

**Articles of Incorporation**

**of**

**Vossloh Aktiengesellschaft**

**Status: July 2020**

*(Convenience translation: The German version shall prevail.)*

## **I. General Provisions**

### § 1 Company name, registered office, financial year, duration

1. The Company has the name Vossloh Aktiengesellschaft.
2. The Company has its registered office in Werdohl.
3. The financial year of the Company is the calendar year.
4. The Company has an indefinite duration.

### § 2 Subject of the business

1. The subject of the business is the development, production and distribution of products as well as the rendering of services of all kinds in the areas of traffic infrastructure, rail vehicles and non-rail vehicles and traffic technology. The subject of the business is also the holding and acquisition of participations, the assumption of management activities and the rendering of services for enterprises which develop, produce, render and distribute the above-mentioned products and services.
2. The Company is entitled to engage in all matters which relate to the subject of the business or are directly or indirectly appropriate to serve that purpose. The Company can realize the purpose of the business itself or through subsidiaries and enterprises in which it holds participations.

### § 3 Announcements and information

1. The Company's announcements are published in the Federal Gazette (*Bundesanzeiger*).
2. The Company is entitled to transmit information to its shareholders by way of long-distance data transmission.

## **II. Share Capital and Shares**

### § 4 Share capital, authorized capital

1. The share capital of the Company is € 49,857,682.23.
2. The Executive Board is authorized to increase, with the approval of the Supervisory Board, the Company's capital stock by up to € 24,928,841.11 in total by May 26, 2025 through the issuance of no-par value bearer shares, once or several times, in return for contributions in cash or kind (Authorized Capital 2020). Shareholders have subscription rights. The shares may also be transferred to one or several credit institutions under the obligation to offer them to shareholders for subscription.

The Executive Board is, however, authorized to exclude shareholder subscription rights with the Supervisory Board's approval in the following cases:

- (i) to exclude subscription rights for fractional amounts that would result from the subscription ratio;
- (ii) to grant holders – or creditors in the case of registered securities – of conversion rights and/or options or mandatory conversion obligations from convertible or warrant bonds issued or to be issued in future by the Company or one of its fully owned subsidiaries, which are outstanding at the time the Authorized Capital 2020 is utilized, subscription rights for the same amount of new shares that they would have been entitled to as shareholders if they had exercised their option or conversion right or fulfilled their conversion obligation;
- (iii) in the event that the capital increase is carried out against cash contributions, if the issue price of the new shares is not significantly below the stock market price of the shares already listed on the stock exchange with equal rights at the time the issue price is finalized, and if the total value of the newly issued shares does not exceed 10% of the Company's capital stock, neither on the effective date nor at the time this authorization is exercised. This 10% cap shall be reduced by: (1) the sale of treasury shares, if it occurs during the term of this authorization under exclusion of subscription rights in accordance with Section 186 para. 3 sentence 4 German Stock Corporation Act (*Aktiengesetz*, "AktG"); (2) shares that are issued or will be issued to redeem bonds with conversion and/or option rights or conversion obligations, provided these debt securities were issued during the term of this authorization under exclusion of subscription rights under corresponding application of Section 186 para. 3 sentence 4 AktG; and (3) shares that were issued during the term of this authorization in the context of other capital measures under exclusion of shareholder subscription rights in accordance with, or under corresponding application of, Section 186 para. 3 sentence 4 AktG. The reduced 10% cap resulting from the above deductions will, upon effectiveness of a resolution passed by an Annual General Meeting after the reduction to newly authorize the exclusion of shareholder subscription rights in accordance with, or by corresponding application of Section 186 para. 3 sentence 4 AktG, be raised again up to the amount determined in the new authorization, but no higher than 10% of the capital stock as per the provisions of sentence 1 of this paragraph;
- (iv) in the event that the capital increase is carried out against contributions in kind.

