

Declaration on Corporate Governance/ Corporate Governance Report

The following Declaration on Corporate Governance in accordance with Sections 289f (1) and 315d of the German Commercial Code is the central element of the corporate governance reporting process (Principle 22 of the German Corporate Governance Code (GCGC) as per December 16, 2019). The Executive Board and Supervisory Board issue the Declaration on Corporate Governance together and are each responsible for the relevant sections of the Declaration.

Management and control structure

Vossloh AG is subject to the provisions of Germany's Stock Corporation Act (AktG), capital market legislation and codetermination laws as well as its own Articles of Incorporation. As with all German stock corporations, Vossloh AG has a dual management and monitoring structure as reflected in the two bodies, the Executive Board and the Supervisory Board. The Annual General Meeting is responsible for important fundamental decisions made by the Company. All three bodies are obligated to act in the best interests of the Company and its shareholders.

Executive Board

The three members of the Executive Board are responsible for jointly running the Company. As CEO, Mr. Oliver Schuster is responsible for coordinating the work of the Executive Board in the areas of Strategy and M&A, Media Relations, Legal Affairs and Compliance, IT and Digital Business, Innovation and Research & Development, Human Resources and Internal Audit. As Chief Financial Officer, Dr. Thomas Triska is responsible for Accounting and Taxes, Controlling, Treasury and Investor Relations. As Chief Operating Officer, Mr. Jan Furnivall is responsible for Sales, Technology, EHS/Sustainability and Marketing Communication. Divisions are also allocated to individual members of the Executive Board. Mr. Oliver Schuster is responsible for the Core Components division, Dr. Thomas Triska for the Customized Modules division and Mr. Jan Furnivall for the Lifecycle Solutions division. More information on the members of the Executive Board of Vossloh AG can be found on page 170 of this annual report.

The work of the Executive Board is regulated by the Executive Board's Rules of Procedure. The work of the Executive Board is regulated by the Executive Board's Rules of Procedure. The members of the Executive Board work cooperatively and inform one another on an ongoing basis about important measures and events within their respective areas of responsibility. The entire Executive Board makes decisions regarding all significant issues.

Potential conflicts of interest are immediately made known to the Supervisory Board and the other Executive Board members. Secondary employment requires the prior approval of the Supervisory Board.

The Supervisory Board is responsible for the appointment and dismissal of the Executive Board members. In this regard, the Supervisory Board observes specific target figures stipulated by the German Act on Equal Participation of Men and Women in Executive Positions in the Public and Private Sectors and also the age limit stipulated for members of the Supervisory Board in the Rules of Procedure (i.e. the statutory retirement age). The Supervisory Board discusses the issue of long-term succession planning on a regular basis (at least once per fiscal year) in order to identify and develop suitable female and male candidates and so that vacancies can be filled as quickly as possible with the most suitable candidate.

Vossloh AG has concluded D&O insurance policies against economic loss for Executive Board and Supervisory Board members with a deductible amounting to 10 percent of the loss up to one-and-a-half times the fixed annual remuneration of the board member in question.

Supervisory Board

The Supervisory Board, which comprises six members in accordance with Article 10 (1) sentence 1 of the Articles of Incorporation, is composed subject to the provisions of Germany's One-Third Participation Act (DrittelbG) and the Stock Corporation Act (AktG). Two thirds of its members are shareholder representatives and one third is made up of employee representatives. In accordance with the recommendations of the German Corporate Governance Code, the shareholder representatives were elected individually. The terms in office of all the current Supervisory Board members end on conclusion of the Annual General Meeting in 2023, at which a resolution will be passed to formally approve the actions of the Supervisory Board members in the 2022 fiscal year. More information on the members of the Supervisory Board of Vossloh AG, including how long they have been on the Board, can be found on page 171 of this annual report.

