

# Report of the Supervisory Board

*Dear Shareholders,*

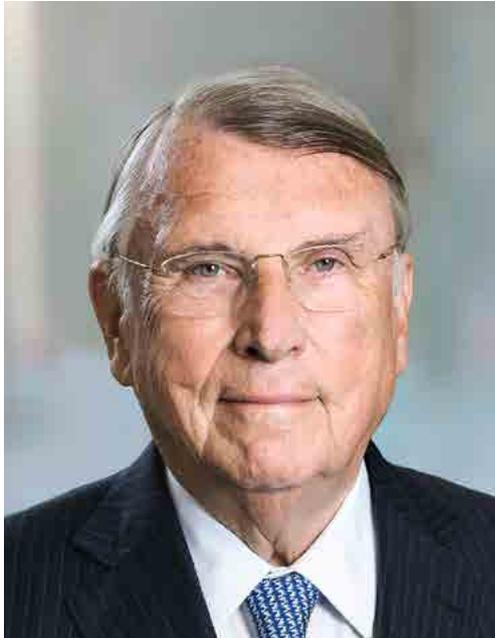
As Chairman of the Supervisory Board, I am pleased to present the Report of the Supervisory Board for the fiscal year just ended.

Knorr-Bremse can look back on an eventful and financially successful 2019, marked in particular by its listing on MDAX and the first ever public Annual General Meeting in the Company's history. The Supervisory Board considered a number of key acquisition and divestment projects. The departure of Klaus Deller as CEO and the associated discussions and decisions on his succession dominated the agendas of several board meetings. In all Supervisory Board meetings with the Executive Board, the latter presented the current status of the Company's business activities in great detail. Supervisory Board discussions consequently focused on how to further improve earnings, productivity and efficiency.

In a total of nine plenary meetings, the Supervisory Board regularly reviewed the ongoing business performance and strategic development of the Knorr-Bremse Group, in consultation with the Executive Board. Following intensive scrutiny and debate, the Supervisory Board approved the implementation of important acquisition and divestment projects. Of particular note are the purchase of Hitachi's commercial vehicle steering systems business, which was completed in the first quarter, as well as purchases by the RVS division, including the acquisition of minority stakes in Israeli startup RailVision and Belgian company Railnova SA. The latter two holdings in particular will extend our competencies in the fields of sensor technology, software development and artificial intelligence. The Supervisory Board has also made it a priority to follow up all such investment decisions in in-depth discussions. The Supervisory Board has likewise taken a very close interest in the sale of Knorr-Bremse's loss-making Powertech division, resolved with the aim of aligning the Rail division's business activities even more systematically with the Group's core competencies as a key supplier of systems, components and services to the rail vehicle industry. The restructuring of the Wülfrath plant, where a socially responsible plan for discontinuing production of steering systems was agreed after intensive negotiations with the Works Council, was also reviewed a number of times by the Supervisory Board.

## **Cooperation between the Supervisory Board and the Executive Board**

The Supervisory Board of Knorr-Bremse AG performed its duties with diligence and due care as required by law, the Company's Articles of Association and the board's terms of reference. As well as advising the Executive Board on management, planned acquisitions, divestments and other strategic projects, it also continually monitored the Executive Board's management of the Company. It was greatly assisted in the fulfillment of its statutory duties by regular reports from the Executive Board, who provided the Supervisory Board with regular updates on business performance, planning and the risk situation.



**PROF. DR. KLAUS MANGOLD,**  
CHAIRMAN OF THE SUPERVISORY BOARD

The Supervisory Board was at all times guided by the principles of good and responsible corporate governance. In terms of supervision and advice, it focused primarily on ensuring that the management of business operations and the Group as a whole was lawful, proper, effective and commercially robust. The individual advisory and oversight duties of the Supervisory Board are set out in the terms of reference of the Supervisory Board and the Executive Board. In accordance with the latter, the Supervisory Board is, for instance, closely involved in the business planning and review of strategic projects and issues. There is also a list of specific Executive Board decisions requiring the consent of the Supervisory Board, some of which call for detailed scrutiny in advance and require consideration of complex facts and circumstances from a supervisory and advisory perspective, according to members' own business judgment. Several matters requiring its approval were brought before the Supervisory Board in the 2019 fiscal year.

