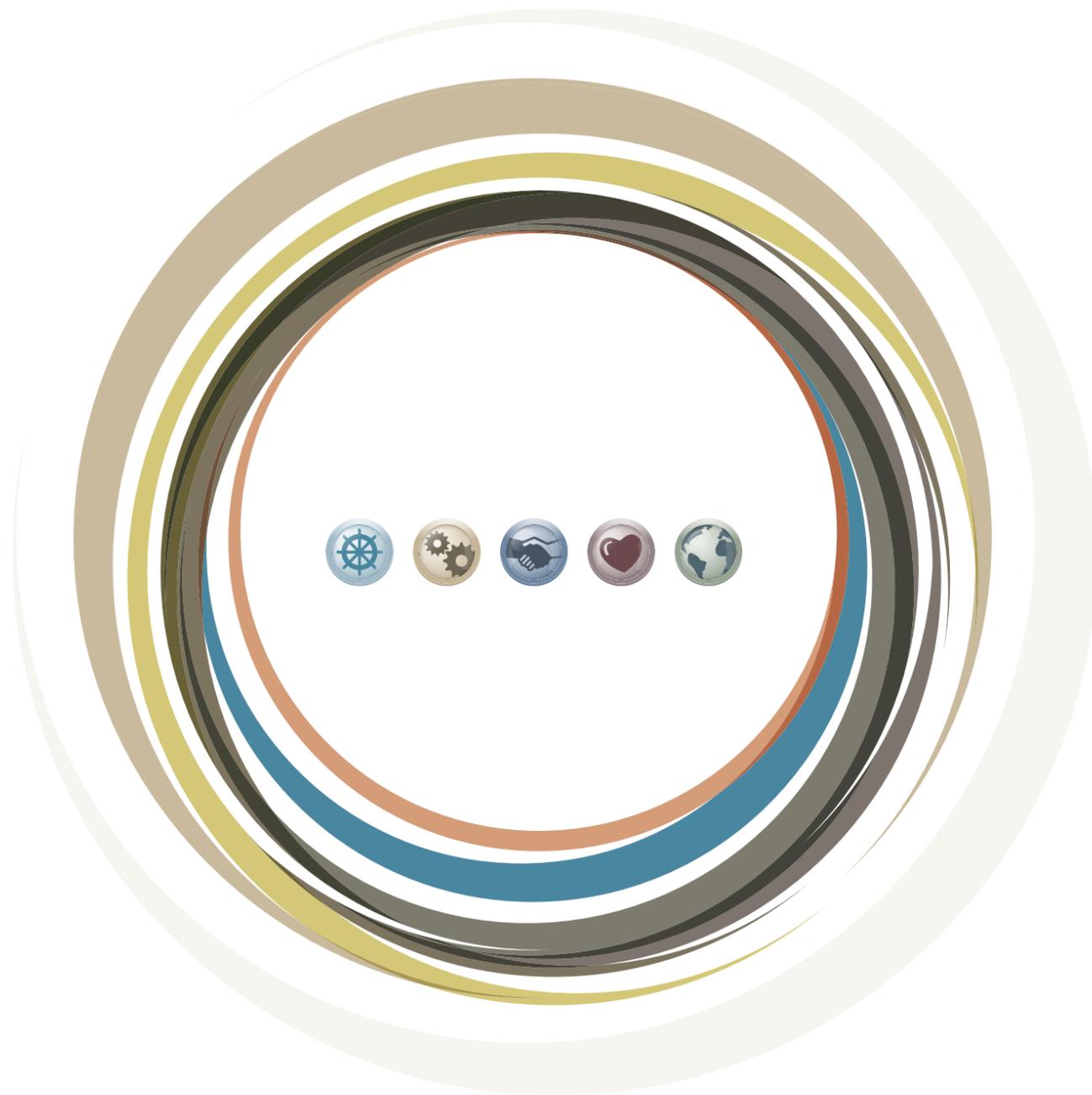


Leadership Principles





Building value-based leadership.

