

## Requirements and Objectives for the Composition of the Vossloh Aktiengesellschaft Supervisory Board

The composition of the Supervisory Board must enable the Supervisory Board to exercise qualified control and provide qualified advice to the Executive Board. Jointly, the members of the Supervisory Board shall have the knowledge, skills and professional experience required for the proper performance of a Supervisory Board's duties in an international capital-market driven corporation in the rail industry.

Against this backdrop, taking into consideration the recommendations and suggestions of the German Corporate Governance Code, the Supervisory Board has decided to adopt the following Requirements and Objectives for the Composition of the Vossloh Aktiengesellschaft Supervisory Board:

### 1. Requirements concerning the overall composition of the body

#### a) *Competency profile*

As a whole, the Supervisory Board shall cover the skills and competences deemed essential with regard to the Vossloh Group's activities. This includes, in particular, profound experience and knowledge:

- in the leadership and control of a medium-sized or large internationally active company;
- in the industry, along its various value creation chains;
- in research and development, in particular concerning technologies that are relevant to Vossloh;
- in production, marketing and sales;
- in the key markets that Vossloh has activities in;
- in accounting and financial reporting;
- in controlling and risk management; and
- in corporate governance and compliance.

Moreover, in line with the requirements of Art. 100 Para. 5 of the German Stock Corporation Act (*Aktiengesetz, AktG*), at least one member of the Supervisory Board must have expert knowledge of accounting or financial auditing, and the members of the Supervisory Board as a whole must be familiar with the rail industry.

*b) Independence and potential conflicts of interest*

With a view to Vossloh's shareholder structure, at least half of the members of the Supervisory Board must be independent within the meaning of Item 5.4.2 of the German Corporate Governance Code. To the extent that shareholder representatives and employee representatives are regarded separately from each other, half each should be deemed independent members. In the opinion of the Supervisory Board, the fact that employee representatives represent employees or are employees of the Company does not compromise their independence.

In addition, no more than two of the Supervisory Board's members should be former Executive Board members. Supervisory Board members shall not be members of any body of or provide consultancy to a major competitor of the Company.

*c) Diversity*

In terms of diversity, the Supervisory Board wishes for its composition to reflect a range of different professional and international experiences within the scope of the Company's specific situation, especially regarding appropriate participation of both sexes. On the basis of the legal provisions regarding the distribution of men and women in leadership positions, the Supervisory Board has defined a target quota of at least 16.67% (one member) for the Supervisory Board for the target period lasting until June 30, 2022. Moreover, at least one Supervisory Board member shall have many years of specific international experience.

The fulfillment of these quotas is regarded as a shared responsibility of the shareholder and employee representatives.

## **2. Requirements concerning individual members of the Supervisory Board**

*a) General requirements profile*

Supervisory Board members shall have entrepreneurial or operational experience and general knowledge of the rail industry or related industries. They shall have the knowledge, skills and professional experience required to enable them to perform the duties of a Supervisory Board member in an international corporation and maintain the Vossloh Group's reputation among the public.

Proposals of candidates for election by the Annual General Meeting should be based, in particular, on the candidate's personality, integrity, commitment, professionalism and independence. Moreover, the limitation of supervisory board mandates as per Item 5.4.5 of the German Corporate Governance Code should be taken into account.

*b) Availability*

Every Supervisory Board member must make sure that he or she has the capacity to invest the time required for the proper performance of their duties in connection with their supervisory board mandate. The Supervisory Board's Nomination Committee will require candidates to confirm their availability prior to determining proposals for the election.

*c) Age limit for Supervisory Board members*

As a rule, members of the Supervisory Board should not be over 70 years of age. Deviations from this rule are permissible in special cases.

*d) General limit of tenure*

As a rule, tenure in the Supervisory Board should not exceed three terms (15 years).

Proposals of candidates by the Supervisory Board to the Annual General Meeting must meet these targets while striving to achieve the overall competency profile for the body. The annual Corporate Governance Report contains details on the progress of implementation.