The Supervisory Board oversees and advises the Executive Board on its management of business and discusses business development, planning, the strategy and its implementation, risk management and compliance issues with the Executive Board at regular intervals. It approves the annual plan, adopts the annual financial statements of Vossloh AG and approves the consolidated financial statements, in addition to deciding whether or not to approve related party transactions in accordance with Section

111b of the German Stock Corporation Act. Certain material transactions and measures regulated by the Executive Board's Corporate Governance Rules of Procedure are subject to the approval of the Supervisory Board. The work methods of the Supervisory Board are regulated by the Rules of Procedure, which are published on the company's website.

The Supervisory Board most recently stipulated concrete targets for its composition at its meeting on November 25, 2021, and developed a competency profile for the body as a whole. The "Requirements and Objectives for the Composition of the Vossloh Aktiengesellschaft Supervisory Board" are published on the Company's website and also include the diversity concept. With regard to diversity, the Supervisory Board is setting its sights on a composition within the parameters of the Company-specific situation that takes into account a varied career and international experience and, in particular, the appropriate involvement of all genders. The Supervisory Board has set itself a target of at least 16.67 percent women (one female member of the Supervisory Board) for the target period between December 15, 2021 and December 14, 2026. This target is currently being met.

The Supervisory Board's other requirements and objectives regarding its composition relate, in addition to other factors, to the full board's expertise, the independence of its members, potential conflicts of interest, availability, an age limit (usually 70) and the duration of board tenures (usually no longer than three terms). The Supervisory Board meets these requirements and objectives with its current composition. Specifically, the Supervisory Board members have the necessary professional and personal qualifications. Regarding independence, the Supervisory Board has determined that more than half the shareholder representatives should be independent from the company and the Executive Board in accordance with Recommendation C.7 of the GCGC while taking Vossloh's shareholder structure into consideration. The Supervisory Board concludes that as of December 31, 2021, all shareholder representatives on the Supervisory Board were deemed independent within the meaning of Recommendations C.6 and C.7 of the GCGC and furthermore are considered to be independent from the majority shareholder of Vossloh AG in the sense of Recommendation C.9. The election proposals put to the Annual General Meeting by the Supervisory Board are to accommodate the "Requirements and Objectives for the Composition of the Vossloh Aktiengesellschaft Supervisory Board" as adopted by the Supervisory Board.

The Supervisory Board performs its duties both as a plenary body and through its three current committees, which it established to improve the efficiency of its activities. The committee chairs report on relevant issues and the results of discussions in the plenary Supervisory Board meeting following each committee meeting.

The Personnel Committee currently has four members: Prof. Dr. Rüdiger Grube, Dr. Bettina Volkens, Mr. Ulrich M. Harnacke and

Mr. Andreas Kretschmann. The Personnel Committee is mainly responsible for Executive Board matters. It prepares personnel decisions, resolutions and the reviews of the full Supervisory Board regarding the remuneration system and the total remuneration of the individual Executive Board members. The Chairman of the Supervisory Board is also Chairman of the Personnel Committee.

The Audit Committee is first and foremost responsible for monitoring accounting, the accounting process, the effectiveness of the internal control system, the risk management system, the internal audit system, the financial statement audits and compliance. Its members are Mr. Ulrich M. Harnacke, Dr. Roland Bosch and Mr. Andreas Kretschmann. The Audit Committee prepares the Supervisory Board's auditing of the annual and consolidated financial statements, the combined management report and the audit reports of Vossloh AG and the Vossloh Group. The quarterly statements and half-year report are discussed jointly by the Audit Committee and the Executive Board prior to publication. The Audit Committee recommends auditors to the Supervisory Board and commissions audits for the annual financial statements and consolidated financial statements and reviews of interim reports. It also works with the auditor to define which areas their audit will focus on, and assesses the quality of audits based on a range of criteria. The Audit Committee also obtains regular reports directly from the Internal Audit department and the Chief Compliance Officer. The members of the Audit Committee also exercise their right of access in accordance with Section 107(4)(4) of the German Stock Corporation Act. The Audit Committee also reviews related party transactions in accordance with Sections 111a(2)(1) and (2). The Chairman of the Audit Committee remains in contact with the auditor on a regular basis outside of the meetings of the Audit Committee. The Chairman of the Audit Committee is Mr. Ulrich M. Harnacke. Mr. Harnacke is a tax adviser and auditor and the former managing director of Deloitte & Touche GmbH. As a financial expert with expertise in the area of auditing and accounting, he meets the requirements stipulated in Section 100 (5) AktG. He is also considered independent (Recommendations C.10 and D.4 of the GCGC). Dr. Roland Bosch is a managing director of WOLFF & MÜLLER Holding GmbH & Co. KG and the former CEO of Deutsche Bahn Cargo AG. His expertise lies in a number of areas, including accounting (Section 100 (5) AktG).