We have defined five values that form the shared foundation of our business practices. They provide orientation for all of our employees. Our leaders, in particular, are responsible for living our values on a daily basis, making them more than just empty slogans.

These leadership principles now illustrate what this means for our approach to leadership.

More than 100 executives worldwide participated in a series of workshops to rework our 1992 leadership guidelines. The results were distilled into five key aspects of leadership, tailored to our needs today, and aligned with the concepts of transformational leadership.

These principles guide all our managers as they lead our people and shape our strategy, culture and organization. In line with our competency model – Managing Business, Managing People and Managing Self – they describe how leadership should be interpreted and perceived.

With our values in mind, our goals are to keep getting better and more effective, and to become more successful together. Every manager should take the opportunity to use these guidelines to examine their leadership qualities and improve their own style of leadership.

Building value for us all.



Leadership begins with an honest look at oneself.



As leaders, first and foremost we need to manage ourselves effectively. This is achieved through regular reflection on our own strengths and weaknesses. We examine our attitudes and actions, we actively seek feedback and, based on this, we are always willing to take another look at our decisions.

Being a leader also means being a role model. When change is necessary, we start

with ourselves. We work constantly to make sure that our leadership style and our personality are compatible. Because we know that authenticity and integrity are essential to genuine leadership.

We pay attention to how people react to our leadership and closely observe changes in our business environment. And we use this information to continuously enhance our effectiveness as leaders.

*Leading means stepping forward,
not standing idle.*



Technological excellence requires us to think ahead and reflect, to show courage and exercise care, to balance vision with tangible goals.

By setting our sights on inspiring targets, we establish a clear direction. And we take the first step ourselves. We show the way, boldly

remove obstacles from the path, and confidently proceed forward.

We therefore create the space that allows us to develop creative new solutions and to think outside the box. We know that only the power of innovation can open doors and gain new ground in our industries.





*Targets are about numbers.
Reaching them requires inspiration.*



Setting inspiring, measurable targets is only the first step. We involve our people in the process of achieving them, encouraging them to actively shape our future. We see different opinions as an opportunity to benefit from different perspectives.

We relate to our employees on both a professional and a personal level. We not only convince our employees based on facts at hand, but motivate and inspire them as well. These are the abilities we constantly work to develop.

Because we know we can achieve more together, we foster a sense of team spirit. We honor outstanding performance and celebrate our shared successes. We value every individual. And we keep our planning and decision-making transparent as this strengthens each employee's awareness of the reasons behind our actions.



*Leaders create fertile ground
for people to grow.*



We are aware that a significant part of our leadership role is recognizing the potential of our employees and fostering their growth. We invest the same determination and serious thought in the development of our employees as we do in the development of our products.

To master the challenges of the present and the future, we promote the continuing professional development of our people. We

endeavor to fill management positions internally, and actively prepare candidates with potential for their next career step.

We encourage people to take an active role in shaping their own careers and do not place limits on their growth. It is our daily mission to nurture our employees' talent and to present them with new challenges – so that one day they will be better than us.



