 4.04 INDIVIDUAL TARGET ACHIEVEMENT STI 2022

Executive Board member	Target achievement	Target achievement	Target achievement	Modifier	Total Target Achievement
	EBIT, revenues, free cash flow	Quality	ESG targets		
	70% weighting	10% weighting	20% weighting		
Frank Markus Weber	66%	193%	139%	1.1	93%
Dr. Claudia Mayfeld	66%	193%	139%	1.0	93%
Bernd Spies	64%	196%	137%	1.0	92%
Dr. Jürgen Wilder	59%	189%	145%	1.0	89%
Dr. Jan Michael Mrosik	66%	193%	139%	1.1*	93%

\* Definition in accordance with the severance agreement dated March 11, 2022.

#### LTI (Description and Award of the 2022-2025 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 a multi-year cycle. 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. 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 contract and the average XETRA closing price of the Knorr-Bremse AG share in the sixty 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**). The combination of an internal financial performance criterion (EPS) with an external, capital market-based criterion (TSR) ensures that the LTI depends on the company's long-term performance in terms of both internal and external factors.

EPS are the undiluted pre-tax earnings from continuing activities 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 (in per cent) 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 incentivise 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:

- All companies in the MDAX during an entire performance period (not 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, 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, Stabilus S.A.).

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

ranking gives 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:

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

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.

For the LTI Tranche 2022 - 2025 the figures shown in [Table → 4.05](#) represent the floor, target and cap for EPS and relative TSR.

In addition, [Table → 4.06](#) shows the number of virtual shares awarded to Executive Board members for the LTI Tranche 2022 - 2025.

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. As of 2020 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 according to the service contract it has already vested in the first year of the performance period [Table → 4.08](#). This does not affect the loss of vested rights for bad leavers. The compensation report for the last 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 will be relevant for the first time in the compensation report for 2024.

**4.05 TARGET LTI 2022-2025**

Performance criterion	Weighting	Floor	Target level	Maximum value
Relative TSR	50%	25th percentile	50th percentile	75th percentile
EPS	50%	€3.62	€4.52	€6.33

**4.06 AWARD LTI 2022-2025**

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, 2022	LTI Measured as of December 31, 2022
Frank Markus Weber	880	90.74	9,699	19,398	38.97%	343
Dr. Claudia Mayfeld	800		8,817	17,634	38.97%	312
Bernd Spies	643		7,087	14,174	38.97%	251
Dr. Jürgen Wilder	800		8,817	17,634	38.97%	312
Dr. Jan Michael Mrosik	500		5,511	11,022	38.47%	192

**Share ownership guidelines (SOG)**

In addition to the LTI as an 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 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).

As of December 31, 2022, the members of the Executive Board in office held shares in Knorr-Bremse AG in accordance with the share ownership guidelines as shown in [Table → 4.07](#).

**4.07 OVERVIEW OF THE SHARE OWNERSHIP PROGRAM**

Executive Board member	End of the buildup phase	Number of shares held	Total Acquisition Costs of the Shares Held (in €)	Proportion of the Respective Fixed Gross Annual Salary
Frank Markus Weber	Jun. 30, 2024	7,592	601,675	55%
Dr. Claudia Mayfeld	Apr. 30, 2025	4,580	395,941	46%
Bernd Spies	Mar. 11, 2026	2,198	128,696	20%
Dr. Jürgen Wilder	Oct. 11, 2022	10,770	901,681	100%

### Withholding/Clawback

The compensation system for the Executive Board does not currently have a withholding or clawback clause. 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. This is adequately ensured by the long-term incentive and the share ownership guidelines. 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. There was no reason to do so in 2022.

### 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 remuneration is € 7,490,000 for the Executive Board Chair/CEO and € 4,030,000 for the ordinary Executive Board members. The service contract with Dr. Jan Michael Mrosik, who was CEO until March 11, 2022, provided for maximum compensation of € 6,370,000.

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 conjunction with new appointees commencing their role; altogether termed maximum compensation). Because the expense for the LTI 2022-2025 will only occur in the third year after the conclusion of the reporting year due to the four-year performance period, it will only be possible to report conclusively on compliance with the maximum compensation for fiscal year 2022 in the compensation report for fiscal year 2025. If the amount for the LTI 2022 - 2025 results in the maximum compensation being exceeded, then the payment will be reduced. 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 beneath the limit, the STI is then 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 their 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 12 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 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 and Dr. Mrosik is no longer than 12 months while for Dr. Wilder and Mr. Weber no longer than 24 months. The compensation payment thus does not exceed the value of two years' remuneration but remains below it and also does not remunerate more than the remaining term of the contract. The compensation payment is set off against any non-compete compensation paid by Knorr-Bremse AG.

If an appointment is prematurely revoked by the Supervisory Board, the respective service agreement ends upon expiration of a notice period pursuant to section 622 (2) of the German Civil Code (BGB). This notice period is extended to a maximum of 24 months to the end of the month (at most until the contract's regular termination date) if the respective Executive Board member is blamelessly dismissed by the Annual General Meeting due to their incapacity to conduct business properly or due to a vote of no confidence, or if they resign prematurely, unilaterally and effectively from their position

on the Executive Board for good cause. During the notice period, the members of the Executive Board receive their fixed annual salary. The claims to STI and LTI are based on the rules on leaving the Executive Board prematurely described above.

The previous CEO of Knorr-Bremse AG, Dr. Jan Michael Mrosik, left the company's Executive Board on March 11, 2022. He left the company at the close of April 30, 2022. His fixed compensation, pension contribution, STI for 2022 and the LTI with the performance period 2022-2025 were paid pro rata temporis until April 30, 2022 (date on which he left the Company), i.e. reduced to 4/12 of the annual compensation or target amount. For the STI for fiscal 2022, Dr. Mrosik receives an STI pro rata temporis of € 443 thousand, which will be paid in April 2023. The LTI entitlements for performance periods 2021-2024 and 2022-2025 will be paid out on the relevant due dates, that is, in 2025 and 2026. The Supervisory has signed a non-competition agreement with Dr. Mrosik for one year after he left the company. In addition, Dr. Mrosik received compensation of € 4,333 thousand which was paid to him in 2022 and was offset against the non-compete compensation owed under the non-competition agreement. It was calculated on the basis of the compensation system described above. The severance payment settles any claims to non-compete compensation.

### **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 that is disclosed for the Executive Board members holding positions 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 been paid during the fiscal year or not. 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 period, or the fair value at the time the entitlement is vested in full.

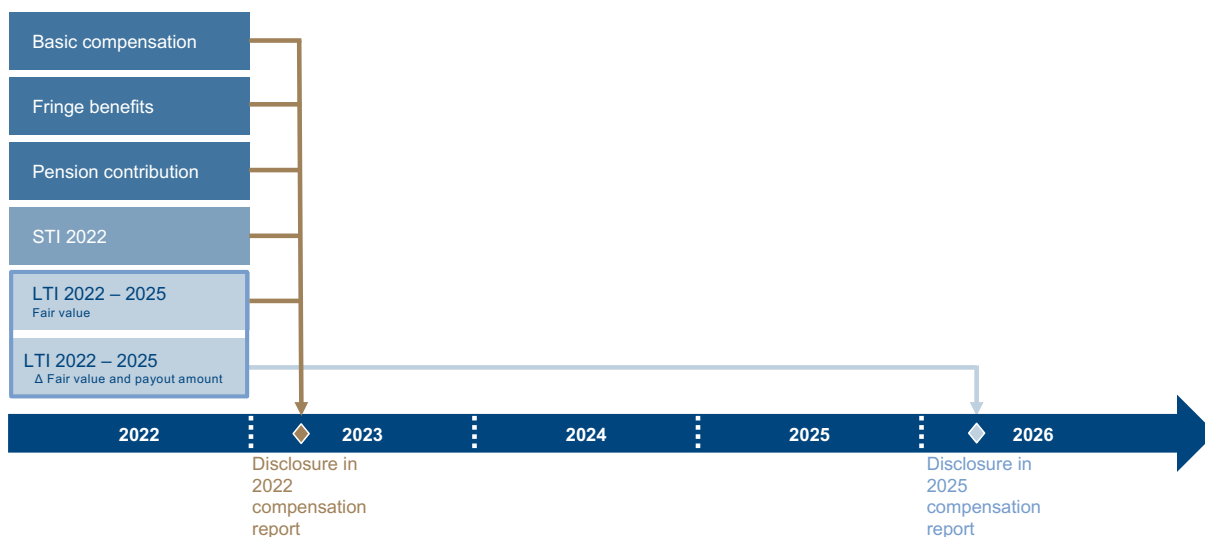
Basic compensation, pension contribution and fringe benefits also relate to the work done in the respective fiscal year, regardless of whether they were paid during the fiscal year or not. The diagram in **Fig. 4** shows the presentation of compensation granted and owed in fiscal year 2022.