The authorizations as per the above paragraphs (i) through (iv) to exclude shareholder subscription rights in the event of capital increases against cash or in kind shall be restricted to a total amount of 10% of the capital stock, at the effective date of this authorization and at the time this authorization is exercised. This 10% cap shall further be reduced by: (1) treasury shares that are sold during the term of this authorization under exclusion of subscription rights; (2) shares that are issued to redeem bonds, if these bonds were issued during the term of this authorization under exclusion of shareholder subscription rights; and (3) shares that are issued during the term of this authorization in the context of other capital measures under exclusion of shareholder subscription rights. The reduced 10 % cap resulting from the above deductions will, upon effectiveness of a resolution passed by an Annual General Meeting after the reduction to newly authorize the exclusion of shareholder subscription rights, be raised again up to the amount of the new authorization, but no higher than 10% of the capital stock as per the provisions of sentence 1 of this paragraph.

The new shares shall participate in profits from the beginning of the financial year in which they are issued through the exercise of this authorization and their recording in the commercial register (financial year of issuance); in deviation from this, the new shares participate in profits from the beginning of the financial year preceding the financial year of issuance if the Annual General Meeting has not yet passed a resolution on the appropriation of profits from the financial year preceding the financial year of issuance at the time the new shares are issued.

The Executive Board is authorized, subject to the Supervisory Board's approval, to determine further details of the capital increase and the conditions for the share issuance.

3. The Executive Board is authorized, subject to the Supervisory Board's approval, to decide about the content of the rights granted by shares and the conditions for issuing the shares.
4. The Supervisory Board is authorized to adjust the version of the Articles of Incorporation in accordance with the implementation of the capital increase using the authorized capital as well as carrying out the conditional capital increase.

#### § 5 Shares

1. The share capital of the Company is divided into 17,564,180 bearer shares.
2. - not used -
3. The shares are bearer shares.
4. A conversion of registered shares to bearer shares or of bearer shares to registered shares, including a conversion of some registered shares to bearer shares or some bearer shares to registered shares is permissible on the basis of a resolution of the Annual General Meeting which requires a majority of at least  $\frac{3}{4}$  of the share capital represented when voting on the resolution.
5. The claim of a shareholder for certification of the shareholder's share is excluded.
6. The Executive Board, with the approval of the Supervisory Board, determines the form of the share certificates and the dividend coupons and renewal coupons.

### **III. Organization of the Company**

#### § 6 Bodies of the Company/Advisory Board

1. The bodies of the Company are the
  - A Executive Board
  - B Supervisory Board
  - C General Meeting.
2. An Advisory Board can be appointed.

#### **A Executive Board**

#### § 7 Composition of the Executive Board

1. The Executive Board consists of at least one member. The Executive Board should normally consist of at least two members. Aside from this, the Supervisory Board determines the number of members of the Executive Board.

2. The Supervisory Board can appoint a chairperson or speaker of the Executive Board as well as a vice chairperson or vice speaker of the Executive Board. Vice members of the Executive Board can be appointed.

## § 8 Management

1. The Executive Board must lead the Company under the Executive Board's own responsibility. The Executive Board will establish rules of procedure by a unanimous vote and will regulate the allocation of responsibilities unless the Supervisory Board issues rules of procedure for the Executive Board.
2. The members of the Executive Board jointly bear responsibility for the entire management. Each member of the Executive Board leads the area of business assigned to that member under the own responsibility and in accordance with the rules of procedure.
3. The Executive Board decides by resolution about measures and matters which are required to be decided by way of adopting a resolution by the entire Executive Board under the law, the Articles of Incorporation or the rules of procedure. This also applies for matters which extend beyond an individual area of business which is not assigned to a single business area or cannot be classified under a single business area and those measures and matters in a business area which are of material importance for the Company.
4. The Executive Board resolves by simple majority of the cast votes unless required otherwise by the law, the Articles of Incorporation or the rules of procedure. In the case of a tie vote, a motion is deemed to have been rejected.

## § 9 Representation of the Company

1. The Company is represented by two members of the Executive Board or by one member of the Executive Board acting together with a holder of registered signing authority (*Prokurist*). If there is only one member of the Executive Board, that member represents the Company alone.
2. The Supervisory Board can grant individual members of the Executive Board the authorization to represent the Company alone and/or release members of the Executive Board from the restrictions in § 181 German Civil Code (*Bürgerliches Gesetzbuch*, "BGB") as well as revoke at any time the authorization for sole representation and/or the release from the restrictions in § 181 BGB.