*Strong leadership is not about words,
it's about results.*



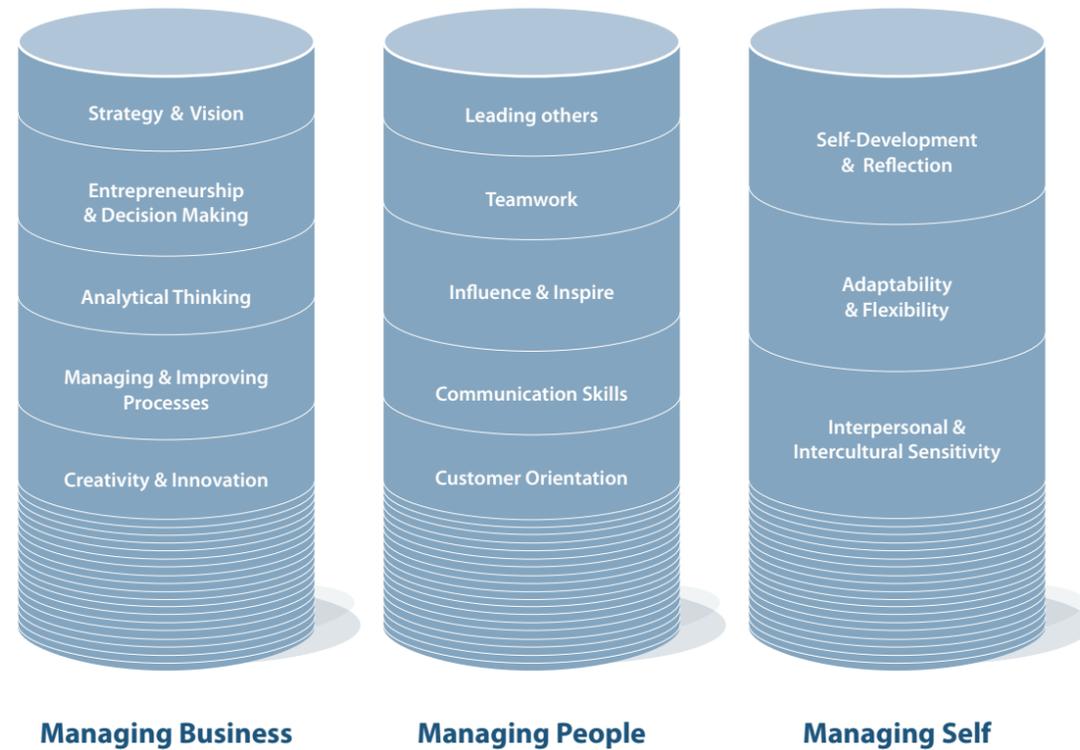
We approach our goals with courage and make clear decisions. When we make a promise, we keep it. In difficult situations we remain focused on achieving the desired results.

We motivate our employees to continuously re-examine standards, optimize processes, and set new benchmarks. At the same time, we are willing to tolerate setbacks and mistakes and we learn from them.

We go the extra mile to take on responsibility and show initiative. We prioritize adding value for our customers and promoting the interests of our company. Individual interests and short-term results take second place.

In this way, leadership becomes the driving force for sustainable growth, for our company and for our people.

Our requirements for leaders: The KB Competency Model



Managing Business

Strategy & Vision

describes the ability to develop strategies aligned to the organization's vision, putting them into action and taking a big picture view, considering future influences.

Entrepreneurship & Decision Making

means to discover opportunities in challenges, seek profit and sustainable growth, make courageous while sound decisions and demonstrate a good business understanding.

Analytical Thinking

refers to collecting, analyzing and structuring information using a wide perspective in order to identify key issues and patterns as well as to draw conclusions.

Managing & Improving Processes

describes the ability to plan, prioritize, monitor and improve work processes and allocate resources.

Creativity & Innovation

includes creating an atmosphere of openness and curiosity for innovations, providing and implementing inventive ideas that add value.

Managing People

Leading others

means to give direction, motivate, manage and reward performance, provide constructive feedback and foster individual professional development.

Teamwork

means the ability to work with others and build a positive climate and trusting relationships within teams.

Influence & Inspire

refers to the ability to convince others to embrace ideas, providing compelling arguments and making use of informal processes.

Communication Skills

comprises the ability to speak, present, write, listen and distribute information effectively and create an environment for open communication.

Customer Orientation

is about demonstrating service and relationship-orientation toward internal and external customers, satisfying their needs and generating mutually satisfactory solutions.

Managing Self

Self-Development & Reflection

describes the ability to reflect on own performance and make use of feedback in order to continuously learn and improve.

Adaptability & Flexibility

includes the ability to build networks, work successfully in various, complex, changing and challenging environments and with diverse people.

Interpersonal & Intercultural Sensitivity

consists of interest in and respect for different cultures and all diverse characteristics of people.



Knorr-Bremse Group