The LTI 2022 - 2025 was fully vested in 2022 in line with the contract. 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, 2022. The LTI 2022 - 2025 was not paid out and neither was or is there any entitlement to a payment before the end of the performance period at fiscal year-end 2025. The complete loss of all entitlement is also still possible.

Similarly, the LTI 2021 - 2024 was fully vested in 2021 in line with the contract. The fair value as of December 31, 2021, calculated as for the LTI 2022 - 2025, is therefore shown as the previous year's figure.

The LTI 2019 - 2021, which in contrast to the above tranches was only vested at the end of the performance period on December 31, 2021, is also presented with the actual payment amount as the previous year's figure.

Fig. 4: Disclosure of 2022 compensation elements as compensation granted and owed



**Active Executive Board members**

The following table [Table → 4.08](#) 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 2022, along with the corresponding figures for the previous year 2021.

**4.08 COMPENSATION GRANTED AND OWED TO EXECUTIVE BOARD MEMBERS**

	<b>Frank Markus Weber</b> Spokesperson of the Executive Board & CFO (since July 1, 2020) <sup>1)</sup>			<b>Dr. Claudia Mayfeld</b> Executive Board Member for Integrity and Legal Affairs (since May 1, 2021)			<b>Bernd Spies</b> Commercial Vehicle Systems Division (since March 12, 2022)		
in € thousand	2022	in %	2021	2022	in %	2021	2022	in %	2021
Base remuneration	1,100	46%	850	867	45%	533	641	40%	–
Fringe benefits	21	1%	36	15	1%	19	10	1%	–
Pension contribution	300	13%	300	183	9%	100	241	15%	–
One-year variable compensation (STI)									
STI 2022	634	26%	–	558	29%	–	444	28%	–
STI 2021	–	–	864	–	–	480	–	–	–
Multi-year variable compensation (LTI) <sup>2)</sup>									
LTI 2022 - 2025	343	14%	–	312	16%	–	250	16%	–
LTI 2021 - 2024	–	–	652	–	–	434	–	–	–
LTI 2019 - 2021	–	–	–	–	–	–	–	–	–
<b>Total compensation pursuant to section 162 AktG</b>	<b>2,398</b>	<b>100%</b>	<b>2,702</b>	<b>1,935</b>	<b>100%</b>	<b>1,566</b>	<b>1,586</b>	<b>100%</b>	<b>–</b>

	<b>Dr. Jürgen Wilder</b> Rail Vehicle Systems Division (since September 1, 2018)			<b>Dr. Jan Michael Mrosik</b> CEO (until April 30, 2022)		
in € thousand	2022	in %	2021	2022	in %	2021
Base remuneration	900	44%	900	333	31%	1,000
Fringe benefits	18	1%	22	4	0%	43
Pension contribution	300	15%	300	100	9%	300
One-year variable compensation (STI)						
STI 2022	534	26%	–	443	41%	–
STI 2021	–	–	686	–	–	1,560
Multi-year variable compensation (LTI) <sup>2)</sup>						
LTI 2022 - 2025	312	15%	–	192	18%	–
LTI 2021 - 2024	–	–	652	–	–	1,193
LTI 2019 - 2021	–	–	480	–	–	–
<b>Total compensation pursuant to section 162 AktG</b>	<b>2,064</b>	<b>100%</b>	<b>3,040</b>	<b>1,072</b>	<b>100%</b>	<b>4,096</b>

1) In view of the fact that Frank Markus Weber took on the position of spokesperson of the Executive Board and a significantly wider range of responsibilities for a substantial period of time, the Supervisory Board decided to increase his compensation on a one-off, temporary basis while taking the compensation system into account. The one-off increase was € 300 thousand in total, of which € 200 thousand was paid as a temporary increase in basic compensation and € 20 thousand as temporary increase in the STI target amount and € 80 thousand as temporary increase in the LTI target amount.

2) The LTI 2021 - 2024 and the LTI 2022 - 2025 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. The performance period for the LTI 2019 - 2021 ended at the close of 2021 and the payment amount is therefore shown as the previous year's figure.

### Former Executive Board members

The following table [Table → 4.09](#) 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 conjunction with the termination and was paid in 2022.

#### 4.09 COMPENSATION GRANTED AND OWED TO FORMER EXECUTIVE BOARD MEMBERS

	Dr. Jan Michael Mrosik (until April 30, 2022)		Dr. Peter Laier (until December 31, 2021)		Bernd Eulitz (until August 31, 2020)		Ralph Heuwing (until April 30, 2020)		Klaus Deller (until April 30, 2019)		Dr. Dieter Wilhelm (until June 30, 2016)		Executive Board members leaving before December 31, 2012	
in € thousand	2022	in %	2022	in %	2022	in %	2022	in %	2022	in %	2022	in %	2022	in %
<b>Fringe benefits</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Non-compete compensation</b>	-	-	900	100%	-	-	-	-	-	-	-	-	-	-
<b>One-year variable compensation (STI)</b>	-	-	-	-	1,560	100%	720	56%	87	100%	-	-	-	-
<b>Multi-year variable compensation (LTI)</b>	-	-	-	-	-	-	560	44%	-	-	-	-	-	-
<b>Compensation payment</b>	4,333	100%	-	-	-	-	-	-	-	-	-	-	-	-
<b>Retirement pension</b>	-	-	-	-	-	-	-	-	-	-	230	100%	298	100%
<b>Total compensation pursuant to section 162 AktG</b>	<b>4,333</b>	<b>100%</b>	<b>900</b>	<b>100%</b>	<b>1,560</b>	<b>100%</b>	<b>1,280</b>	<b>100%</b>	<b>87</b>	<b>100%</b>	<b>230</b>	<b>100%</b>	<b>298</b>	<b>100%</b>

## Supervisory Board Compensation

### Description of the Compensation System

The compensation system for members of Knorr-Bremse Ag's 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 main components of the revised compensation system for Supervisory Board members are an attendance fee and an adjustment to the amount of basic compensation and compensation for membership of the existing committees to bring them into line with market standards. Following a thorough review the Executive Board and Supervisory Board also came to the conclusion that additional compensation should also be paid for the work of the Strategy Committee set up in May 202, which advises the Executive Board and Supervisory Board on key aspects of corporate strategy, including the

Group's commercial policy and entrepreneurial direction, and holds at least four meetings a year.

The Supervisory Board compensation is intended to contribute to attracting suitable candidates for the position of a Supervisory Board member. This 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 2022 after the Annual General Meeting on May 05, 2023. 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 phone, video conference or using similar common means of communication. If several meetings are held on the same day the attendance fee is only paid once.

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 their

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	Compensation of the Supervisory Board		
	Chairman	Deputy	Member
<b>Basic compensation</b>	€ 300,000	€ 150,000	€ 100,000
<b>Committee compensation</b>	Audit Committee: € 120,000 Strategy Committee: € 120,000 Executive Committee: € 90,000	Audit Committee: € 40,000 Strategy Committee: € 40,000 Executive Committee: € 30,000	
<b>Attendance fee</b>	€ 1,000 per meeting <sup>1)</sup>		

<sup>1)</sup> Attendance at a meeting is also deemed to include attendance via telephone, videoconference or other similar, customary means of communication. The attendance fee is only paid once if multiple meetings take place on the one day.