## **B Supervisory Board**

### § 10 Composition, term of office, resignation from office

1. The Supervisory Board consists of six members. The composition of the Supervisory Board is determined by the provisions in the Works Constitution Act 1952 (*Betriebsverfassungsgesetz 1952*) and the German Stock Corporation Act.
2. The appointment of the members of the Supervisory Board is for the time until the end of the annual general meeting which resolves about ratification of actions (*Entlastung*) of the Supervisory Board for the fourth financial year after the term of office begins. The financial year in which the term of office begins is not included in the calculation. The appointment of a

successor for a member of the Supervisory Board who leaves office prior to the expiration of the term of office is for the remainder of the term of office of the member that has left office early.

3. At the same time as the members of the Supervisory Board, the substitute members can be elected by the Annual General Meeting who become members of the Supervisory Board if the member of the Supervisory Board for whom they have been appointed as substitute members leaves office prior to the expiration of the term of office. In the case of election of more than one substitute member for one member of the Supervisory Board, the sequence in which they replace that member must be determined.

If a substitute member takes the place of the departed member, that substitute member's office expires, if a new election for the departed member takes place after the situation requiring substitution, at the end of the Annual General Meeting in which the new election takes place and otherwise upon expiration of the remaining term of office of the departed member. If the office ends as a result of new election for the departed member, the relevant member retains that member's previous position as a substitute member for other members of the Supervisory Board if that substitute member had been elected as a substitute member for a majority of the members of the Supervisory Board.

Upon election of the shareholder representatives to the Supervisory Board and any substitute members, the chairperson of the Annual Shareholders Meeting is authorized to have a vote conducted about a list with nominations submitted by the management or shareholders.

If substitute members are elected as a list, they assume the position of members of the Supervisory Board representing the shareholders who leave office early in the sequence in which the substitute members have been appointed unless determined otherwise at the election.

4. The members and the substitute members of the Supervisory Board can resign from their office by written declaration to be addressed to the Executive Board without stating any reasons and by giving one months' notice.

#### § 11 Chairperson of the Supervisory Board, vice chairperson

1. Following the Annual General Meeting in which all members of the Supervisory Board for the shareholders must be newly elected, a meeting of the Supervisory Board will take place which does not need to be specially convened. The Supervisory Board will elect at this meeting, which will initially be chaired by the member of the Supervisory Board representing the shareholders who is the oldest in age, a chairperson and vice chairperson for the term of office of the Supervisory Board.
2. The chairperson of the Supervisory Board or, if the chairperson is prevented from doing so, the vice chairperson is authorized to issue and receive the declarations of intent in the name of the Supervisory Board which are necessary for implementing the resolutions of the Supervisory Board and its committees.

#### § 12 Rules of procedure of the Supervisory Board

The Supervisory Board will adopt rules of procedure within the parameters set by the provisions in the law and the provisions in these Articles of Incorporation.

### § 13 Convening meetings of the Supervisory Board

1. The resolutions of the Supervisory Board are normally adopted in meetings. The Supervisory Board should be convened to meet normally once in a calendar quarter; the Supervisory Board must be convened to meet twice in a calendar half year.
2. The chairperson or, should he be prevented from doing so, the vice chairperson shall convene the meetings with two weeks' written notice. The day of posting the invitation and the day of the meeting itself are not counted towards the deadline. In urgent cases, the chairperson may shorten the deadline and convene the meeting verbally, by telephone, by telefax or telegraph. The chairperson or, should he be prevented from doing so, the vice chairperson may cancel or reschedule a convened meeting for important reasons (*wichtiger Grund*).
3. The items on the agenda must be notified when the meeting is convened. An addition to the agenda within the notice period for convening a meeting is permissible if there are substantial reasons for this. The rules of procedure of the Supervisory Board regulate the further details.
4. The statutory provisions in § 110 AktG about convening the meeting of the Supervisory Board at the request of the Executive Board or a member of the Supervisory Board are not affected.

