

Press Release

Munich, 13.03.2018

Knorr-Bremse reaches agreement with employee representatives up to 2020

- **Employees will receive a one-off payment of EUR 300 in April 2018**
- **A 5.0% pay rise will come into effect on July 1, 2018**
- **Two further 1.5% pay rises will come into effect on July 1, 2019 and July 1, 2020**
- **From 2019, in July Knorr-Bremse will pay an annual bonus of 12% of the monthly wage, depending on the commercial situation of the Company**
- **Attractive working time autonomy regulations will be introduced for white-collar workers**

Knorr-Bremse and the employee representatives have negotiated an attractive agreement for the approximately 4,500 employees at almost all Group companies in Germany that are not covered by a collective agreement. The deal combines a financial component – comprising 10% more pay over the next three years – with flexible working time arrangements that take both employees’ interests and operational requirements into account. The agreement ensures that Knorr-Bremse’s employees will share in the Company’s success.

“In an age of ever-increasing globalization and digitalization, we need to focus more strongly on operational requirements and our employees’ interests. In direct negotiations with the employee representatives we have been able to deliver on this aim,” says Klaus Deller, Chairman of the Executive Board of Knorr-Bremse AG. As well as the financial aspects of the pay rise, the agreement also includes the introduction of flexible working time arrangements. “We firmly believe that working time autonomy for white-collar workers is in the best interests of our employees,” says Deller. Accordingly, from July 2018 all white-collar workers will be given the option of switching to a flexible model that gives them freedom to choose when they perform their work.

The agreement also allows employees to temporarily or permanently reduce or increase their regular working week, provided that this is compatible with operational requirements. Other measures include a one-time opportunity for employees to convert a pay rise into a reduction in their working week.

For an international player like the Knorr-Bremse Group, it is becoming more and more important to be able to respond flexibly to market requirements. According to Klaus Deller, this means that it is important “to find in-house solutions tailored to Knorr-Bremse’s particular situation. We must be capable of responding rapidly and flexibly to market opportunities in order to grow our business for everyone’s benefit. After all, you have to generate earnings before you can distribute them.”

“Together we have reached an agreement that provides our employees in Germany with the security to plan ahead as far as 2020. We were also able to negotiate attractive rulings on flexible working time and even working time autonomy,” adds Michael Jell, an employee representative on the Supervisory Board of Knorr-Bremse AG.

Knorr-Bremse is the leading manufacturer of braking systems and supplier of additional sub-systems for rail and commercial vehicles, with sales totaling over EUR 6 billion in 2017. In 30 countries, some 28,000 employees develop, manufacture, and service braking, entrance, control, and energy supply systems, HVAC and driver assistance systems, as well as steering systems and powertrain and transmission control solutions. As a technology leader, through its products the company has been making a decisive contribution to greater safety by road and rail since 1905.

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