The Executive Board provided us with regular, timely and comprehensive information at and between meetings in written and oral reports. These reports encompassed all material facts relating to the Group's strategic development, planning, business performance and position during the year, as well as details of the Group's risk situation and risk management, compliance [p. 200], Knorr-Bremse AG's direct competitors (peers), feedback from analysts and investors, and current events. We discussed with the Executive Board all significant business transactions and the further development of the Company. Any instances where business performance diverged from the approved plans were explained to us in detail, and countermeasures were discussed where necessary. The Supervisory Board was involved in a timely manner in all decisions of fundamental importance to the Company. We were also swiftly informed of any urgent matters arising between scheduled meetings. Between meetings of the Supervisory Board, as Chairman of the Supervisory Board I was also regularly updated by the Executive Board – in an in-depth, intensive dialogue – on the current business situation of and key business developments within the Company.

The attendance table below, which shows the above-average participation rates of the members of the Supervisory Board and its committees, attests to their high level of commitment to our work as a Supervisory Board.

### Deliberations in the Supervisory Board and its Committees

Prior to Supervisory Board meetings, shareholder representatives and employee representatives regularly met in separate preliminary meetings, which were usually also attended by the Chairman of the Executive Board (CEO) and other Executive Board members.

The meetings and resolutions of the full board are prepared by the Executive Committee and the Audit Committee. The Supervisory Board has also set up a Mediation Committee and a Nominations Committee, but it did not prove necessary to convene either body during the reporting period. As Chairs of the Audit Committee and Executive Committee respectively, Ms. Dahnke and I regularly submitted detailed reports to the Supervisory Board.

We recorded a consistently high participation rate at our meetings in fiscal 2019. The average attendance at full board meetings was 98.2%, even higher than the already high attendance rate of the previous year (91.7%). Only two Supervisory Board members were unable to attend one meeting in each case.

Any Supervisory Board or committee members who were unable to attend meetings usually participated in the voting via proxies. The timely advance distribution of documents by the Executive Board facilitated preparation for meetings by Supervisory Board members and largely obviated the need for handouts on the day.

#### 1.01 SUPERVISORY BOARD MEMBERS' ATTENDANCE AT MEETINGS IN FY 2019

Name	Supervisory Board (plenary)	Executive Committee	Audit Committee
Prof. Dr. Klaus Mangold (Chairman)	9 (9)	10 (10)	5 (5)
Kathrin Dahnke (Deputy Chair)	9 (9)	8 (10)	5 (5)
Dr. Wolfram Mörsdorf	8 (9)		
Julia Thiele-Schürhoff	9 (9)		
Wolfgang Tölsner	9 (9)		
Georg Weiberg	9 (9)		
Franz-Josef Birkeneder (Deputy Chair)	9 (9)	10 (10)	5 (5)
Michael Jell	9 (9)	10 (10)	
Werner Ratzisberger	9 (9)		5 (5)
Annemarie Sedlmair (from April 1)	8 (8)		
Sebastian Roloff (until March 31)	1 (1)		
Erich Starkl	8 (9)		
Günter Wiese	9 (9)		
Meeting attendance as %	98.15%	95%	100%

(In brackets: number of meetings held during the term of office of the respective Supervisory Board or committee member)

### Key Topics Discussed by the Supervisory Board

The Supervisory Board met for a total of nine meetings during the reporting period, of which eight took place in Munich, while one strategy meeting was held in Aldersbach. Apart from the meetings, the Supervisory Board used the established document circulation procedure to take decisions relating to particularly urgent matters on three occasions. Here is a summary of the main topics of discussion at the individual meetings:

