

Corporate Governance Statement for the Fiscal Year 2020

(including Corporate Governance Report)

The Corporate Governance Statement pursuant to Sections 289f and 315d of the German Commercial Code (HGB), in each case in the most appropriate version pursuant to Section 83 (1) sentence 2 of the Introductory Act to the German Commercial Code (EGHGB), is the primary instrument for reporting on corporate governance (cf. Principle 22 of the German Corporate Governance Code "GCGC", as amended on December 16, 2019). It forms part of the combined Group management report for Knorr-Bremse AG and the Group. In accordance with Section 317 (2) sentence 6 HGB, the auditor's examination of the disclosures pursuant to Section 289f (2) and (5) and Section 315d HGB should be limited to whether these disclosures have been made. The statement is jointly issued by the Executive Board and Supervisory Board, which are each responsible for those parts of the report that concern them.

In the Corporate Governance Statement, the Executive Board and Supervisory Board also report on the Company's corporate governance.

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

Pursuant to Section 161 of the German Stock Corporation Act (AktG), the Executive Board and the Supervisory Board of Knorr-Bremse AG adopted the following Declaration of Compliance with the German Corporate Governance Code on December 9, 2020:

"Since January 1, 2020, Knorr-Bremse AG (the "Company") has complied with the recommendations of the German Corporate Governance Code ("GCGC"), as amended on December 16, 2019 and published by the Federal Ministry of Justice in the official section of the Federal Gazette, and will continue to comply with them from January 1, 2021, with the following exceptions:

1. According to Recommendation D.1 GCGC, the rules of procedure of the Supervisory Board should be published on the Company's website. The rules of procedure of the Supervisory Board were published on the Company's website on November 19, 2020.
2. According to Recommendation F.2 GCGC, the consolidated financial statements and the Group management report should be made publicly accessible within 90 days from the end of the financial year, while mandatory interim financial information should be

made publicly accessible within 45 days from the end of the relevant reporting period. During fiscal 2020, the Company departed from Recommendation F.2 GCGC,¹²⁾ but will make the consolidated financial statements to December 31, 2020 publicly accessible within 90 days. This departure is due to the Group's ongoing transition to International Financial Reporting Standards (IFRS), which was initiated shortly before the Company's stock market flotation (IPO) in 2018.

From fiscal year 2021 onward, i.e. from January 1, 2021, the Company will make the consolidated financial statements, the Group management report and the mandatory interim financial information for the first and third quarters publicly available in accordance with Recommendation F.2 GCGC. It is anticipated that the Company will not publish its 2021 Interim Report within 45 days from the end of the first half-year period of 2021. From fiscal 2022 onward, the Company will also comply with Recommendation F.2 GCGC in this respect.

3. According to Recommendation G.11 GCGC, the Supervisory Board should be permitted to retain or reclaim the Executive Board's variable remuneration if justified. The Company departed from this recommendation in fiscal 2020 and will also depart from it in 2021. 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 Board members to act with due care and in a sustainable manner consonant with the long-term interests of the Company: the long-term variable remuneration (Long Term Incentive) and shareholding obligation (Share Ownership Guideline) plans are already adequate for this purpose. Moreover, in the event of exceptional developments and incidents, the Supervisory Board already has discretionary powers to adjust the terms of the short-term and long-term variable remuneration plans. Ultimately, the Supervisory Board may also assert claims for damages in accordance with Section 93 of the German Stock Corporation Act (AktG) in the event of a culpable breach of duty.

Munich, December 9, 2020

Knorr-Bremse Aktiengesellschaft

The Executive Board

The Supervisory Board"

On March 30, 2021, the Executive Board and Supervisory Board updated the Declaration of Conformity with the Corporate Governance Code pursuant to Section 161 of the German Stock Corporation Act (AktG). The updated version is available on the Knorr-Bremse AG website in the Corporate Governance section.

¹²⁾ And consequently also from Section 7.1.2 sentence 3 of the version of the German Corporate Governance Code dated February 7, 2017, which was in force until March 20, 2020. There were no other departures from this version of GCGC in fiscal 2020.

Further Corporate Governance Practices

Additional suggestions in the Code

Knorr-Bremse AG has chosen not to comply with the GCGC's non-mandatory suggestions during the reporting period.