The Nomination Committee is responsible for long-term succession planning for the Supervisory Board and for preparing candidate proposals for employee representatives on the Supervisory Board. Its four members are Dr. Rüdiger Grube, Dr. Bettina Volkens, Dr. Roland Bosch and Mr. Ulrich M. Harnacke. The Supervisory Board then selects the election proposals that will be presented to the Annual General Meeting for an appointment decision. The Chairman of the Nomination Committee is Prof. Dr. Rüdiger Grube.

The Supervisory Board assesses the efficiency of its activities and its committees on a regular basis. The Supervisory Board does this by alternating between using external assistance and performing internal evaluations. The performance of the Supervisory Board and its committees was last reviewed between September and November 2021 with independent external support. The review was extremely encouraging. It focused on the basic understanding of the Supervisory Board, committee work, the issues covered in meetings, the composition of the Supervisory Board, reporting by and communication with the auditor and the composition and work of the committees.

Every Supervisory Board member is obligated to act in the Company's best interests. Potential conflicts of interest must be reported to the Chairman of the Supervisory Board immediately. Members of the Supervisory Board are required to recuse themselves from any decision made by the Supervisory Board regarding them individually or related parties or companies. No member of the Supervisory Board received remuneration or benefits for personally rendered services in addition to their emoluments for their Supervisory Board activities. There are no former members of the Executive Board on the Supervisory Board of Vossloh AG.

Compliance

Vossloh considers compliance to be conduct in line with all the applicable laws and internal guidelines. As a global enterprise with an approximately 135-year history, Vossloh has a social responsibility toward its customers, partners, employees, investors and the public. This social responsibility involves Vossloh and all its employees adhering to the applicable laws, respecting basic ethical values and acting in an exemplary fashion at all times and in all situations in the course of their work.

The Executive Board of Vossloh AG has unequivocally summed up these principles in its Compliance Commitment, which states: *"Compliance with the law has absolute priority over closing a deal or achieving internal targets. We would rather forgo a business opportunity than violate the law. We will not tolerate any violation of the law or of our internal guidelines and policies and will sanction any such behavior (zero tolerance policy)."* The Compliance Commitment is also published on the Company's website. The Executive Board of Vossloh AG has put a Compliance-Management-System in place for the Vossloh Group. The Vossloh Compliance-Management-System is designed to identify compliance violation risks and to minimize these risks in order to prevent Vossloh and its employees from incurring damage. Anti-corruption and the strict observance of antitrust regulations play a particularly important role.

Since 2007, the Vossloh Compliance-Management-System has been based on the Vossloh Code of Conduct, which stipulates and precisely defines the values of integrity and upstanding business conduct and is mandatory for the entire Group and all employees. The Code of Conduct was comprehensively revised

and enhanced in 2016. The latest version is available on the Company's website. With this and the compliance guidelines, which apply equally throughout the Group and were likewise revised in 2016, all the employees have a canon of rules that serves as a yardstick for their daily work and helps them make good and lawful decisions. The compliance rules are available in the Group's main languages and have been distributed to all Vossloh Group employees around the world. Based on a compliance training concept, all the employees receive regular training on compliance issues that is tailored to the target group in question. Vossloh has also established a compliance e-learning program for all employees with a computer workstation.