1. At the beginning of the year, on February 7, 2019, the Supervisory Board deliberated on IPO bonuses for Messrs. Deller and Heuwing and Dr. Laier, along with their STI financial targets and performance-related LTI targets. Details are provided in the Compensation Report. By awarding an IPO bonus, the Supervisory Board recognizes the great personal commitment of these three Executive Board members ahead of the IPO (Dr. Wilder was not appointed to the Executive Board until shortly before the stock market flotation).
2. On April 30, 2019, the Supervisory Board considered the audit of the annual financial statements and the Executive Board's proposed dividend of €1.75 per Knorr-Bremse AG share. Both were approved following extensive deliberations, together with the other resolutions to be put to the Annual General Meeting. Further topics discussed at this Supervisory Board meeting were the premature departure of Klaus Deller from the Executive Board of Knorr-Bremse AG, the terms of his departure, the interim reallocation of Mr. Deller's responsibilities to the remaining board members and the initiation of the search to find a successor as CEO. The Supervisory Board furthermore discussed various strategic issues, in particular in relation to future options for the Powertech Group and the post-merger integration (PMI) status of the commercial vehicle steering systems business acquired from Hitachi. Along with these strategic issues, the cost restructuring programs imposed in both divisions were regular topics of discussion.
3. The Supervisory Board session on June 17, 2019 focused on preparations for the first general shareholders' meeting of Knorr-Bremse AG following its stock market flotation. Together with some 250 shareholders who attended in person, the Supervisory Board and the Executive Board successfully held the Annual General Meeting on June 18, 2019. A further important topic of discussion was the Chairman's presentation on succession arrangements for the Company's CEO.
4. At its annual strategy meeting on July 10–12, 2019, the Supervisory Board discussed the strategic direction of the Knorr-Bremse Group, focusing in particular on the key innovation projects of the two divisions; together, the Supervisory Board and Executive Board agreed on the best way forward. Among other things, these deliberations included an update on the implementation of the cash & profit optimization program aimed at achieving total savings of €90 million in 2019, and also reflected on the capital market's view of Knorr-Bremse, share price movements since the IPO, the market's perception of ZF's takeover of Wabco, and Knorr-Bremse's investor communications. Another priority addressed by the Supervisory Board was the development of e-mobility in the commercial vehicle market, and especially the environmental and economic relevance of e-mobility, its importance for Knorr-Bremse's product portfolio, and the related development activities of its Truck division. In addition, the Supervisory Board reviewed the Truck division's global steering strategy and any related centrally planned or implemented M&A projects, the PMI status of the most recent acquisitions – especially of the steering

business acquired from Hitachi – and the global distribution of R&D responsibilities, as well as control and coordination of global development activities. Further matters covered at the strategy meeting were the Knorr-Bremse Group's global innovation management, the overarching theme of Digitalization, and the Group's strategy for extending its market position in China, especially in the high-speed train (HST) segment. With reference to the results of the latest employee survey, the Supervisory Board discussed career development, leadership and cooperation, along with relevant planned initiatives. The follow-up items specified at the strategy meeting were implemented over the course of the year.

5. In multiple meetings in 2019 – held on September 18, October 17 and December 10 – the Supervisory Board spent some time examining the acquisition of R.H. Sheppard Co., a leading manufacturer of recirculating ball steering (RCB) systems on the U.S. market, in greater depth, and following this detailed examination gave its approval. The purchase agreement was signed on January 30, 2020. Following the purchase of Hitachi's commercial vehicle steering system business, this acquisition represents a further key milestone for Knorr-Bremse in its quest to become a global provider of integrated steering and braking systems for commercial vehicles.

At the meeting on September 18, 2019, the Supervisory Board appointed Bernd Eulitz as a member of the Executive Board and CEO for a period of five years with effect from November 1, 2019. Mr. Eulitz is responsible for Corporate Business Development, Corporate Communications, Knorr Excellence, Digitalization, KB Media GmbH and, in his capacity as board member responsible for labor relations, Human Resources. The Supervisory Board thanks Mr. Heuwing, Dr. Laier and Dr. Wilder for assuming these additional responsibilities during the interim period from May to October. The election of Bernd Eulitz was preceded by intensive headhunting using the services of an external HR consultancy. This afforded the Supervisory Board an opportunity to carefully analyze the market and make a decision on the basis of the resulting requirements profile.