## Compensation Granted and Owed

The following table [Table → 4.10](#) shows the committee memberships and attendance of the individual Supervisory Board members in 2022 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 been paid during the fiscal year or not.

On the basis of the compensation system described above and the individual committee memberships and attendance, the following [Table → 4.11](#) shows the compensation granted and owed for fiscal year 2022. This is payable after the 2023 Annual General Meeting. Supervisory Board members did not receive any loans from the company in either fiscal year 2022 or fiscal year 2021.

### 4.10 MEMBERSHIP OF SUPERVISORY BOARD COMMITTEES AND ATTENDANCE AT MEETINGS

	Executive Committee (Attendance/all meetings)	Audit Committee (Attendance/all meetings)	Strategy Committee (Attendance/all meetings)	Nomination Committee (Attendance/all meetings)
Dr. Reinhard Ploss (Supervisory Board Chair (since May 24, 2022))	4/4 (C)	3/3 (M)	2/2 (M)	1/1 (C)
Franz-Josef Birkeneder <sup>1)</sup> (Deputy Chair of the Supervisory Board)	11/11 (M)	7/7 (M)	4/4 (M)	
Dr. Theodor Weimer (Deputy Chair of the Supervisory Board)	11/11 (M)			
Kathrin Dahnke		7/7 (C)		2/2 (M)
Michael Jell <sup>1)</sup>	11/11 (M)			
Dr. Sigrid Evelyn Nikutta (since May 24, 2022)				
Werner Ratzisberger <sup>1)</sup>				
Annemarie Sedlmair <sup>1)</sup>				
Dr. Stefan Sommer			4/4 (C)	
Erich Starkl <sup>1)</sup>				
Julia Thiele-Schürhoff			2/2 (M)	2/2 (M)
Sylvia Walter <sup>1)</sup>				
Prof. Klaus Mangold Chair of the Supervisory Board (until May 24, 2022)	7/7 (C)	4/4 (M)	2/2 (M)	1/1 (M)
Dr. Thomas Enders (until May 24, 2022)			0/2 (M)	

<sup>1)</sup> elected by the employees.  
M = Member, C = Chair

## 4.11 COMPENSATION GRANTED AND OWED

in € thousand	2022							2021				
	Basic compensation	in %	Committee compensation	in %	Attendance fee	in %	Total compensation	Basic compensation	in %	Committee compensation	in %	Total compensation
Dr. Reinhard Ploss (Supervisory Board Chair) (since May 24, 2022)	200	62%	113	35%	12	4%	325	-	-	-	-	-
Franz-Josef Birkeneder <sup>2)</sup> (Deputy Chair of the Supervisory Board)	150	53%	110	39%	25	9%	285	120	64%	67	36%	187
Dr. Theodor Weimer (Deputy Chair of the Supervisory Board)	150	77%	30	15%	14	7%	194	110	88%	15	12%	125
Kathrin Dahnke	100	42%	120	50%	18	8%	238	80	57%	60	43%	140
Michael Jell <sup>2) 3)</sup>	100	70%	30	21%	13	9%	143	80	80%	20	20%	100
Dr. Sigrid Evelyn Nikutta (since May 24, 2022)	67	94%	-	-	4	6%	71	-	-	-	-	-
Werner Ratzisberger <sup>2)</sup>	100	65%	40	26%	14	9%	154	80	80%	20	20%	100
Annemarie Sedlmair <sup>2) 3)</sup>	100	92%	-	-	9	8%	109	80	100%	-	-	80
Dr. Stefan Sommer	100	43%	120	52%	13	6%	233	53	40%	80	60%	133
Erich Starkl <sup>2)</sup>	100	93%	-	-	7	7%	107	80	100%	-	-	80
Julia Thiele-Schürhoff	100	71%	27	19%	13	9%	140	80	100%	-	-	80
Sylvia Walter <sup>2)</sup>	100	93%	-	-	7	7%	107	53	100%	-	-	53
Prof. Klaus Mangold Chair of the Supervisory Board (until May 24, 2022)	125	60%	71	34%	14	7%	210	250	70%	107	30%	357
Dr. Thomas Enders (until May 24, 2022)	41	67%	17	28%	3	5%	61	80	75%	27	25%	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 compensation of € 38 thousand and € 25 thousand respectively from subsidiaries of Knorr-Bremse in the reporting year.

## Multi-year Overview

The following overview [Table → 4.12](#) 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) has been completed in full. By contrast, the average compensation shown for employees represents the amount received by them in the reporting year.

The key figures for which Knorr-Bremse AG has 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 the Knorr-Bremse Group's revenues, EBIT, free cash flow and earnings per share (EPS) as well as the HGB-format annual financial statements of Knorr-Bremse AG, are used for the presentation of the results of operations.

The Knorr-Bremse Group's total workforce in Germany (excluding trainees, university students in student-specific positions and interns) is taken into account 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.

### 4.12 MULTI-YEAR COMPARISON<sup>1)</sup>

	2022		2021	
	in € thousand	Change 2022/2021 in %	in € thousand	Change 2021/2020 in %

<b>Executive Board members</b>				
Frank Markus Weber	2,398	-11%	2,702	12%
Dr. Claudia Mayfeld	1,935	24%	1,566	-
Bernd Spies	1,586	-	-	-
Dr. Jürgen Wilder	2,064	-32%	3,040	5%
Dr. Jan Michael Mrosik <sup>2)</sup>	5,405	32%	4,096	-
<b>Former Executive Board members</b>				
Klaus Deller	87	-	-	-
Bernd Eulitz	1,560	50%	1,040	-68%
Ralph Heuwing	1,280	167%	480	-83%
Dr. Peter Laier	900	-75%	3,574	92%
Dr. Dieter Wilhelm	230	0%	230	0%
Executive Board members who left prior to December 31, 2012	298	1%	295	2%
<b>Supervisory Board members</b>				
Dr. Reinhard Ploss <sup>3)</sup>	325	-	-	-
Franz-Josef Birkeneder <sup>4)</sup>	285	52%	187	17%
Dr. Theodor Weimer	194	55%	125	213%
Kathrin Dahnke	238	70%	140	-18%
Michael Jell <sup>4)</sup>	143	43%	100	0%
Dr. Sigrid Evelyn Nikutta <sup>3)</sup>	71	-	-	-
Werner Ratzisberger <sup>4)</sup>	154	54%	100	0%
Annemarie Sedlmair <sup>4)</sup>	109	36%	80	0%
Dr. Stefan Sommer	233	75%	133	-
Erich Starkl <sup>4)</sup>	107	34%	80	0%
Julia Thiele-Schürhoff	140	75%	80	0%
Sylvia Walter <sup>4)</sup>	107	102%	53	-
Prof. Dr. Klaus Mangold <sup>3)</sup>	210	-41%	357	8%
Dr. Thomas Enders <sup>3)</sup>	61	-43%	107	168%
<b>Earnings indicators</b>				
<i>Knorr-Bremse Group</i>				
Revenues (in € million)	7,150	7%	6,706	9%
EBIT (in € million)	721	-21%	916	13%
Free cash flow (in € million)	219	-63%	600	-13%
Earnings per share – undiluted (in €)	3.03	-21%	3.85	25%
<i>Knorr-Bremse AG</i>				
Net income per HGB (in € million)	141	-58%	335	-13%
<b>Workforce remuneration</b>				
Workforce of the Knorr-Bremse Group in Germany	86	2%	84	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 has been completed in full. By contrast, the average compensation shown for employees represents the amount received by them in the reporting year.

2) Dr. Jan Michael Mrosik was Chair of the Executive Board until March 11, 2022.

3) Prof. Dr. Klaus Mangold and Dr. Thomas Enders were the Chair and a member of the Supervisory Board respectively until May 24, 2022.

Dr. Reinhard Ploss and Dr. Sigrid Evelyn Nikutta have been the Chair and a member of the Supervisory Board respectively since May 24, 2022.

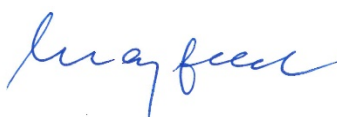
4) elected by the employees.