Corporate values and internal rules

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

Our operational principles are summarized in a Code of Conduct which is binding for all our employees. This Code of Conduct may be viewed on our website at <https://www.Knorr-Bremse.com/en/company/compliance/>. The Code of Conduct provides employees across the whole Knorr-Bremse Group with guidelines for interacting responsibly with colleagues, business partners and government agencies. We also maintain event-based insider lists in accordance with Section 18 of the Market Abuse Regulation (MAR). All individuals on an insider list are informed of the applicable statutory obligations and sanctions. Other rules followed by Knorr-Bremse are summarized on page 15 of our Sustainability Report.

Diversity above and beyond statutory requirements is also an integral part of Knorr-Bremse's corporate culture. Any and every form of discrimination – whether on grounds of gender, age, religion, ill health, ethnic origin, skin color, sexual orientation, or for any other reason – is unacceptable at Knorr-Bremse. When recruiting, we take account of diversity and equal opportunities, and seek to appoint more women as appropriate. Working-time models with enough flexibility to cater to individual circumstances help to ensure equality of opportunity. Given the international nature of our business, intercultural diversity and tolerance are important values at Knorr-Bremse. Knorr-Bremse's Code of Conduct defines various measures relating to occupational health and safety, human rights and inclusivity. Our workforce receives specific training in these matters via an e-learning tool. Employees can engage with various viewpoints in talks and workshops on sociopolitical topics. Further information on diversity in the Executive Board and Supervisory Board may be found in the section below entitled Diversity in the Executive Board and Supervisory Board.

Together with further details of our social and community engagement, more information on how we exercise our corporate citizenship and encourage sustainable growth is also set out in the Non-financial statement for the Knorr-Bremse Group (pursuant to Section 315b HGB). More detailed information can also be found on our website under Responsibility.

Compliance Management System

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

Under the leadership of the Chief Compliance Officer (CCO), our compliance structures are focused above all on preventing corruption, ensuring fair competition and avoiding conflicts of interest. The aim is to prevent any violation of our rules and guidelines, especially infringements of our binding Code of Conduct. This is supported by preventive measures such as staff training, communication of specific, compliance-related issues to managers and employees, supplier briefings, and accompanying guidance on risk management. The Chief Compliance Officer (CCO) is responsible for ensuring compliance with Knorr-Bremse's guidelines, and reports to the Compliance Committee (chaired by the Chief Financial Officer (CFO)) as well as the Supervisory Board's Audit Committee. Our sites worldwide play a key role in our compliance strategy and structures. Regional Compliance Officers covering Asia/Australia, Europe/Africa and the Americas are responsible for the regional implementation of compliance management, with further support from local Compliance Officers in Asia/Australia and Europe/Africa.

More detailed information about the responsibilities and activities of Knorr-Bremse's compliance structures can be found in our 2020 Sustainability Report in the Compliance and Risk Management section of the Strategy and Management chapter.

Remuneration of Executive Board and Supervisory Board members

The current remuneration system pursuant to Section 87 (1) and (2) sentence 1 AktG for the Executive Board and the resolution on remuneration and the remuneration system for the Supervisory Board which was passed at the 2020 Annual General Meeting pursuant to Section 113 (3) AktG are publicly accessible on our website at https://ir.Knorr-Bremse.com/websites/knorrbremse_ir/English/7000/corporate-governance.html. In conformance with the relevant transitional provisions, a Compensation Report for the fiscal year just ended and Auditor's Report pursuant to Section 162 AktG will be prepared for the first time for the fiscal year 2021.

Details of the remuneration of Executive Board members, including variable remuneration components, and of the remuneration of Supervisory Board members, including remuneration for the past fiscal year, may also be found in the Compensation Report.

Composition and operation of the Executive Board

Composition of the Executive Board

According to its Articles of Association, Knorr-Bremse AG's Executive Board must comprise at least two members. As at December 31, 2020, the Executive Board had three members:

- Dr. Peter Laier has served on the Executive Board of Knorr-Bremse AG since 2016 and has global responsibility for the Commercial Vehicle Systems division.
- Frank Markus Weber was appointed to the Executive Board of Knorr-Bremse AG with effect from July 1, 2020. As Chief Financial Officer (CFO), he is responsible for Finance, Controlling, IT, Legal and Compliance, M&A and Internal Audit.
- Dr. Jürgen Wilder joined the Executive Board of Knorr-Bremse AG in 2018 and bears global responsibility for the Rail Vehicle Systems division.