6. On October 17, 2019, as part of implementing the provisions of the revised Shareholder Rights Directive Implementation Act (ARUG II) as well as the recommendations of the revised German Corporate Governance Code (GCGC), the Supervisory Board engaged in detailed discussion of the Knorr-Bremse Group's sustainability strategy and the new remuneration system proposed for the Executive Board. With the coming into force of the new remuneration system on January 1, 2020, the long-term incentive (LTI) for Executive Board members is now linked to long-term movements in the Company's absolute and relative stock market value (total shareholder return – TSR) and earnings per share (EPS), as already announced when Knorr-Bremse AG was floated on the stock market at the end of 2018 (details are summarized on page 60 of the Compensation Report).

The Supervisory Board also deliberated on the sale and lease-back of the "north sector" of the Company's Munich headquarters, which involved selling the land and buildings to OPES Business Park am Oberwiesenfeld GmbH – a company indirectly controlled by Mr. Thiele and thus related with Knorr-Bremse AG – and immediately leasing them back on a long-term basis. An independent expert confirmed that the purchase price and rental agreed for the individual buildings and pieces of land were reasonable and in line with market expectations. In two extraordinary meetings, which were also attended by the

valuation expert and our auditor KPMG, the Audit Committee scrutinized the details of the related-party transaction, market pricing and resulting benefits to Knorr-Bremse. The Supervisory Board also subjected the transaction to an extensive review in the course of two meetings and – following the Audit Committee’s recommendation – approved it at an extraordinary meeting on November 25, 2019. As a result of the transaction, Knorr-Bremse is able to disclose hidden reserves in the order of approximately €45 million (IFRS EBITDA). The Company will receive a two-stage net cash inflow of around €200 million, which can be invested in more profitable projects associated with the KB Group’s core business.

7. On November 6, 2019 the Supervisory Board considered the premature termination by mutual agreement of Ralph Heuwing’s Executive Board appointment; he will be leaving the Company at his own request on April 30, 2020. On March 2, 2020, the Supervisory Board appointed Frank Markus Weber to succeed Mr. Heuwing as the new CFO of Knorr-Bremse AG with effect from July 1, 2020. At this point, the Supervisory Board would like to take the opportunity to thank Mr. Heuwing for his successful tenure as CFO, especially in connection with the lead-up to and handling of the IPO in autumn 2018.
8. Matters covered at the last meeting of the year on December 10, 2019, included plans for the year ahead and in the medium term (2020-2022) for the Group and its two divisions, which the Supervisory Board approved after intensive scrutiny and discussion. Other topics included Digitalization and cybersecurity, the Board’s discussion and approval of the new Executive Board remuneration system which has since come into effect on January 1, 2020, as well as a further update on the PMI status of the commercial vehicle steering systems business acquired from Hitachi and the Knorr-Bremse Group’s global steering business strategy.

## Executive Committee

The Executive Committee coordinates the work of the Supervisory Board, prepares its meetings and supervises implementation of resolutions passed by the Supervisory Board and its committees. It is further charged with drafting resolutions on business dealings with Executive Board members pursuant to Section 112 AktG, with approving contracts with Supervisory Board members in compliance with Section 114 AktG, and with long-term succession planning for the Executive Board, as well as preparations for the appointment of Executive Board members (including the terms of their employment contracts).

The Executive Committee met on ten occasions during the reporting period, in particular to prepare agendas for plenary Supervisory Board meetings and resolutions requiring plenary board approval. One matter that occupied the Executive Committee during the fiscal year just ended was the premature departure of Klaus Deller as CEO and the resulting search for a successor, as well as the arrangements for reallocating his executive and divisional responsibilities in the interim; a further topic was the early departure by mutual agreement of Ralph Heuwing with effect from April 30, 2020 and the concomitant search for his successor as CFO, including the preparation of a requirements profile for the new CFO. Along with the conditions applying to contract termination, which are set out in detail in the Compensation Report, the Executive Committee also discussed related capital market issues.