This compensation report was jointly prepared by the Executive Board and the Supervisory Board. The Executive Board and Supervisory Board passed resolutions to approve this compensation report on March 13, 2023.

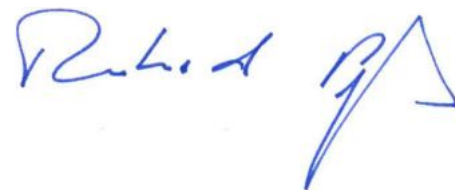
Munich, March 13, 2023



**MARC LLISTOSELLA**  
CEO  
Knorr-Bremse AG



**DR. CLAUDIA MAYFELD**  
Executive Board member for Integrity, Legal and HR  
Knorr-Bremse AG



**DR. REINHARD PLOSS**  
Chairman of the Supervisory Board  
Knorr-Bremse AG

## Report on the audit of the remuneration report

We have audited the attached remuneration report of Knorr-Bremse AG, Munich, for the financial year from January 1 to December 31, 2022, 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, 2022, 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 17, 2023

KPMG AG  
Wirtschaftsprüfungsgesellschaft  
[Original German version signed by:]

Becker  
Wirtschaftsprüfer  
[German Public Auditor]

Hanshen  
Wirtschaftsprüfer  
[German Public Auditor]

**Annex to agenda item 8 - Report by the Executive Board to the General Meeting Report by the Executive Board to the General Meeting about the exclusion of subscription rights pursuant to Sec. 203 (2), Sec. 186 (4) sentence 2 AktG**

The Executive Board and the Supervisory Board propose to the General Meeting of Knorr-Bremse Aktiengesellschaft taking place on May 5, 2023, under agenda item 8 that new authorized capital in the amount of EUR 32,240,000.00 be created for a period lasting until May 4, 2028 (Authorized Capital 2023). Furthermore, the presently effective authorization of May 29, 2018, to increase, with the consent of the Supervisory Board, the company's share capital until the end of May 28, 2023, on one or several occasions, by a total amount of up to EUR 40,300,000.00 by issuing up to 40,300,000 new no-par value bearer shares against cash contributions and/or contributions in kind (Authorized Capital 2018) is to be cancelled. Pursuant to Art. 6 (1) of the Articles of Association, Authorized Capital 2018 has an exercise period lasting until May 28, 2023. As of today, that authorization has not been used.

In order to enable the company to increase its capital resources by means of the authorized capital instrument if and as necessary in the next five years, Authorized Capital 2018 is to be cancelled and replaced by new authorized capital so that the company will be capable of acting swiftly and flexibly in the interests of its shareholders when increasing the share capital without having to wait until an annual or extraordinary general meeting.

In this context, pursuant to Sec. 203 (2) in conjunction with Sec. 186 (4) sentence 2 of the German Stock Corporation Act (Aktiengesetz, "AktG"), the Executive Board therefore reports as follows on the reasons for the exclusion of subscription rights:

Through the creation of Authorized Capital 2023, the Executive Board is to be authorized, with the consent of the Supervisory Board, to increase the company's share capital in the period ending May 4, 2028, by a total amount of up to EUR 32,240,000.00 by issuing a total of up to 32,240,000 new no-par value bearer shares against cash contributions and/or contributions in kind. The authorization may be used once or several times in partial amounts, but only up to a total of EUR 32,240,000.00. The new shares will participate in profits from the beginning of the fiscal year in which they are issued. To the extent permitted by law, the Executive Board may, with the consent of the Supervisory Board, stipulate in deviation therefrom and from Sec. 60 (2) AktG that the new shares participate in profits from the beginning of a fiscal year that has already ended and for which no resolution on the appropriation of retained earnings has been adopted by the General Meeting at the time the shares are issued. If and when Authorized Capital 2023 is used, as a rule, shareholders will be entitled to subscribe for the new shares. In this context, subscription rights may also be granted in such a way that the new shares are acquired by one or several credit institution(s) or enterprise(s) within the meaning of Sec. 186 (5) sentence 1 AktG specified by the Executive Board and subject to the obligation to offer the shares to the shareholders for subscription (indirect subscription rights).

The proposed authorization provides, however, that the shareholders' subscription rights may be excluded, subject to the consent of the Supervisory Board, in the cases described below:

1. The Executive Board's authorization to exclude, with the consent of the Supervisory Board, any fractional amounts from the shareholders' subscription rights serves to realize practicable subscription proportions that are readily feasible in technical terms and thus also to facilitate the implementation of capital increases with subscription rights being granted. Normally, the value of such fractional amounts is low, while the administrative effort involved in the issue process without their exclusion would be significantly higher. The new shares excluded from the subscription rights for being free fractional amounts will be used in the best interests of the company. Due to the limitation to fractional amounts, the possible dilutive effect is negligible. The purpose of the exclusion of the subscription rights is to facilitate the issue process and is thus in the interest of the company and its shareholders. When determining the subscription proportions, the Executive Board will, in the interest of the shareholders, see to it that the scope of fractional amounts is kept at a minimum.
2. The authorization to increase the share capital against contributions in kind in excluding subscription rights subject to the consent of the Supervisory Board, especially in the context of mergers or for the purpose of (also indirect) acquisitions of enterprises, parts of enterprises, participations in other enterprises or of other assets or claims for the acquisition of assets, including receivables from the company or its group companies within the meaning of Sec. 18 AktG, serves to enable the Executive Board to acquire such assets or claims when appropriate not only by paying a purchase price in cash, but also in return for granting shares in the company. Depending on the scale of such an acquisition and the expectations of the seller, it may be appropriate or necessary, and therefore also in the interest of the shareholders, to provide consideration in the form of shares in the company. This preserves the company's liquidity position and reduces the amount that might have to be taken out as a loan to finance the purchase price. The company will not experience any disadvantage as a result because the issue of shares against contributions in kind requires that the value of the contribution in kind is commensurate with the value of the shares. When determining the valuation ratio, the Executive Board will ensure that the interests of the company and its shareholders are adequately safeguarded and that the company receives appropriate consideration for the new shares. For this purpose, it will duly take into account the stock exchange price of the company's share and will consult external advisers if and to the extent that this is possible and expedient in the individual case.

It is true that the exclusion of subscription rights will result in a reduction of the existing shareholders' relative shareholding proportions and relative percentages of the voting rights. If the shareholders were to be granted subscription rights, however, it would not be possible for the company to acquire assets or claims to acquire assets, including receivables from the company or its group companies, in return for the granting of shares. Consequently, achieving the benefits for the company and the shareholders described above would not be possible.

However, both the authorization to issue shares in return for contributions in kind and a related exclusion of subscription rights are to be used only if an acquisition by any other means, in particular through purchase, is legally or factually inconceivable or conceivable only at unfavorable terms and conditions. In such cases, however, the company will invariably examine whether there is an equally suited way to acquire the asset or claim, the impact of which interferes less intensely with the position of the shareholders.

3. The Executive Board is to be authorized to exclude, with the consent of the Supervisory Board, the shareholders' statutory subscription rights in cases of a capital increase against cash contributions in accordance with Sec. 186 (3) sentence 4 AktG. This simplified exclusion of subscription rights allows, in the interest of the company, for new shares to be placed quickly and flexibly on capital markets in Germany and abroad in a targeted manner by the shares being issued at prices that are determined reflecting market conditions and that are as high as possible, taking advantage of favorable stock market conditions at short notice, thus giving the greatest possible boost to the company's capital resources. The management will seek to ensure – taking into account the market conditions prevailing at the time – that any discount on the stock exchange price is as low as possible. The proceeds that can be generated when shares are placed on a market in excluding subscription rights, in general, leads to a substantially higher inflow of funds than is the case with a rights issue. One key reason for this is the fact that a placement without a statutory subscription period can take place immediately after the issue amount has been determined; consequently, with respect to the issue amount, no share price risk for the term lasting until the end of the subscription period will need to be taken into account. Additionally, implementing a capital increase against cash contributions subject to the exclusion of subscription rights allows the company to seek to attract new shareholder groups.