Bernd Eulitz, who at the time was Chief Executive Officer of Knorr-Bremse AG, left the company on August 31, 2020. For a transitional period until the new CEO, Dr. Jan Michael Mrosik, took up his post, the Supervisory Board asked the other Executive Board members Dr. Peter Laier, Frank Markus Weber and Dr. Jürgen Wilder to carry out Mr. Eulitz's duties. Dr. Jan Mrosik was appointed as the new CEO with effect from January 1, 2021.

Ralph Heuwing, formerly a member of the Executive Board and CFO, also left Knorr-Bremse AG on April 30, 2020.

The following table provides an overview of the areas of responsibility of Knorr-Bremse AG's individual Executive Board members since January 1, 2021. [Table → 4.01](#)

4.01 Areas of responsibility of executive board members of Knorr-Bremse AG

CEO Dr. Jan Michael Mrosik	CFO Frank Markus Weber	Head of CVS Dr. Peter Laier	Head of RVS Dr. Jürgen Wilder
Chief Digital Officer/ Chief Information Officer	Corporate Accounting/Taxes	CVS Division	RVS Division
Corporate Human Resources	Corporate Controlling	Research/Development	Research/Development
Corporate Strategy	Corporate Treasury	Procurement/ Supply Chain Management	Procurement/ Supply Chain Management
Corporate Communications	Corporate Legal, Compliance & Patents	Production/Quality Assurance	Production/Quality Assurance
Corporate Internal Audit	Corporate Strategy	Sales/Marketing/Distribution	Sales/Marketing/Distribution
Knorr Excellence	Investor Relations	Finance/Controlling	Finance/Controlling
Corporate Security	Corporate Risk Management		
KB Media GmbH	Corporate Responsibility		
KB Global Care e.V. Affairs	Corporate Real Estate Management		

Operation of the Executive Board

As well as managing the day-to-day running of the Company, the Executive Board defines and implements strategy in consultation with the Supervisory Board. It is obliged to act in the best interests of the Company and in accordance with the Company's business policies. Executive Board members are collectively responsible for the overall management of the Company. As well as deciding on fundamental business policy and corporate strategy matters, they also undertake annual and multi-year planning.

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

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

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

Composition and operation of the Supervisory Board

Composition of the Supervisory Board as at December 31, 2020

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

The Supervisory Board is elected every five years; the last scheduled elections took place in 2016. If a member of the Supervisory Board steps down before the end of their term, a successor is appointed by the District Court unless a substitute has already been elected. Such court-appointed Supervisory Board members must then stand for election at the next Annual General Meeting (shareholders' representatives), or at the next election date (employee representatives).

During fiscal 2020, Dr. Wolfram Mörsdorf, Wolfgang Tölsner and Georg Weiberg stood down from the Supervisory Board with effect from the conclusion of the Annual General Meeting on June 30, 2020. To replace them as shareholder representatives, the Annual General Meeting elected Heinz Hermann Thiele, Dr. Thomas Enders and Dr. Theodor Weimer to the Supervisory Board.

Members of the Supervisory Board and memberships of the Supervisory Board members

In fiscal year 2020, the Supervisory Board comprised the following members.