Other issues examined in detail by the Executive Committee included the formulation of key points in the new Executive Board remuneration system, both to align it with the revised Shareholder Rights Directive Implementation Act (ARUG II) and the recommendations of the revised German Corporate Governance Code (GCGC), and to link the long-term incentive for Executive Board members to long-term trends in the Group's absolute and relative stock market value (total shareholder return – TSR) and earnings per share (EPS). Following the Supervisory Board's approval of the new remuneration system, the Executive Committee arranged for its contractual implementation as of January 1, 2020.

The Executive Committee repeatedly carried out detailed examinations of the M&A transactions and divestment projects completed in 2019, in particular the acquisition of the commercial vehicle steering systems business from Hitachi (Japan) in the first quarter and the purchase of steering systems manufacturer Sheppard (USA) at the end of the year. It also considered the preparation and execution of the sale of the Powertech Group, completed at the end of September, along with the impact of this sale on the balance sheet, and finally the restructuring measures at the Wülfrath plant, as well as the associated negotiations with the Works Council concerning the reconciliation of interests and social planning. The Executive Committee also reviewed the above-mentioned sale-and-lease-back transaction relating to the "north sector" of the Group's Munich headquarters. The Executive Committee concluded each of its meetings by making a recommendation to the Supervisory Board.

**The Executive Committee includes the following members:**

- Professor Dr. Klaus Mangold (Chairman)
- Franz-Josef Birkeneder
- Kathrin Dahnke
- Michael Jell

## Audit Committee

The Audit Committee submits a recommendation to the Supervisory Board for the appointment of an auditor. It prepares Supervisory Board resolutions for the approval of the annual financial statements, the proposed distribution of net earnings, and the Declaration of Compliance. It also appoints the auditor on behalf of the Supervisory Board. Furthermore, the Audit Committee is responsible for supervising the auditor, approving any additional non-audit services provided by the auditor, scrutinizing interim and quarterly financial reports, monitoring the accounting process, and monitoring risk management issues. The latter includes monitoring the effectiveness of the internal control system (ICS), the risk management system, the internal audit system, and the compliance management system. The Chair of the Audit Committee, Kathrin Dahnke, regularly reports to the Supervisory Board on the work of the committee.

The Audit Committee held a total of four meetings during the year under review and also, prior to their publication, reviewed the quarterly and half-yearly figures, as well as the provisional figures for the preceding fiscal year. At its meeting on April 29, 2019, the Audit Committee focused in particular on the presentation of the annual financial statements and

consolidated financial statements for fiscal 2018, as well as the audited, consolidated non-financial report, the presentation of the dependent company report – including a discussion of the transactions with Knorr-Bremse AG's majority shareholder listed therein –, the appropriation of net profits proposed by the Executive Board for approval by the Supervisory Board, the above-mentioned regular reports on the KB Group's internal control system and compliance management system, and the status of major legal disputes in which the KB Group is involved.

At two meetings on November 11 and 19, 2019, the Audit Committee discussed the sale-and-lease-back transaction relating to the "north sector" mentioned above in the Supervisory Board section, both with respect to the expert's verified and confirmed opinion that the terms agreed with the buyer and lessor are reasonable and in line with market expectations, and in terms of the benefits of the transaction to Knorr-Bremse. The committee consequently recommended that the Supervisory Board should approve the transaction.

Discussions at the meeting of the Audit Committee held on December 10, 2019 centered in particular on preparations for the audit of the annual and consolidated financial statements, the determination of key audit areas, the status of and further steps toward the Group-wide conversion of systems to International Financial Reporting Standards (IFRS), regular reports on risk management and internal auditing, an update on the status of major legal disputes, a report by Corporate Treasury on currency management and the hedging of foreign currency risks, and a proposal to invest the KB Group's strategic liquidity more profitably by launching a special fund.