The notional amount of the share capital attributable to the new shares must not in aggregate exceed 10% of the company's share capital either at the time the authorization takes effect or at the time the authorization is exercised. This means that, even if several capital increases are implemented within the authorization period, the subscription rights may be excluded based on the authorization for no more than 10% of the share capital in total. In the calculation of this limit, the sale of treasury shares must be taken into account, provided that the sale occurs during the term of Authorized Capital 2023 in excluding subscription rights in analogous application of Sec. 186 (3) sentence 4 AktG. The pro-rata amount of the share capital attributable to shares issued during the term of Authorized Capital 2023 on the basis of other authorizations to issue shares in the company in excluding the shareholders' subscription rights in direct or analogous application of Sec. 186 (3) sentence 4 AktG must also be taken into account. Additionally, in the calculation of this limit, the shares must be taken into account that must or may be issued to satisfy claims under bonds with conversion or option rights or with conversion or option obligations, provided that the bonds are issued during the term of the authorization in excluding the subscription rights in analogous application of Sec. 186 (3) sentence 4 AktG. This ensures that the volume of the simplified exclusion of the subscription rights is limited to a total of 10% of the share capital irrespective of the underlying authorization.

4. In addition, the Executive Board is to be allowed the possibility of excluding, with the consent of the Supervisory Board, the subscription rights to the extent necessary for fulfilling obligations or rights to acquire Knorr-Bremse shares under or in connection with bonds with warrants and/or convertible bonds and/or profit participation rights with option and/or conversion rights and/or obligations issued by the company or its group companies. The proposed resolution does not establish any new or additional authorization to issue bonds. The company is merely to be given the flexibility to service the acquisition obligations or rights by issuing new shares from authorized capital instead of conditional capital. To that end, the shareholders' subscription rights must be excluded. In its decision whether to issue shares from conditional or authorized capital to service these obligations or rights, the Executive Board will duly consider the interests of the shareholders.

Where required to protect against dilution, the Executive Board is also to be allowed the possibility of excluding, with the Supervisory Board's consent, the subscription rights in order to grant to the holders or creditors of bonds with warrants and/or convertible bonds and/or profit participation rights with option and/or conversion rights and/or obligations (or any combination of these instruments) issued by the company or its group companies subscription rights to company shares in the amount in which they would be entitled to receive shares after having exercised the option or conversion rights or after having fulfilled any option or conversion obligations as shareholders.

In order to facilitate the issuance, the terms and conditions of bonds with warrants and/or convertible bonds or profit participation rights usually include dilution protection clauses that, in addition to the possibility of reducing the option or conversion price, provide that the holders or creditors of the bonds with warrants and/or convertible bonds or profit participation rights can be granted the same subscription rights to new shares as the shareholders in the event of subsequent capital increases. They are thus treated as if they were shareholders already. A conversion or subscription right for holders or creditors of bonds with warrants and/or convertible bonds or profit participation rights offers the possibility of preventing the option or conversion price from having to be reduced in the event authorized capital is used.

This ensures a higher issue price of the shares to be issued upon conversion of the bonds or exercise of the options. In order to be able to equip the bonds or profit participation rights with such dilution protection, the shareholders' subscription rights to these shares must be excluded. This serves to facilitate the issue of the bonds or profit participation rights, and thus also the shareholders' interest in an optimal financial structure of the company.

Therefore, the Executive Board and the Supervisory Board believe that the shareholders' interests are not unreasonably impaired on the whole by the authorization to exclude subscription rights.

In principle, the options described above to exclude the subscription rights may be freely combined with one another. Overall, however, the options to exclude the subscription rights are limited so as to avoid any possible dilution of the holdings of the shareholders whose subscription rights would be excluded. By incorporating a clause to that effect, it is to be ensured in the shareholders' interests that the sum of (i) the shares that are to be issued from conditional capital under bonds that are issued under an authorization granted by the General Meeting to this end with the subscription rights excluded and (ii) the shares that are issued from Authorized Capital 2023 during the term of that authorization with the subscription rights excluded does not exceed a pro-rata amount of the share capital of EUR 16,120,000.00 (at the time of authorization, this equates to 10% of the share capital amounting to EUR 161,200,000.00).

Therefore, the company is prevented from issuing shares on the basis of more than one authorization in excluding subscription rights if, in aggregate, the amount of 10% of the share capital will be exceeded. The different authorizations with the option of excluding subscription rights are merely intended to provide the Executive Board with the ability to choose in the specific situation the instrument that is best suited considering the interests of the company and its shareholders.

Such anticipatory resolutions with the possibility to exclude subscription rights are common practice both nationally and internationally. The Executive Board will in each case carefully examine whether utilizing Authorized Capital 2023 is in the interests of the company and its shareholders. If the proposed authorization is used, the Executive Board will report on it at the next general meeting.

#### **Annex to agenda item 9 - Report by the Executive Board to the General Meeting about the exclusion of subscription rights pursuant to Sec. 221 (4) sentence 2 in conjunction with Sec. 186 (4) sentence 2 AktG**

In agenda item 9, the Executive Board and the Supervisory Board propose to the Annual General Meeting of Knorr-Bremse Aktiengesellschaft taking place on May 5, 2023, to resolve on a new authorization of the Executive Board to issue subordinated or unsubordinated bearer or registered convertible bonds and/or bonds with warrants, profit participation rights and/or profit participation bonds (or any combination of these instruments) for a total nominal amount of up to EUR 1,500,000,000.00 and to create new conditional capital (Conditional Capital 2023) in the amount of EUR 16,120,000.00 (i.e., not more than 10% of the company's share capital at the time of the Annual General Meeting's resolution on this authorization). In addition, the presently effective authorization to issue convertible bonds and/or bonds with warrants of May 29, 2018, is to be cancelled. Pursuant to Art. 7 (1) of the Articles of Association, that authorization has an exercise period lasting until May 28, 2023. As of today, that authorization has not been used. The new authorization is to provide Knorr-Bremse Aktiengesellschaft with the greatest possible degree of flexibility and more leeway over the next five years for financing its activities and, in particular, to enable the management to react quickly and flexibly to favorable conditions on capital markets.

Under the new authorization, the company is to be allowed to issue bonds with the subscription rights being excluded in certain cases. The Executive Board therefore in accordance with Sec. 221 (4) sentence 2 AktG in conjunction with Sec. 186 (4) sentence 2 AktG reports as follows on the reasons for the exclusion of subscription rights:

Pursuant to the resolution proposed under agenda item 9, the Executive Board is to be authorized for the period until May 4, 2028, to issue, with the consent of the Supervisory Board, on one or several occasions, also simultaneously in different series, bonds for a total nominal amount of up to EUR 1,500,000,000.00. The shareholders are, in principle, entitled to the statutory right to subscribe for bonds to which conversion or option rights or conversion or option obligations are attached (Sec. 221 (4) AktG in conjunction with



Sec. 186 (1) AktG). To facilitate the settlement, the option is to be made available that the bonds be issued to a credit institution or the members of a syndicate of credit institutions or companies equivalent to credit institutions pursuant to Sec. 186 (5) sentence 1 AktG with the obligation to offer the bonds to the shareholders according to their subscription rights (indirect subscription rights). Where bonds are issued by a group company of Knorr-Bremse Aktiengesellschaft within the meaning of Sec. 18 AktG, the company must ensure accordingly that the shareholders of the company are granted their statutory subscription rights.

Under this authorization, the Executive Board will also be authorized under certain conditions to exclude the statutory rights of the shareholders to subscribe for the bonds. The right to subscribe for the bonds may only be excluded with the Supervisory Board's consent and in the following cases:

1. The Executive Board is to be authorized to exclude the shareholders' subscription rights in their entirety if bonds to which conversion or option rights or, as the case may be, conversion or option obligations are attached are issued for cash and the Executive Board, upon due review, determines that the issue price of the bonds is not substantially below the theoretical market value of the bonds as computed in accordance with generally accepted methods, in particular, methods of financial mathematics. This provides the company with the option to take advantage of favorable market conditions at very short notice and rapidly and, by setting terms and conditions in line with market conditions, to achieve better terms and conditions for the bonds. If the subscription rights were respected, setting terms and conditions in line with market conditions and implementing a seamless issue would be impossible. While Sec. 186 (2) AktG does permit the announcement of the subscription price (and thus the terms and conditions of the bonds) up to three days before expiry of the subscription period at the latest, there would nevertheless be a market risk lasting several days given the volatility frequently observed on equity markets, which would lead to safety-margin deductions having to be taken into account in setting the terms and conditions of the bonds and, thus, to terms not being in line with market conditions. The retention of a subscription right also threatens the successful issue among third parties, or might entail additional expenditures, because of the uncertainty concerning its exercise (subscription behavior). Finally, if a subscription right is granted, the company cannot respond to either favorable or unfavorable market conditions at short notice because of the length of the subscription period.