Name and Date of Birth	Occupation	Member since	Elected until	Committees	Membership of statutory supervisory boards and comparable German or foreign supervisory bodies of business enterprises (as at 31 Dec. 2020)
Prof. Dr. Klaus Mangold Born 1943	Chair of the Supervisory Board Former member of the Executive Board of Daimler AG	2018	2021	<ul style="list-style-type: none"> ▪ Chair of the Executive Committee ▪ Member of the Audit Committee ▪ Chair of the Nominations Committee ▪ Chair of the Mediation Committee 	<p>Membership of statutory supervisory boards and comparable German or foreign supervisory bodies of business enterprises (as at 31 Dec. 2020)</p> <p>German supervisory boards:</p> <ul style="list-style-type: none"> ▪ None <p>Comparable supervisory bodies:</p> <ul style="list-style-type: none"> ▪ Chair of Mangold Consulting GmbH, Stuttgart ▪ Member of the Board of Directors of Baiterek National Managing Holding JSC, Nur-Sultan, Kazakhstan ▪ Chair of the Advisory Board of Lürssen Maritime Beteiligungen GmbH & Co. KG, Bremen ▪ Chair of the Advisory Board of Cortec GmbH, Freiburg ▪ Vice-Chair Rothschild Europe, Frankfurt am Main <p>In the view of the Supervisory Board, this Supervisory Board member is independent of the Company, its Executive Board and its controlling shareholder.</p>
Franz-Josef Birkeneder Born 1960	Deputy Chair of the Supervisory Board Plant Manager of Knorr-Bremse's Aldersbach plant	2016	2021	<ul style="list-style-type: none"> ▪ Member of the Executive Committee ▪ Member of the Audit Committee ▪ Member of the Mediation Committee 	<p>German supervisory boards:</p> <ul style="list-style-type: none"> ▪ None <p>Comparable supervisory bodies:</p> <ul style="list-style-type: none"> ▪ None <p>Employee representative</p>
Kathrin Dahnke Born 1960	Second Deputy Chair of the Supervisory Board Member of the Executive Board of OSRAM Licht AG	2018	2021	<ul style="list-style-type: none"> ▪ Chair of the Audit Committee ▪ Member of the Nominations Committee ▪ Member of the Mediation Committee 	<p>German supervisory boards:</p> <ul style="list-style-type: none"> ▪ Member of the Supervisory Board of Fraport AG ▪ Member of the Supervisory Board of B. Braun Melsungen AG <p>Comparable supervisory bodies:</p> <ul style="list-style-type: none"> ▪ None <p>In the view of the Supervisory Board, this Supervisory Board member is independent of the Company, its Executive Board and its controlling shareholder.</p>
Dr. Thomas Enders Born 1958	President of the German Council on Foreign Relations	2020	2021	<ul style="list-style-type: none"> ▪ None 	<p>German supervisory boards:</p> <ul style="list-style-type: none"> ▪ Member of the Supervisory Board of Deutsche Lufthansa AG, Cologne ▪ Member of the Supervisory Board of Lilium GmbH, Wessling <p>Comparable supervisory bodies:</p> <ul style="list-style-type: none"> ▪ Member of the Board of Directors of Linde plc, Dublin, Ireland <p>In the view of the Supervisory Board, this Supervisory Board member is independent of the Company, its Executive Board and its controlling shareholder.</p>