**The Audit Committee includes the following members:**

- Kathrin Dahnke (Chairwoman)
- Franz-Josef Birkeneder
- Prof. Dr. Klaus Mangold
- Werner Ratzisberger

## **Nominations Committee**

The remit of the Nominations Committee is to propose, whenever required, suitable candidates for the Supervisory Board to nominate for election as new Supervisory Board members at a General Meeting. The Nominations Committee was not convened during the reporting period.

**The Nominations Committee includes the following members:**

- Professor Dr. Klaus Mangold (Chairman)
- Kathrin Dahnke
- Julia Thiele-Schürhoff

## Mediation Committee

The Mediation Committee proposes candidates for appointment to the Executive Board if a resolution on the appointment of such a board member does not obtain a two-thirds majority of votes as required by Section 31 (3) 1 of the German Codetermination Act (MitbestG). The Mediation Committee was not convened during the reporting period.

### **The Mediation Committee includes the following members:**

- Professor Dr. Klaus Mangold (Chairman)
- Franz-Josef Birkeneder
- Kathrin Dahnke
- Michael Jell

## Corporate Governance

The Supervisory Board attaches great importance to good corporate governance. This includes regularly and comprehensively considering the corporate governance requirements for German listed companies, in particular the requirements of the Stock Corporation Act (AktG), the German Codetermination Act (MitbestG), and the German Corporate Governance Code (GCGC – version dated February 7, 2017). Jointly with the Executive Board, the Supervisory Board issued the Declaration of Compliance for the reporting period as required by Section 161 AktG. The declaration was published on the Company's website (see also page 191 of the Annual Report). Knorr-Bremse currently complies with all GCGC recommendations, with the exception of the recommendation to make the consolidated financial statements and Group management report publicly accessible within 90 days, and to make the mandatory interim financial information accessible within 45 days from the end of the reporting period (Section 7.1.2 GCGC). This departure is due to the Group's ongoing transition to International Financial Reporting Standards (IFRS), which was initiated during the preparatory phase preceding Knorr-Bremse AG's stock market flotation. The Group-wide changeover of all systems to IFRS will be continued and further optimised in the coming financial year. This is intended to further speed up processes and facilitate earlier completion of the audited annual and consolidated financial statements. Details of the Company's corporate governance may be found in the Corporate Governance Statement (page 57) and the Corporate Governance Report (pages 40 of the Annual Report).

### **Conflicts of Interest**

The Supervisory Board watched out for potential conflicts of interest throughout the reporting period and found that no conflict of interest occurred in the 2019 fiscal year.

### **Annual and Consolidated Financial Statements**

The Supervisory Board took the necessary steps to ensure that the annual and consolidated financial statements and other financial reporting for the 2019 fiscal year were properly audited in compliance with the statutory requirements.

KPMG AG Wirtschaftsprüfungsgesellschaft, Munich (KPMG) audited the annual financial statements of Knorr-Bremse AG prepared by the Executive Board in accordance with German GAAP (the German Commercial Code – HGB), the combined management report of Knorr-Bremse AG and the Knorr-Bremse Group, and the consolidated financial statements for the 2019 fiscal year prepared according to International Financial Reporting Standards (IFRS), and issued an unqualified audit opinion in each case. KPMG had been appointed auditor for the 2019 fiscal year at the General Meeting held on June 18, 2019. KPMG has acted as auditor for the Knorr-Bremse Group for over ten years. The independent auditors responsible for the audit within the meaning of Section 319a (1) 4 HGB were Professor Dr. Kai Andrejewski and Johannes Hanshen.

The auditor also reviewed the report of the Executive Board on relations with affiliated companies (Section 312 AktG), issuing the following statement on the report: "Based on our audit, duly carried out in accordance with professional standards, we confirm that: 1. the factual statements made in the report are correct; 2. the payments made by the Company in relation to the legal transactions listed in the report were not unreasonably high, or else the negative factors were offset; 3. the measures cited in the report do not indicate any circumstances that would give rise to an assessment differing substantially from that of the Executive Board."