In this case, i.e., where the subscription rights are excluded in their entirety, the provision of Sec. 186 (3) sentence 4 AktG applies *mutatis mutandis* pursuant to Sec. 221 (4) sentence 2 AktG. The limit of 10% of the share capital applicable to exclusions of subscription rights provided for in that provision is to be complied with in accordance with the terms of the resolution. This limit must not be exceeded either at the time the authorization becomes effective or, if this amount is lower, at the time when the authorization is used. In the calculation of that limit, the sale of treasury shares must be taken into account, provided that the sale occurs during the term of the authorization with the subscription rights being excluded in analogous application of Sec. 186 (3) sentence 4 AktG. In addition, in the calculation of that limit, those shares must be taken into account that are issued during the term of the authorization from authorized capital with the subscription rights being excluded pursuant to Sec. 186 (3) sentence 4 AktG.

Sec. 186 (3) sentence 4 AktG stipulates that where shares are issued with the subscription rights being excluded, the issue price of the shares must not be significantly below the stock exchange price. This is to ensure that no significant dilution of the economic value of the shares occurs. Whether or not such a dilutive effect occurs in the event of an issue of bonds to which conversion or option rights or conversion or option obligations are attached with the subscription rights being excluded can be determined by calculating the notional stock exchange price (market value) of the bonds in accordance with recognized calculation methods, in particular, methods of financial mathematics, and comparing such price with the issue price. If, following due review by the Executive Board, the issue price is deemed to be only insignificantly lower than the market value at the time of issue of the bonds, the exclusion of the subscription rights is deemed permissible in accordance with the intent and purpose of the provision laid down in Sec. 186 (3) sentence 4 AktG owing to the insignificant discount. This means that the notional market value of a subscription right would decrease to almost zero, with the effect that the shareholders will not suffer any significant economic disadvantage on account of the exclusion of their subscription rights.

The review by the Executive Board notwithstanding, it is ensured that terms and conditions will be set in line with market conditions and that a notable dilution will thereby be prevented if a bookbuilding procedure is implemented. In that procedure, the terms and conditions of the bonds will be set on the basis of the purchase orders of investors and, thus, the total value of the bonds will be determined in line with market conditions. All this serves to ensure that no notable dilution of the value of the company's shares will occur as a result of the exclusion of the subscription rights.

Moreover, the shareholders have the option of maintaining their proportionate holding in the company's share capital, even after the exercise of conversion or option rights or after option or conversion obligations take effect, at any time by buying more shares via the stock market. By comparison, the authorization to exclude the subscription rights allows the company to set terms in line with market conditions, to have the greatest degree of certainty possible with regard to the possibility to place the bonds with third parties and to benefit from favorable market conditions on short notice.

2. The Executive Board is to also be authorized to exclude the subscription rights of the shareholders if the bonds are to be issued for consideration in kind. This makes it possible to issue bonds – where the individual circumstances are conducive – in the context of mergers or for the purpose of (also indirect) acquisitions of enterprises, parts of enterprises, participations in other enterprises or of other assets or claims for the acquisition of assets, including receivables from the company or its group companies within the meaning of Sec. 18 AktG. This may also be expedient with a view to optimizing the financing structure. Furthermore, this allows the company to reacquire existing bonds in return for issuing new bonds, for example in order to facilitate the substitution of existing bonds, if doing so is reasonable from a business perspective. In each individual case, the Executive Board will carefully consider whether it will make use of the authorization to issue bonds against consideration in kind with the subscription rights being excluded. The Executive Board will do so only if it is in the interest of the company and, therefore, of its shareholders.
3. The exclusion of the subscription rights to the benefit of holders of bonds or warrants previously issued by the company or group companies of the company within the meaning of Sec. 18 AktG will be done taking dilution protection into account; such protection is owed to the holders, as a general rule, under the terms and conditions of the bonds. In order to facilitate the issuance, a dilution protection provision usually provides that, in addition to the possibility of reducing the conversion or option price, the holders or creditors of the bonds or warrants can be granted the same subscription rights to new shares as the shareholders in the event of subsequent issue of further bonds. They are thus treated as if they were shareholders already. Such granting of a subscription right allows the company to avoid having to reduce the conversion or option price for previously issued bonds or warrants. This ensures a higher issue price of the shares that are issued upon conversion or exercise of the option. In order to be able to grant subscription rights for dilution protection purposes to the holders of previously issued bonds, the right of the shareholders to subscribe for the new bonds used for those purposes must be excluded.
4. The authorization to exclude the subscription rights for fractional shares serves to ensure that a practicable subscription ratio is achieved as regards the amount of an issue in each case. Without the exclusion of the subscription rights for fractional shares, the technical execution of the capital increase and the exercise of the subscription rights would be made much more difficult, especially in the case of bonds that are issued in round amounts. The bonds excluded from the subscription rights of shareholders for being free fractions will be realized to the best possible benefit of the company, either through a sale on the stock market or another way.

In addition, by incorporating a clause to this effect, it is to be ensured, in the interests of the shareholders, that the sum of (i) the shares that are to be issued under bonds that are issued under this authorization with the subscription rights being excluded and (ii) the shares that are issued during the term of this authorization from authorized capital with the subscription rights being excluded will not exceed a pro-rated amount of the share capital of Euro 16,120,000.00 (at the time of the authorization, this equates to 10% of the share capital amounting to Euro 161,200,000.00).

The Executive Board believes, and the Supervisory Board concurs, that the exclusion of the subscription rights is objectively justified in the aforementioned cases for the reasons given above – also taking into account a possible dilutive effect – and reasonable with regard to the shareholders.

Such anticipatory resolutions with the possibility to exclude subscription rights are common practice both nationally and internationally. The Executive Board will in each case carefully examine whether the utilization of the authorization and, in particular, an exclusion of subscription rights is in the interests of the company and its shareholders. If the proposed authorization is used, the Executive Board will report on it at the next general meeting.

**Annex to agenda item 10 - Report by the Executive Board to the General Meeting about the exclusion of subscription rights pursuant to Sec. 186 (4) sentence 2 AktG in conjunction with Sec. 71 (1) no. 8 AktG**

In agenda item 10, the Executive Board and the Supervisory Board propose to the Annual General Meeting taking place on May 5, 2023, to authorize the Executive Board again for a period of five years to acquire and use treasury shares pursuant to Sec. 71 (1) no. 8 AktG. Furthermore, the current authorization to acquire and use treasury shares of May 29, 2018, is to be cancelled.

In this context, pursuant to Sec. 186 (4) sentence 2 AktG in conjunction with Sec. 71 (1) no. 8 AktG, the Executive Board therefore reports as follows on the reasons for the exclusion of subscription rights:

The Executive Board is to be authorized to acquire in the period ending May 4, 2028, treasury shares in the company up to a maximum amount of 10% of the share capital that there is at the time this authorization takes effect or – where this amount is lower – of the share capital that there is at the time the present authorization is exercised in each case for any purpose permitted within the scope of the statutory restrictions. The shares acquired under this authorization together with other treasury shares that the company has already acquired and that are held by it or are attributable to it must not at any moment in time represent more than 10% of the share capital. The authorization may be exercised by the company, but also by its group companies or by third parties acting on behalf of the company or of any group company for the account of the company or of group companies provided that the statutory requirements, in particular those pursuant to Sec. 71 (2) AktG, are met. The acquisition of the treasury shares may be effected as a purchase via the stock exchange, by means of a public invitation to all shareholders to submit sale offers or by granting tender rights.