### § 14 Adopting resolutions in the Supervisory Board

1. The Supervisory Board has a quorum when at least one half of the members which the Supervisory Board is supposed to have participate in the voting on the resolution. A member also participates in voting on a resolution when that member abstains from casting a vote. An absent member of the Supervisory Board can participate in the voting on a resolution by either having a written vote submitted by another member of the Supervisory Board or by authorizing in writing a substitute member of the Supervisory Board to participate at the meeting of the Supervisory Board in the absent member's place.
2. Resolutions of the Supervisory Board are adopted with a simple majority of the votes cast unless the law or the Articles of Incorporation provide otherwise. Abstentions from voting are not deemed to be cast votes. If a vote results in a tie, each member of the Supervisory Board has the right to immediate demand a new vote about the same item. If a tie vote results also in this new voting, the chairperson of the Supervisory Board has two votes. The second vote can also be issued in writing (para. 1). The vice-chairperson of the Supervisory Board does not have two votes, even if the vice chairperson chairs the meeting.
3. The chairperson determines the sequence in which items on the agenda will be dealt with as well as the manner and sequence of voting. A resolution can be adopted about items on the agenda which were not announced in the invitation to the meeting or a supplement to the agenda permitted under the rules of procedure of the Supervisory Board only if no member objects. Absent members must be given the opportunity in such a situation to object after-the-fact to the voting on the resolution within a reasonable time period to be determined by the chairperson. The resolution first takes effect when no absent member has objected within the set time period.
4. Resolutions can also be adopted outside of meetings in writing, by telex or telephonically at the order of the chairperson for important reasons, especially in the case of urgency, if all members declare their agreement with this type of voting or if they participate in the voting. Such resolutions will be determined by the chairperson in writing and forwarded to all members without undue delay.

5. Minutes must be prepared for each meeting of the Supervisory Board and must be signed by the chairperson or the vice chairperson if the vice chairperson has chaired the meeting. The minutes must state the location and date of the meeting, the participants, the items on the agenda, the main content of the discussion and the resolutions of the Supervisory Board.

#### § 15 Committees of the Supervisory Board

1. The Supervisory Board can establish committees from among its members and also assign decision-making authority to the committees, to the extent permitted by law.
2. The committees consist of at least two members of the Supervisory Board. To the extent a committee chairperson is appointed, the Supervisory Board can grant that chairperson the ability to cast a tie breaking vote unless the law, the Articles of Incorporation or the rules of procedure of the Supervisory Board expressly provide otherwise.

#### § 16 Duty to maintain confidentiality

1. The members of the Supervisory Board must maintain secrecy about confidential information and secrets of the Company, namely, operational and business secrets, which the members learn about as a result of their activity in the Supervisory Board or one of its committees. The members of the Supervisory Board are especially required to maintain confidentiality about confidential reports they have received and confidential consultation. This obligation also applies after leaving office. Persons who participate in meetings of the Supervisory Board or its committees without being members of the Supervisory Board will be expressly required by the chairperson of the Supervisory Board to maintain confidentiality.
2. If a member of the Supervisory Board intends to forward information to third parties and the member cannot with certainty preclude the possibility that the information is confidential or involves secrets of the Company, the member should first inform the chairperson of the Supervisory Board to give the chairperson the opportunity to respond.

#### § 17 Remuneration of the Supervisory Board and its committees

1. The members of the Supervisory Board shall receive, in addition to the reimbursement of expenses, a fixed annual gross compensation of EUR 40,000.00, payable after the closing of the financial year.
2. The Supervisory Board chairperson shall receive the triple of the amount stated in paragraph (1), and the vice chairperson receives one and a half times said amount.