Name and Date of Birth	Occupation	Member since	Elected until	Committees	Membership of statutory supervisory boards and comparable German or foreign supervisory bodies of business enterprises (as at 31 Dec. 2020)
Michael Jell Born 1963	Chair of the Group Works Council, Chair of the Works Council of Knorr-Bremse Systeme für Schienenfahrzeuge GmbH, Knorr-Bremse AG, KB Media GmbH, Knorr-Bremse Services GmbH	2014	2021	<ul style="list-style-type: none"> ▪ Member of the Executive Committee ▪ Member of the Mediation Committee 	<p>German supervisory boards:</p> <ul style="list-style-type: none"> ▪ None <p>Comparable supervisory bodies:</p> <ul style="list-style-type: none"> ▪ None <p>Employee representative</p>
Werner Ratzisberger Born 1967	Project engineer for mechanical processing/surfaces, Knorr-Bremse Systeme für Nutzfahrzeuge GmbH	2006	2021	<ul style="list-style-type: none"> ▪ Member of the Audit Committee 	<p>German supervisory boards:</p> <ul style="list-style-type: none"> ▪ Member of the Supervisory Board of Knorr-Bremse Systeme für Nutzfahrzeuge GmbH <p>Comparable supervisory bodies:</p> <ul style="list-style-type: none"> ▪ None <p>Employee representative</p>
Annemarie Sedlmair Born 1987	Head of Legal Department of IG Metall Munich	2019	2021	<ul style="list-style-type: none"> ▪ None 	<p>German supervisory boards:</p> <ul style="list-style-type: none"> ▪ Member of the Supervisory Board of Bosch Sicherheitssysteme GmbH <p>Comparable supervisory bodies:</p> <ul style="list-style-type: none"> ▪ None <p>Vertreterin der Arbeitnehmer</p>
Erich Starkl Born 1962	First Authorized Representative of IG Metall, Passau Office	2014	2021	<ul style="list-style-type: none"> ▪ None 	<p>German supervisory boards:</p> <ul style="list-style-type: none"> ▪ None <p>Comparable supervisory bodies:</p> <ul style="list-style-type: none"> ▪ Deputy Managing Director IG Metall Passau <p>Employee representative</p>
Heinz Hermann Thiele Born 1941 Died 2021	Deputy Chair of the Supervisory Board Entrepreneur	2020	2021	<ul style="list-style-type: none"> ▪ Member of the Executive Committee 	<p>German supervisory boards:</p> <ul style="list-style-type: none"> ▪ None <p>Comparable supervisory bodies:</p> <ul style="list-style-type: none"> ▪ None
Julia Thiele-Schürhoff Born 1971	Chair of the Executive Board of Knorr-Bremse Global Care e.V.	2016	2021	<ul style="list-style-type: none"> ▪ Member of the Nominations Committee 	<p>German supervisory boards:</p> <ul style="list-style-type: none"> ▪ None <p>Comparable supervisory bodies:</p> <ul style="list-style-type: none"> ▪ Chair of Knorr-Bremse Global Care e.V.
Dr. Theodor Weimer Born 1959	Chief Executive Officer of Deutsche Börse AG	2020	2021	<ul style="list-style-type: none"> ▪ None 	<p>German supervisory boards:</p> <ul style="list-style-type: none"> ▪ Member of the Supervisory Board of Deutsche Bank AG <p>Comparable supervisory bodies:</p> <ul style="list-style-type: none"> ▪ None <p>In the view of the Supervisory Board, this Supervisory Board member is independent of the Company, its Executive Board and its controlling shareholder.</p>
Günter Wiese Born 1952	Member of the Works Council of Knorr-Bremse Systeme für Schienenfahrzeuge GmbH, Berlin plant	2011	2021	<ul style="list-style-type: none"> ▪ None 	<p>German supervisory boards:</p> <ul style="list-style-type: none"> ▪ Member of the Supervisory Board of Knorr-Bremse Systeme für Schienenfahrzeuge GmbH <p>Comparable supervisory bodies:</p> <ul style="list-style-type: none"> ▪ None <p>Employee representative</p>

The composition of the Supervisory Board as at December 31, 2020 was therefore as follows:

In the view of the Supervisory Board, four of the six shareholder representatives on the Supervisory Board – Professor Dr. Mangold, Ms. Dahnke, Dr. Enders and Dr. Weimer – are independent within the meaning of the GCGC; the Supervisory Board also considers this appropriate when taking the shareholder structure into account. This means that the Supervisory Board complies with Recommendation C.9 GCGC, according to which at least two shareholder representatives should be independent of the controlling shareholder if the supervisory board comprises more than six members. All Supervisory Board members comply with the limits on supervisory board mandates in Recommendations C.4 and C.5 GCGC.

Operation of the Supervisory Board

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

The rules of procedure that the Supervisory Board has drawn up for itself can be accessed on our website at https://ir.Knorr-Bremse.com/websites/knorrbremse_ir/English/7000/corporate-governance.html. In the event of a tie when the Supervisory Board passes resolutions, the Chair has an additional casting vote. The Supervisory Board may also take decisions using a document circulation procedure. The Supervisory Board also meets regularly without members of the Executive Board present.

The members of the Supervisory Board take responsibility for their own continuing professional development and the Company provides appropriate support for this. The Supervisory Board also regularly verifies the efficiency of its work. In fiscal 2021, for the first time, the Supervisory Board will conduct an external efficiency review as suggested in Recommendation D.13 GCGC.

To avoid conflicts of interest, the skills profile for the Supervisory Board includes stipulations relating to the independence of Supervisory Board members. Further details may be found in the section below entitled Diversity in the Executive Board and Supervisory Board. Any conflicts of interest that arose in fiscal 2020 and how they were dealt with are described in the Report of the Supervisory Board.