If a public purchase offer or a public invitation to submit sale offers has been oversubscribed, the acquisition or, as the case may be, the acceptance must be effected based on the proportions of the offered shares to be considered in each case with any potential rights of the shareholders to tender their shares being partially excluded in this respect. Any potential right of the shareholders to sell their shares may be partially excluded such that priority is given to acquiring or accepting smaller lots of up to 150 no-par value shares per shareholder and such that the number of shares is rounded according to commercial principles.

The authorization also covers the use or, to be more precise, sale of treasury shares as described in greater detail below, in particular to the extent that it involves an exclusion of the shareholders' subscription rights:

1. Pursuant to c) i) of the authorization proposed under agenda item 10, it is intended that, in the event of a sale of treasury shares by means of a public offer made to all shareholders, the subscription right for fractional amounts can be excluded in order to facilitate the settlement process.
2. Pursuant to c) ii) of the authorization proposed under agenda item 10, the company is to also be permitted to sell, with the consent of the Supervisory Board, treasury shares against payment in cash with shareholders' subscription rights being excluded, e.g., to one or more institutional investors or in order to enhance the company's investor base. Such a sale is subject to the sell price not being significantly lower than the stock exchange price of the company's shares. The possibility of selling treasury shares against payment in cash with the shareholders' subscription rights being excluded serves the interests of the company in obtaining the best price possible when selling the treasury shares. By excluding the subscription rights, it is possible to place the shares close to the stock exchange price, i.e., the discount normally associated with rights issues is eliminated. Compared to selling the shares on the stock exchange over a lengthy period of time, this approach results in an immediate inflow of funds and avoids the uncertainties of future stock exchange developments in relation to the total purchase price that is obtained. It enables the company to quickly, flexibly and cost-effectively exploit opportunities that arise in the context of prevailing stock exchange conditions.

The notional amount of the share capital attributable to the authorizations granted under agenda item 10 c) ii) must not in aggregate exceed 10% of the share capital that there is at the time this authorization takes effect or – if this value is lower – of the share capital that there is at the time the present authorization is exercised in each case. Using the stock exchange price as a basis for setting the sell price ensures that due consideration is given to the principle of protecting shareholders from dilution and that the shareholders' interests in terms of assets and voting rights are appropriately safeguarded. The management will seek to ensure – taking into account the market conditions prevailing at the time – that any discount on the stock exchange price is as low as possible. Shareholders are generally able to maintain their proportionate shareholdings by acquiring company shares via the stock exchange at comparable terms, while the company is provided with more leeway in the interests of all shareholders. The proposed authorization ensures that the number of treasury shares used pursuant to agenda item 10 c) ii) with the simplified exclusion of the subscription rights in analogous application of Sec. 186 (3) sentence 4 AktG together with other shares that were issued or sold in direct or analogous application of that provision during the term of this acquisition authorization until the point in time of its use will not exceed the limit of 10% of the share capital, neither at the point in time at which the General Meeting adopts the resolution nor at the point in time at which the authorization is used. Shares must also be taken into account that are to be issued or sold on the basis of a convertible bond or bond with warrants issued during the term of the acquisition authorization with the subscription rights being excluded in analogous application of Sec. 186 (3) sentence 4 AktG.

3. In addition, the authorization proposed in agenda item 10 c) iii) is to permit the Executive Board to offer or transfer, with the consent of the Supervisory Board, treasury shares against contributions in kind and thereby use them, in particular, as (partial) consideration for the direct or indirect acquisition of enterprises, parts of enterprises or participations in enterprises or other assets, including receivables from the company or its group companies within the meaning of Sec. 18 AktG, or of claims for the acquisition of assets or in the context of mergers. The authorization, proposed for that reason, is designed to enhance the company's competitive edge on interesting acquisition targets and enable it to respond to opportunities to acquire such assets quickly, flexibly and with little detriment to liquidity by using treasury shares. The proposed exclusion of the shareholders' subscription rights is conducive to this objective. The decision whether and to what extent treasury shares or shares issued under authorized capital will be used as acquisition currency will be made by the Executive Board, which will base that decision solely on the interests of the company and its shareholders. When determining the valuation ratios, the Executive Board will ensure that the interests of the shareholders are adequately safeguarded, taking into account the stock exchange price of the company's shares. However, no schematic link to a stock exchange price is provided for in this context, in particular to ensure that fluctuations in the stock exchange price cannot jeopardize negotiation results that have been reached.
4. In addition, pursuant to c) iv) of the authorization proposed under agenda item 10, the company is to be permitted to use treasury shares to service obligations or rights to acquire company shares arising particularly from or in connection with convertible bonds or bonds with warrants of the company or its group companies within the meaning of Section 18 AktG. The proposed resolution does not establish any new or additional authorization to issue bonds. The company is merely to be given the flexibility to service the acquisition obligations or rights by using treasury shares instead of conditional or authorized capital. In its decision whether to dispense treasury shares or new shares to service these obligations or rights, the Executive Board will duly consider the interests of the shareholders. The same applies to the question of the – also possibly exclusive – serviceability of convertible bonds and/or bonds with warrants using treasury shares. The exclusion of the shareholders' subscription rights is a prerequisite in all such cases.

Where required to protect against dilution, the Executive Board is also to be given the possibility to exclude, with the Supervisory Board's consent, the subscription right in order to grant to the holders or, as the case may be, creditors of bonds with warrants and/or convertible bonds and/or profit participation rights with option and/or conversion rights and/or obligations (or any combination of these instruments) issued by the company or its group companies subscription rights to the company's shares in the amount in which they would be entitled to receive them upon exercising the option or conversion rights or, as the case may be, after fulfilling option or conversion obligations as shareholders.

5. Pursuant to c) v) of the authorization proposed under agenda item 10, treasury shares may be used in connection with stock-based compensation and/or employee share programs of the company or its affiliated companies. Taken together with the authorization under d) (see no. 7 below), this authorization is capped at 5% of the share capital, both at the time this authorization takes effect and at the time the shares are used. Knorr-Bremse Aktiengesellschaft wants to use this instrument to promote an ownership culture within the enterprise and to enable employees and managers to participate in the company and its performance by means of share programs and stock-based compensation. Such participation is also desired by lawmakers and is therefore facilitated in several ways. Issuing shares to staff of Knorr-Bremse Aktiengesellschaft or of its affiliated companies and to board members of affiliated companies of Knorr-Bremse Aktiengesellschaft can enhance the identification of these individuals with the enterprise. Their affiliation with the company can thus be reinforced, and they can participate as shareholders in the company's long-term performance. This will help, in the interest of the company and its shareholders, to strengthen the understanding and willingness to accept greater, especially economic, co-responsibility. Issuing shares also makes it possible to create schemes with long-term incentive effects in which both positive and negative developments can be reflected. For example, this allows the granting of shares with a lock-up period, vesting period or sales-deferring inducements to have not just a bonus effect, but, in the case of negative developments, also a malus effect, and can therefore serve as a strong incentive to focus on a sustainable increase in the company's value.
6. Furthermore, pursuant to c) vi) of the authorization proposed under agenda item 10, it is to be possible that treasury shares can be cancelled without the cancellation or implementation thereof requiring another resolution by the General Meeting. Such a cancellation may also be carried out without a capital reduction, with the result that the pro-rata amount of the remaining no-par value shares in the company's share capital is increased. In such event, the Executive Board is authorized to adjust the number of no-par value shares stated in the Articles of Association.

If this authorization is used, both the total number of issued shares and the preferential treatment granted to the beneficiaries as a result of the shares being granted at a reduced price or without any investment of their own should be in reasonable relation to the company's situation and the anticipated advantages for the enterprise. The issue of the shares can be tied to further conditions, such as vesting periods, lock-up periods, achievement of specific targets or continued employment within the Group.

The above-described objectives of identification with the company, affiliation with the company and the acceptance of entrepreneurial co-responsibility are in the interest of the company and its shareholders. The exclusion of the shareholders' subscription rights required for this use of the shares is thus generally in the interest of the company and its shareholders.