To implement and monitor compliance, the Executive Board established the Compliance Organization, stipulating its structure, the responsibilities and tasks of the individual compliance positions, and their reporting channels in the "Rules of Procedure of the Compliance Organization". The Vossloh Compliance Organization comprises the Chief Compliance Officer (supported by a Compliance Office), the Group Compliance Committee at Vossloh AG, Compliance Officers and Compliance Committees within the business units and Local Compliance Officers within the operating companies. The Chief Compliance Officer regularly reports to the Executive Board and Supervisory Board.

Vossloh set up a whistleblower hotline in partnership with an international law firm in order to uncover potential compliance violations. The whistle-blower hotline allows company employees and external whistle-blowers to report possible misconduct to an independent external contact (ombudsperson). The whistleblower hotline has so far been set up for 24 countries. As such, the main regions and the languages spoken within the Vossloh Group are essentially covered. The Chief Compliance Officer follows up all reports and implements appropriate measures where necessary. The same applies for reports which employees can make internally. Employees can contact the Compliance Office directly.

The Chief Compliance Officer and the Group Compliance Committee continually review the effectiveness throughout the Group of the Compliance Management System. In the 2017 fiscal year, the Vossloh Group's compliance management system was subjected to a comprehensive audit in accordance with Assurance Standard 980 of the Institute of Public Auditors in Germany (IDW) (IDW AsS 980) by KPMG AG Wirtschaftsprüfungsgesellschaft regarding the subsections of antitrust law and anticorruption. The audit was performed as an effectiveness assessment and was concluded in February 2018. KPMG confirmed that the Vossloh Group's Compliance Management System is implemented appropriately and was effective in the period under review. Vossloh has published the audit report on the Company website under "Corporate Governance" > "Compliance" in the "Investor Relations" section.

The Group Compliance Committee additionally performs regular general audits, usually with the assistance of external auditors,

in order to check the effectiveness of the Compliance Management System within the Group companies and to identify new or changed risks and any scope for improvement.

Risk and control management

The principles of good corporate governance include responsible business risk management. The Vossloh AG Executive Board and the management teams of Vossloh Group companies have Group-wide and company-specific reporting and control systems at their disposal that ensure that such risks are recorded, assessed and managed. The systems are continually checked for their effectiveness, adapted to changing parameters if applicable and examined by the auditor as part of the statutory auditing requirements. As described above, the Supervisory Board and Audit Committee are regularly briefed on and involved in the risk management process. Details of risk management within the Vossloh Group can be found in the risk report section (from page 65 of this annual report). This also includes the report on the accounting-related internal control and risk management system.

Declaration of conformity

Once again in 2021, the Executive Board and Supervisory Board of Vossloh AG dealt extensively with the recommendations of the German Corporate Governance Code. Vossloh's corporate governance practices are regularly reviewed accordingly.

The Executive Board and Supervisory Board issued the following Declaration of Conformity in November 2021:

Declaration of Conformity with the German Corporate Governance Code by the Executive Board and the Supervisory Board of Vossloh Aktiengesellschaft

Since the submission of the most recent Declaration of Conformity in November 2020, Vossloh Aktiengesellschaft has complied with all of the recommendations of the German Corporate Governance Code as amended on December 16, 2019 (GCGC) published in the Federal Gazette by the Federal Ministry of Justice on March 20, 2020, with the exceptions listed below. It will remain in compliance in future, with the exceptions listed below.

Recommendation C.4: "A Supervisory Board member who is not a member of any Executive Board of a listed company shall not accept more than five Supervisory Board mandates at non-group listed companies or comparable functions, with an appointment as Chairman of the Supervisory Board being counted twice."

Explanation: It should remain possible to assess whether the number of mandates of a Supervisory Board member is appropriate,

based, among other factors, on the amount of time required for each mandate. The Chairman of the Supervisory Board of the Company Dr. Grube has accepted Supervisory Board mandates at two other listed companies (Vantage Towers AG, Hamburger Hafen- und Logistik AG and RIB Software SE), and is the Chairman of the Supervisory Board at two. Dr. Grube has four other mandates at companies which are not listed (see disclosure on the Company's website). These could be considered comparable functions in the sense of GCGC Recommendation C.4. In the opinion of the Executive Board and Supervisory Board, Dr. Grube significantly enriches the company due to his outstanding expertise and many years of experience in the industry. This is not impaired by his aforementioned mandates. In particular, Dr. Grube has sufficient time to diligently fulfill his role as the Chairman of the Company's Supervisory Board.