Membership in each committee is remunerated with a supplement in the amount of one-quarter of the remuneration stated in paragraph (1). The chairperson of the Audit Committee receives the triple of the supplement payable for membership in the audit committee. Conversely, membership in the nomination committee shall only be remunerated with the aforementioned supplement of one-quarter of the remuneration stated in paragraph (1) if the committee has met during the respective financial year. Insofar as the chairperson of the Supervisory Board is a member of any committees, the chairperson shall not receive any additional remuneration for the committee work. Supervisory Board members who have only been on the Supervisory Board or on a committee during part of the financial year or election period will receive pro rata remuneration for every full month of their activity. Vossloh Aktiengesellschaft may take out appropriate liability insurance to the benefit of its Supervisory Board members covering liability



arising from Supervisory Board activities. Insofar as members are entitled to invoice value added tax to the Company and exercise this right, the Company shall reimburse the value added tax.

## **C Annual General Meeting**

### § 18 Location and convocation of the Annual General Meeting

1. The Annual General Meeting should take place at the registered office of the Company or where a German stock exchange is located.
2. The Annual General Meeting is convened by the Executive Board.
3. The ordinary Annual General Meeting will be held within the first 8 months of each financial year. This meeting resolves especially about ratification of actions of the Executive Board and the Supervisory Board, the appointment of the auditor for the annual financial statements and the use of the balance sheet profit. Extraordinary general meetings must be convened if the interests of the Company appear to require this or if convening a meeting is demanded by a minority of the shareholders in accordance with § 122 AktG.
4. The Annual General Meeting must be convened at least 36 days prior to the date of the Annual General Meeting. The date of the Annual General Meeting and the date on which it is convened are not included in the calculation.

### § 19 Participation in the Annual General Meeting

1. Only those shareholders are entitled to participate in the Annual General Meeting and exercise the right to vote who have registered for the Annual General Meeting and have provided proof of their authorization. The registration and proof of authorization must be received at the Company at the address notified for this purpose in the invitation to the meeting at least six days prior to the Annual General Meeting, whereby the date of receipt is not included in the calculation.
2. To prove their authority pursuant to Paragraph 1, it is sufficient to provide evidence of their share ownership in text form issued by the last intermediary pursuant to Section 67c para. 3 AktG. Evidence of share ownership must refer to the beginning of the 21st day prior to the Annual General Meeting.
3. The right to vote can be exercised by a proxy. Outside the scope of application of § 135 AktG, proxy is issued, cancelled and proof of proxy is provided to the Company in text form (§ 126b BGB). The Company offers in the invitation to the Annual General Meeting an electronic method for transmitting the proof. If the shareholder grants proxy to more than one person, the Company can reject one or more of these proxies.

### § 20 Chair of the Annual General Meeting

1. The chairperson of the Supervisory Board or, in the event that the chairperson is prevented from doing so, the vice chairperson or another member chosen by the Supervisory Board chairs the Annual General Meeting. In the event that neither the chairperson of the Supervisory Board nor the vice chairperson or any other member of the Supervisory Board assumes the

chair at the Annual General Meeting, the chairperson will be elected by the Annual General Meeting, and this will be chaired by the attending shareholder who is oldest in terms of age.

2. The chairperson chairs the meeting. The chairperson determines the sequence in which the items on the agenda are dealt with, the method and sequence of voting as well as the method in which the results of voting are determined. The chairperson is not bound to the sequence of requests to speak when granting authorization to speak. The chairperson can reasonably limit the time for the shareholders to exercise the right to pose questions and the right to speak.

#### § 21 Voting and adopting resolutions

1. Every share grants one vote. Preferred shares have no voting right, subject to mandatory provisions in the law. However, to the extent preferred shares are required to have the right to vote under the law, each preferred share grants one vote.
2. The Annual General Meeting adopts its resolutions by a simple majority of the votes cast, unless the law mandates otherwise. If the law requires a majority of the capital in addition to the majority of votes, the simple majority of the share capital represented when the resolution is voted on is sufficient, unless the law or the Articles of Incorporation mandate otherwise. In the event of a tie vote, a motion is deemed to have been rejected.
3. If the simple majority of the votes is not reached in the first vote in the case of elections, a run-off vote will take place between the persons who received the highest number of votes.