Composition and operation of the Supervisory Board's committees

The Supervisory Board of Knorr-Bremse AG has established four committees from among its members. With the exception of the Nominations Committee, each of these committees comprises four members, with equal representation of shareholders and employees. The composition of the committees as at December 31, 2020 can be seen in the list of Supervisory Board members above in the section Composition and operation of the Supervisory Board.

Following committee meetings, the committee chairs report the outcomes to the plenary board. The remits of the committees and the matters they discussed over the course of the past fiscal year are described in detail in the Report of the Supervisory Board.

- The Executive Committee coordinates the work of the Supervisory Board, prepares its meetings and efficiency reviews, and supervises implementation of the resolutions adopted by the Supervisory Board or its committees. Among other things, the Executive Committee is also responsible for preparing the Supervisory Board's personnel decisions relating to the Executive Board.
- The Audit Committee oversees matters relating to accounting, risk management, the internal control system and the compliance management system, as well as internal auditing and the effectiveness of the latter. It also supervises the Group's quarterly reports, reviews the annual and consolidated financial statements of Knorr-Bremse AG, and prepares relevant resolutions of the full Board.
- The Nominations Committee proposes candidates who are suitably qualified in terms of both expertise and character for election as shareholders' representatives at an Annual General Meeting.
- The Mediation Committee is convened if a Supervisory Board resolution on the appointment or removal of an Executive Board member does not obtain a two-thirds majority of votes as required by Sections 31 (2) and (5) of the German Codetermination Act (MitbestG). No such necessity has arisen in the history of the Company to date.

Stipulations pursuant to Sections 76 (4) and 111 (5) AktG and minimum quotas of women and men for Supervisory Board appointments

To date, our statutory obligations with respect to the equal participation of women and men in leadership positions have been fulfilled as follows:

- Three women currently serve on the Supervisory Board of Knorr-Bremse AG; two represent shareholders and one represents employees. This complies with the applicable statutory transitional provisions because the Supervisory Board was already set up in its current form before Knorr-Bremse AG's stock exchange flotation (IPO) on October 12, 2018.
- The percentage of women currently serving on the Executive Board of Knorr-Bremse AG is 0%. The Supervisory Board has set a target of 20% women on the Executive Board by June 30, 2023.
- As at December 31, 2020, the proportion of female managers on the first management tier below Executive Board level at Knorr-Bremse AG was 18.8%, and 33.3% on the second management tier. A target of 7.7% has been set for women on the first management tier (which was the status quo when the targets were specified in 2018) and 16.7% for the second management tier, to be maintained or attained in both cases by June 30, 2023.

Diversity in the Executive Board and Supervisory Board

Diversity policy for the Executive Board

When appointing Executive Board members, the Supervisory Board considers technical expertise and social skills in particular, along with the number of years' experience in similar posts within our sectors and in an international context. Further suitability factors are the candidate's character and educational background (university degree or equivalent). Whether a candidate is male or female makes no difference. To achieve a balanced age profile, any appointees to the Executive Board should generally speaking be no older than 65. The Executive Committee regularly deliberates on long-term succession planning for the Executive Board. In addition to setting a target of 20% for the proportion of female members on Knorr-Bremse AG's Executive Board back in 2018, the Executive Committee has taken cognizance of the planned statutory minimum requirement for the proportion of female members of management boards of listed companies subject to codetermination. In consultation with

the Executive Board, the Executive Committee evaluates the Company's executive planning and management development activities. The Executive Committee prepares the Supervisory Board's deliberations and decisions relating to Executive Board personnel. If new members are to be appointed, the Executive Committee also proposes suitable candidates to the Supervisory Board.

Skills profile and diversity policy for the Supervisory Board

The Supervisory Board has defined a skills profile and targets for the composition of the Supervisory Board, including minimum quotas with respect to gender and international diversity. This ensures that Supervisory Board members collectively possess the requisite skills and expertise to properly perform the work of the Board. These skills include, for example, specific technical knowledge of: the rail, commercial vehicle and automotive industries, including the supply sector; the key markets in which Knorr-Bremse operates; research and development, especially in technologies and related areas of relevance to Knorr-Bremse; digitalization and smart, digitally connected IT applications (Industry 4.0). Also required is experience in management, leadership, accounting, controlling and risk management, corporate governance, and corporate compliance. Members do not all have to be equally skilled in all these areas; rather, their skills should be complementary.