The above-mentioned documents, the Executive Board's proposal for the distribution of net earnings, and the auditor's reports, were submitted in good time to all members of the Supervisory Board. At its meetings on April 15 and April 21, 2020, the Audit Committee examined these documents in advance and committee chair Kathrin Dahnke reported on them to the Supervisory Board at its scheduled meeting on April 21, 2020. The Executive Board then presented the annual statements and reports to the Supervisory Board where they were discussed in detail. The independent auditors, who were present at both meetings, reported on their findings. The key audit areas for the fiscal year under review had been determined beforehand by the Audit Committee: the process of preparing the annual financial statements, the deconsolidation of the Powertech Group, the value of specific holdings in affiliated companies and the associated receivables (for the 2019 financial statements), along with the process of preparing the consolidated financial statements the deconsolidation of the Powertech Group, the recognition of revenues from project business pursuant to IFRS 15, the sale-and-lease-back transaction relating to the "north sector", fraud risk in connection with revenue recognition, the appropriate conditions for hedge accounting, the acquisition of IPS from Hitachi Automotive Systems Ltd., and reporting on the project-related system changeover for the 2019 consolidated financial statements.

The Audit Committee did not identify any weaknesses in the risk management system, the internal control system, the internal audit system or the compliance management system. On the basis of our own examination of the annual financial statements, the consolidated financial statements and the combined Group management report, we did not find any grounds for objections and therefore concur with the Executive Board's evaluation of the position of Knorr-Bremse AG and the Knorr-Bremse Group. At the Audit Committee's recommendation, we approve the financial statements for 2019; the annual financial statements of Knorr-Bremse AG are thereby adopted. We discussed in detail the proposal for the distribution of net earnings with the Executive Board and are in agreement with the Executive Board's proposed dividend of €1.80 per eligible share for the 2019 fiscal year. This year's Annual General Meeting will pass a resolution on whether to accept this proposal on June 30, 2020 in Munich.

### Changes on the Supervisory Board and Executive Board

The composition of the Supervisory Board and Executive Board as at December 31, 2019, is detailed on page 19 and page 7 respectively.

### Supervisory Board

Owing to a career change, Sebastian Roloff, employee representative since 2014, resigned his membership of the Supervisory Board with effect from March 31, 2019. His successor, Annemarie Sedlmair, was appointed to the Supervisory Board by court order with effect from April 1, 2019; her term of office will run until the 2021 Annual General Meeting.

### Executive Board

With effect from November 1, 2019, the Supervisory Board appointed Bernd Eulitz as member and Chairman of the Executive Board for a five-year term. Mr. Eulitz is responsible for Corporate Strategy, M&A, Corporate Communications, Knorr Excellence, Digitalization, KB Media GmbH and, in his capacity as board member responsible for labor relations, Human Resources.

Ralph Heuwing is leaving the Company at his own request with effect from April 30, 2020. On March 2, 2020, the Supervisory Board appointed Frank Markus Weber as the new CFO of Knorr-Bremse AG with effect from July 1, 2020. The Supervisory Board thanks Mr. Heuwing for his deep commitment – he has made a significant contribution to the ongoing development of the Company's vigorous growth strategy and financial strength. We are indebted to him above all for the successful IPO and the impressive positioning of Knorr-Bremse AG on the capital market. During the period from May 1, 2020 until Mr. Weber is able to take up his role as CFO, Mr. Eulitz will assume the duties of CFO in addition to his own duties.

### Thanks

2019 was a financially and strategically important year for Knorr-Bremse. It was also the first full year of our listing on the capital market. This proved successful, with a solid share price performance and an MDAX listing despite a comparatively low free-float ratio. The Supervisory Board would like to thank the members of the Executive Board and all the employees of the Knorr-Bremse Group for their enormous commitment, and for contributing once again to a very successful fiscal year overall despite some challenging economic conditions.

Munich, April 23, 2020

*Best regards and all  
the best  
yours Klaus Mangold*

PROF. DR. KLAUS MANGOLD,

CHAIRMAN OF THE SUPERVISORY BOARD