Recommendation G.10: Taking the respective tax burden into consideration, Management Board members' variable remuneration shall be predominantly invested in company shares by the respective Management Board member or shall be granted predominantly as share-based remuneration. Granted long-term variable remuneration components shall be accessible to Executive Board members only after a period of four years."

Explanation: A share price-based component currently accounts for around 1/3 of the variable remuneration for Executive Board members. The Supervisory Board considers this to be sufficient. In the opinion of the Supervisory Board, increasing the weighting of the share-based components could reduce the focus on consistently achieving significant operational indicators. In addition, the Supervisory Board takes into account the fact that for share price-based remuneration components, changes in the share price depend not only on the performance of the Executive Board members, but also on external factors over which the company and its bodies do not have any influence. The Supervisory Board takes the view that using a four-year assessment period for the long-term variable remuneration of Executive Board members (or a payout block of an additional year directly after the three year period) is not appropriate, particularly in light of the fact that the GCGC recommends that the first-time appointment of Management Board members should be for a period of not more than three years – a recommendation which the Company puts into practice on a regular basis.

This declaration of conformity and others from previous years are available on the Vossloh AG website.

Shareholders and Annual General Meeting

The shareholders of Vossloh AG exercise their rights at the Annual General Meeting, including their voting rights. The Chairman of the Supervisory Board usually presides over the Annual General Meeting. The Annual General Meeting makes binding decisions in all of the matters assigned to it by law, in particular regarding the appropriation of net earnings, formal approval of the actions of the Executive Board and Supervisory Board and the election of the auditor, as well as Intercompany agreements, corporate action and other amendments to the Articles of Incorporation. Each Vossloh share entitles the holder to one vote at the Annual General Meeting. The shareholders may exercise their voting rights themselves at the Annual General Meeting or have them exercised by an authorized representative of their choosing or by a Company-nominated proxy acting on their instructions. The voting results can be found on the Company website immediately after the Annual General Meeting.

Investor Relations

Vossloh ensures that its shareholders and other capital market participants all receive the same information in a swift and efficient manner. All the information published by Vossloh regarding the Company is immediately made accessible on the Company website www.vossloh.com in English and German. This applies in particular to the annual report, the half-year report, the interim quarterly statements and the invitation to the Annual General Meeting. The scheduled dates of major recurring events and publications, specifically the Annual General Meeting, annual reports and interim reports and statements, are listed in a financial calendar that is published in good time on the Vossloh AG website. The consolidated financial statements are published within 90 days of the end of the fiscal year, and the half-year report and interim statements are made public at the latest within 45 days of the end of the reporting period. If circumstances arise at Vossloh outside of the regular reporting that directly affect Vossloh and have the potential to significantly influence the stock market price of the Vossloh share, these are immediately made known by means of ad hoc disclosures in accordance with Article 17 of the Market Abuse Regulation. In addition, the website www.vossloh.com provides extensive and up-to-date information on the Vossloh Group and the Vossloh share.

Accounting and auditing

Vossloh Group accounting is based on the International Financial Reporting Standards (IFRS) as applicable in the EU. The annual financial statements of Vossloh AG, on the other hand, are prepared in accordance with the German Commercial Code (HGB) as stipulated by law. Both the consolidated financial statements in accordance with IFRS and the separate financial statements

pursuant to German accounting regulations were audited by Deloitte GmbH Wirtschaftsprüfungsgesellschaft in accordance with the German regulations and taking into account the generally accepted German auditing principles promulgated by the Institute of Public Auditors in Germany (IDW), this audit firm having been elected by the 2021 Annual General Meeting at the Supervisory Board's proposal. The audit work was contracted by the Supervisory Board's Audit Committee in accordance with the recommendations of the German Corporate Governance Code following verification beyond doubt of the auditor's independence. An agreement was reached with the auditor that the auditor would notify the Supervisory Board without delay of any findings or events of significance to the Supervisory Board's duties that came to light in the course of its audit and would notify the Supervisory Board of any facts identified that would make its declaration of conformity with the German Corporate Governance Code incorrect. No indications of any such facts were identified in the course of the audit. The condensed interim consolidated financial statements and the interim Group management report as of June 30, 2021, were subjected to an auditor's review.