#### **The Advisory Board**

#### § 22 Advisory Board

The Executive Board, subject to the approval of the Supervisory Board, can establish an Advisory Board, appoint and remove its members, issue rules of procedure for the Advisory Board and set compensation for the members of the Advisory Board for the purpose of advising the Executive Board and having close contact with representatives from the economy.

#### § 23 Conclusion of domination agreements, profit and loss transfer agreements, merger agreements, agreements on transfer of assets

1. Conclusion of a contract with which the Company submits to the management of another enterprise (domination agreement) or undertakes to transfer the Company's entire profit to another enterprise (profit and loss transfer agreement) requires a majority consisting of at least 9/10 of the share capital represented when the resolution is adopted.
2. The conclusion of a merger agreement, on the basis of which the assets of the Company are transferred as a whole to another company (acquiring company) in exchange for shares in that company (merger by acquisition of assets), or the conclusion of a merger agreement, as a result of which the assets of the company pass as a whole to a new company (merger by newly establishing a company), requires a majority consisting of at least 9/10 of the share capital represented when the resolution is adopted.

3. The conclusion of a contract with which the Company undertakes to transfer its entire corporate assets requires a majority consisting of at least 9/10 of the share capital represented when the resolution is adopted.

#### **IV. Annual Financial Statements and Distribution of Profit**

##### § 24 Annual Financial Statements

1. The Executive Board must prepare, in the first three months of the financial year, the annual financial statements as well as the management report for the previous financial year and submit them to the auditors without undue delay after they have been prepared. After receiving the audit report, the annual financial statements, the management report, the audit report and the proposal for use of the balance sheet profit must be submitted for examination to the Supervisory Board without undue delay. The Supervisory Board must forward its report about the result of the examination to the Executive Board within one month after the documents have been received at the Supervisory Board. If the report is not forwarded to the Executive Board within this time period, the Executive Board must set without undue delay a further deadline of no more than one month for the Supervisory Board. If the report has not been forwarded to the Executive Board by the expiration of this additional time period, the annual financial statements are deemed to not have been approved by the Supervisory Board.
2. After receiving the report of the Supervisory Board, the Executive Board must convene the ordinary Annual General Meeting without undue delay.
3. If the Executive Board and the Supervisory Board approve the annual financial statements, they can completely or partially allocate the annual profit to the other profit reserves. The allocation of a portion greater than one half of the annual profit, however, is not permissible if the other profit reserves exceed one half the share capital or to the extent they would exceed one half after the allocation. The amounts to be allocated to the statutory reserve and any loss carry forward must be deducted from the annual profit beforehand.

##### § 24 a Possibility for a dividend in kind

The Annual General Meeting can resolve a dividend in kind.

##### § 25 Allocation of profit

1. The shares of the shareholders in the profit are determined according to their shares in the share capital (§ 60 AktG).
2. The participation in the profit for new shares can be determined differently from § 60 AktG in the case of a capital increase.

##### § 26 Payment of a dividend on account

After the expiration of a financial year, the Executive Board, subject to the approval of the Supervisory Board, can pay a dividend on account to the shareholders for the probable balance sheet profit in accordance with § 59 AktG.

## **V. Final Provisions**

### § 27 New version of the Articles of Incorporation

The Supervisory Board is authorized to resolve amendments to the Articles of Incorporation which only relate to the drafting.

### § 28 Expense for founding the Company

The costs for founding the Company (costs of conversion of corporate form) in the amount of EUR 71,836.51 will be borne by the Company as an expense for founding the Company.

### § 29 Severability clause

If any existing or future provision in these Articles of Incorporation is or becomes completely or partially legally invalid, this does not adversely affect the validity of the remaining provisions in the Articles of Incorporation. This also applies to the extent it turns out that there is a gap in the Articles of Incorporation. Instead of the invalid provision or in order to fill a gap, a reasonable provision is supposed to apply which comes as close as legally possible to what was intended based on the intent and purpose of the Articles of Incorporation and taking into account the provisions in the law. This also applies if the invalidity of a provision is based on a measurement of performance or time set forth in the Articles of Incorporation.