7. Finally, pursuant to d) of the authorization proposed in agenda item 10, it is to also be possible to use treasury shares to service obligations or rights to acquire Knorr-Bremse shares that have been or will be agreed with members of the Executive Board of Knorr-Bremse Aktiengesellschaft subject to the provisions on compensation for the Executive Board. Taken together with the authorization under c) v) (see no. 5 above), this authorization, too, is capped at 5% of the share capital, both at the time this authorization takes effect and at the time the shares are used. The shareholders' subscription rights must be excluded in this context as well. In this way, variable compensation components can be granted that provide an incentive for sustainable corporate management over the long term, for example, by a part of variable compensation, instead of being paid in cash, being granted in the form of shares subject to a certain lock-up period or stock awards that are subject to a vesting period. In addition, such stock-based compensation components can be tied to specific performance targets, such as the development of the price of Knorr-Bremse shares relative to comparable sector indices or other targets related to increasing company value or sustainability.

By transferring shares subject to a lock-up period or granting stock awards with a vesting period or granting other stock-based compensation instruments to members of the Executive Board, a part of their compensation can be deferred, thereby increasing their loyalty to the company, since the Executive Board will participate in a sustainable increase in the company's value and they can use the compensation components only after the vesting period has expired. The minimum vesting period for such compensation instruments is to be around four years. Since disposal of such shares is not permitted before the end of the vesting period, the members of the Executive Board will participate in the positive as well as negative developments in the stock exchange price during the vesting period. As a consequence, the members of the Executive Board may, in addition to the bonus effect, also experience a malus effect.

The specifics of the compensation to be paid to the Executive Board members will be set by the Supervisory Board in a compensation system submitted to the General Meeting for approval. These include rules concerning further conditions, such as vesting periods, lock-up periods, achievement of specific targets, the forfeiture and non-forfeiture of stock awards, as well as rules concerning the treatment of stock awards and shares subject to a lock-up period in special cases, such as in the case of retirement, disability or death, or of a member prematurely leaving the company, where, for example, a cash settlement or removal of the lock-up period or vesting period can be provided for. The current compensation system for the members of the Executive Board, which was resolved upon by the Supervisory Board with effect as from January 1, 2022, and approved by the Annual General Meeting on May 20, 2021, provides for the stock-based compensation for Executive Board members merely in virtual shares. The authorization is to create the possibility of granting or awarding company shares as variable compensation components to the Executive Board members instead of a payment in cash or virtual shares.

The decision on which instrument is selected in each case as well as its manner of use is made by the Supervisory Board with regard to the shares used in the context of Executive Board compensation, and by the Executive Board with regard to all other shares. In reaching their decisions, these corporate bodies will focus solely on the interests of the company and the shareholders.

### 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 Euro 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 holding of the Annual General Meeting as a virtual general meeting according to the new provision in Sec. 118a AktG entails some modifications in the conduct of the Meeting as well as the exercise of shareholders' rights compared to both an in-person general meeting and the last virtual Annual General Meeting held according to the special legislation in connection with the COVID-19 pandemic. We therefore ask for particular attention to be paid to the information below, especially with regard to the option of tuning in to the Annual General Meeting by video and audio and to the exercising of voting rights, the right to file motions, the right to submit comments, the right to speak, the right to information and the right to lodge objections.

With the consent of the Supervisory Board, the Executive Board of Knorr-Bremse Aktiengesellschaft has decided to hold the Annual General Meeting as a virtual annual general meeting without the shareholders or their authorized representatives being physically present at the location of the Annual General Meeting.

The shareholders and their authorized representatives cannot physically be present at the Annual General Meeting and 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 for shareholders*

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/agma](http://ir.knorr-bremse.com/agma)) on May 5, 2023, 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".

#### *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 14, 2023, via the company's website at **[ir.knorr-bremse.com/hv](http://ir.knorr-bremse.com/hv)**

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 14, 2023, 00:00 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 28, 2023, 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](mailto: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 confirmations, which is also accessible in printable format on the website [ir.knorr-bremse.com/agm](http://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 **May 4, 2023, 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 May 5, 2023**. 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.

If an absentee vote is not explicit and unambiguous regarding a specific agenda item, it will be considered an abstention regarding that agenda item.

#### **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 where company-nominated proxies are authorized.

The company-nominated proxies may exercise the voting right only in respect of those agenda items for which explicit and unambiguous instructions have been issued to them by the authorizer. The company-nominated proxies are under an obligation to vote according to instructions. If no explicit and unambiguous instruction has been issued, the company-nominated proxies will abstain from voting on the relevant agenda item.

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

Powers of attorney granted and instructions issued to the company-nominated proxies must be received by the company as follows; this also applies to any modification or revocation of a power of attorney granted and of instructions issued:

- 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](http://ir.knorr-bremse.com/agm), at the latest **by May 4, 2023, 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 May 5, 2023**. 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, the company may reject one or more of them.

Proving 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 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 such proof may be sent 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 May 4, 2023, 24:00 hrs. 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/hv](http://ir.knorr-bremse.com/hv) 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 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**

If absentee votes are cast by several means of transmission and/or if the proxies are granted powers of attorney and given instructions by several means of transmission, the last formally valid declaration received will be given priority in each case. If it is not clear which declaration was received last, the declarations submitted via the online service will be given priority overall and declarations by email will be deemed to have priority over declarations by letter.

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.

**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 April 4, 2023, 24:00 hrs. (CEST).

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 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](http://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 20, 2023, 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 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](mailto: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](http://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 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](mailto:investor.relations@knorr-bremse.com) and must be received at the specified address no later than April 29, 2023, 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.

Comments will not be made available if the Executive Board were to become liable to prosecution by making them available, if the comment contains obviously false or misleading information or insults in essential points, or if the person submitting the comment indicates that he/she will not attend the Annual General Meeting and will not be represented.

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](http://ir.knorr-bremse.com/agm) no later than April 30, 2023. 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](http://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](http://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.

If the chair of the meeting so orders based on Sec. 131 (1f) AktG, 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](http://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](http://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](http://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. After the Annual General Meeting, 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. Broadcasting of the Annual General Meeting; visual and audio recording**

In addition to the broadcasting of the entire Annual General Meeting for properly registered shareholders via the online service, the speeches of the Chairman of the Supervisory Board and of the Executive Board at the beginning of the Annual General Meeting will be transmitted live on the internet also for persons who have not registered to participate in the Annual General Meeting. After the Annual General Meeting, a recording of the speeches of the Executive Board will be available at [ir.knorr-bremse.com/agm](http://ir.knorr-bremse.com/agm).

## 6. 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:

Knorr-Bremse Aktiengesellschaft  
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, shareholder representatives 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.

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 their 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, the 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.

During the Annual General Meeting, visual and audio recordings may be taken. These visual recordings may show shareholders, shareholder representatives and other participants of the Annual General Meeting. The recordings will be stored, processed and published for the purpose of documenting the event and as part of the public relations work of Knorr-Bremse Aktiengesellschaft.

Both the recording and the publication of the recordings constitute a legitimate interest of Knorr-Bremse Aktiengesellschaft within the meaning of point (f) of Art. 6 (1) sentence 1 GDPR. 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.

When you visit the online service, data is automatically processed that is technically required to display our website to you. These data are, for example, your IP address, device type, browser type, date and time of the respective visitor request. The legal basis for the processing of your data in this case is Art. 6 para. 1 lit. f) GDPR. Our legitimate interest lies in ensuring the functionality 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-Telemedien-Datenschutz-Gesetz, "TTDSG"). These cookies are necessary 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' 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 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 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. The legal basis in these cases is point (c) 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.

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.

**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 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 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 for the purposes of the legitimate interests of Knorr-Bremse Aktiengesellschaft (point (f) of Art. 6 (1) sentence 1 GDPR), the shareholders and, as applicable, shareholder representatives may object to this 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 data protection organization at [privacy@knorr-bremse.com](mailto:privacy@knorr-bremse.com).

Munich, Germany, March 2023

**Knorr-Bremse Aktiengesellschaft**

***The Executive Board***