Involvement of women and men in executive positions

The Supervisory Board and Executive Board set the targets outlined below for Vossloh AG in accordance with the relevant legislation (for information on the targets for the Supervisory Board, see the "Supervisory Board" section above).

On November 25, 2021, the Supervisory Board set a target of 0 percent for the Executive Board of Vossloh AG, which currently comprises three male members, for the next target period up to December 14, 2026. The Supervisory Board justified this target as follows:

"The Supervisory Board of Vossloh AG is well aware of the legal requirements related to increasing the number of women in leadership positions and its responsibilities when it comes to achieving gender equality. The Supervisory Board has set a target of 16.67 percent of places being occupied by women (equivalent to one woman in the body as a whole, which is made up of six people and four shareholder representatives). Vossloh AG is not legally required to appoint a woman to the Executive Board. After carefully considering the circumstances, the Supervisory Board believes that it would currently be difficult to apply a long-term voluntary target in excess of "zero".

The Supervisory Board discusses the issue of long-term succession planning on a regular basis (at least once per fiscal year) in order to identify and develop suitable female and male candidates and so that vacancies can be filled as quickly as possible with the most suitable candidate. The Supervisory Board is committed to

ensuring that the Executive Board actively promotes suitable female talent. Mainly because of the small size of Vossloh AG's Executive Board, a general diversity concept is not in place for the Executive Board. Instead, the Supervisory Board makes every effort to find the most suitable candidates for vacant spots on the Executive Board on a case-by-case basis. Executive Board members are selected on the basis of a systematic search, which focuses in particular on expertise and personality, and numerous other features, including the diversity of the Executive Board.

The Executive Board consists of highly qualified senior executives who have worked for Vossloh AG for a significant amount of time and have a considerable amount of expertise in the area which they are responsible for. The Supervisory Board wishes to retain the freedom to appoint members of the relatively small Executive Board of Vossloh AG on the basis of merit as specified above. The number of women who work in the rail industry and adjacent industries is relatively small, with even fewer having relevant management experience. Vossloh AG has experienced this regrettable situation a number of times when recruiting for (leadership) positions below the level of the Executive Board, as women are generally under-represented in the pool of applicants. Because of this situation, the Supervisory Board believes that obliging ourselves to put a minimum number of women in these positions is not compatible with the principles of selecting candidates based on merit, particularly in light of the small size of the Executive Board".

There are currently no plans for Executive Board changes or expansions. Female candidates were considered as part of the selection process when preparing for the changes to the Executive Board in November 2020.

On November 25, 2021, the Executive Board set a target for women to be in 25 percent of positions in both the first and second management levels below the Executive Board, to be achieved by December 14, 2026. Vossloh fell short of this target for the first management level (20 percent) at the end of the 2021 fiscal year. Women made up 33 percent of the second management level at the end of the 2021 fiscal year, exceeding the target.

Executive Board and Supervisory Board remuneration

The current remuneration system for the members of the Executive Board pursuant to Section 87(a)(1) and (2) of the German Stock Corporation Act (approved by the Annual General Meeting on May 19, 2021) and the remuneration system for the members of the Supervisory Board (approved by the Annual General Meeting on the same date pursuant to Section 113(3) of the German Stock Corporation Act) are available at www.vossloh.com/de/investor-relations/corporate-governance/verguetung. The remuneration report (for the members of the Executive Board and

Supervisory Board) and the auditor's opinion in accordance with Section 162 of the German Stock Corporation Act are available from the same page. The remuneration system of Executive Board members makes a significant contribution to promoting and implementing the corporate strategy of the Vossloh Group, namely strengthening the production business and further expanding the conventional and digital service business with the aim of sustainably increasing the value of the company.