The skills profile stipulates that at least one member should be a financial expert who is knowledgeable about accounting or auditing. The chair of the Audit Committee should have a detailed knowledge of the application of accounting principles and internal control procedures. Members of the Supervisory Board should be willing and able to devote sufficient time and expertise to discharge their duties diligently. In particular, this includes being willing to take responsibility for their own continuing professional development.

A wide range of professional and international experience is expected in relation to diversity; according to Section 96 (2) of the German Stock Corporation Act (AktG), the proportion of women and men on the Supervisory Board must be at least 30% in each case. Further salient points are an appropriate number of independent members, the avoidance of conflicts of interest, an upper age limit of 70 at the time of election, and a maximum of three terms (i.e. 15 years) in office.

In the Supervisory Board's view, its current composition meets the requirements set out in the skills profile, with the exception of the upper age limit of 70 at the time of appointment and the gender quota of at least 30%, which has come into effect since the Company's stock market flotation and will therefore apply to new elections under Section 96 (2) AktG and Section 25 (2) of the Introductory Act to the German Stock Corporation Act (EGAktG). To date, this quota has been met solely on the shareholder representation side. The employee side currently includes one female member. The candidate proposals submitted by the Supervisory Board to the Annual General Meeting are based on the requirements of the skills profile. The Supervisory Board last updated the profile in May 2020.

Further Information on Corporate Governance

Share ownership in the Executive Board and Supervisory Board

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

As at December 31, 2020, Executive Board members held approximately 0.0089% of Knorr-Bremse AG's shares in total. With respect to Supervisory Board members, to our knowledge Kathrin Dahnke was the only member who directly held shares in Knorr-Bremse AG on December 31, 2020. To our knowledge, through the shareholdings he controls in Stella Vermögensverwaltungs GmbH, TIB Vermögens- und Beteiligungsholding GmbH and KB Holding GmbH, all based in Grünwald, until February 23, 2021 Mr. Thiele indirectly holds around 58.99% of the shares of Knorr-Bremse AG.

Corporate communications and transparency

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

The Articles of Association, the Supervisory Board's rules of procedure, Supervisory Board Reports from fiscal 2018 onward, declarations of compliance from fiscal 2018 onward, along with Corporate Governance Reports from 2018 onward can be found at https://ir.Knorr-Bremse.com/websites/knorrbremse_ir/English/7000/corporate-governance.html. An outline of the remuneration system for members of the Executive Board and Supervisory Board is also available there.

Shareholders and Annual General Meetings

Knorr-Bremse AG's shareholders exercise their rights in the Annual General Meeting. Among other things, the Annual General Meeting passes resolutions on the appropriation of distributable income, the discharge of the members of the Executive Board and the Supervisory Board, and the appointment of the auditor. Shareholders can exercise their voting rights in the Annual General Meeting either in person, via a proxy of their choosing, by instructing a Company proxy, or via a postal vote. By using electronic means of communication, in particular the internet, the Executive Board facilitates shareholders' participation in the Annual General Meeting; proxies can still be contacted during the AGM.

The Chair of the Supervisory Board chairs the General Meeting and reports on the work of the Supervisory Board and its committees during the previous fiscal year. The Executive Board presents the annual financial statements, the consolidated financial statements, the combined Group management report, the proposed appropriation of distributable income agreed with the Supervisory Board, and other resolutions to be voted on by the AGM.

Owing to the Covid-19 pandemic, the 2020 Annual General Meeting on June 30, 2020 was held as a virtual general meeting at which neither shareholders nor their proxies were physically present. The next Annual General Meeting will take place on May 20, 2021 and will also be held as a virtual general due to the current circumstances. All reports, documents and information required by law for the Annual General Meeting, including the Annual Report, can be downloaded from our website. The AGM agenda, as well as any shareholder-proposed counter motions or candidacies which we are required to make available to AGM participants, will also be published there.