

Declaration on Corporate Governance/ Corporate Governance Report

The following Declaration on Corporate Governance in accordance with Sections 289f (1) and 315d HGB is the central element of the corporate governance reporting process (Principle 23 of the German Corporate Governance Code (GCGC) as per April 28, 2022). The Executive Board and Supervisory Board jointly issue the Declaration on Corporate Governance 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 that apply in Germany 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 central 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 oversees the Core Components division, Dr. Thomas Triska the Customized Modules division and Mr. Jan Furnivall the Lifecycle Solutions division. More information on the members of the Executive Board of Vossloh AG can be found on page 176 of this annual report.

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 the AktG and the German One-Third Participation Act (DrittelbG). Two thirds of its members are shareholder representatives and one third is made up of employee representatives. In accordance with the recommendations of the GCGC, 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 177 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 AktG. Furthermore, certain material transactions and measures regulated by the Executive Board's 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 24, 2022, and reviewed and amended the 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. On November 25, 2021, the Supervisory Board 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). In the opinion of the Supervisory Board, the current composition of the body as a whole fulfills the stated requirements and objectives. The personal and professional qualifications of each member of the Supervisory Board are listed below:

	Prof. Dr. Rüdiger Grube	Ulrich M. Harnacke	Dr. Roland Bosch	Marcel Knüpfer	Andreas Kretschmann	Dr. Bettina Volkens
Management and monitoring of medium-sized or large, international companies						
Industry and corresponding value chains						
Research and development (particularly in the area of relevant technologies for Vossloh)						
Production, marketing, sales						
Significant markets for Vossloh						
Capital market						
Corporate transactions (Mergers & Acquisitions)						
Sustainability (Environment, Social)						
Accounting and financial reporting						
Auditing						
Controlling, risk management						
Corporate Governance, Compliance						
Supervisory Board member since	2/2020	5/2015	5/2020	6/2020	8/2017	5/2020

To maintain the independence of its members, the Supervisory Board has determined that more than half of the shareholder representatives should be independent from the company and the Executive Board in accordance with Recommendation C.7 of the GCGC. In accordance with Recommendation C.9 Sentence 2 of the GCGC, at least one shareholder representative should be independent from the majority shareholder of Vossloh AG. The Supervisory Board concludes that as of December 31, 2022, all shareholder representatives on the Supervisory Board were deemed independent within the meaning of Recommendations C.7 and C.9 of the GCGC. The election proposals put to the Annual General Meeting by the Supervisory Board are to consider the "Requirements and Objectives for the Composition of the Vossloh Aktiengesellschaft's 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, Prof. Dr. Rüdiger Grube, is simultaneously the Chairman of the Personnel Committee and deemed independent within the meaning of Recommendation C.10 of the GCGC.

The Audit Committee members are Mr. Ulrich M. Harnacke, Dr. Roland Bosch and Mr. Andreas Kretschmann. The Chairman of the Audit Committee is Mr. Ulrich M. Harnacke. The Audit Committee is first and foremost responsible for monitoring accounting, the accounting process, the adequacy and effectiveness of the internal control system, the risk management system, the internal audit system, the financial statement audits and compliance. 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 Chairman of the Audit Committee also remains in contact with the auditor on a regular basis outside of the meetings of

the Audit Committee and exchanges information with the auditor, in particular on the progress of the audit. Furthermore, the Audit Committee obtains regular reports directly from the Internal Audit department and the Chief Compliance Officer. The members of the Audit Committee also exercise their right to information in accordance with Section 107 (4) sentence 4 AktG. In addition, the Audit Committee reviews related party transactions in accordance with Section 111a (2) sentence 1 and 2 AktG. Members of the Audit Committee have expertise in the areas of accounting and auditing, each including sustainability reporting. Mr. Ulrich M. Harnacke is a tax advisor and auditor as well as the former managing director of Deloitte GmbH and former member of the Executive Board of BDO AG. As a financial expert with expertise in the area of auditing and accounting, he meets the requirements stipulated in Section 100 (5) AktG as well as Recommendation D.3 of the GCGC; this also includes sustainability reporting and the related audits. Dr. Roland Bosch is 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, Recommendation D.3 of the GCGC), including sustainability reporting and the related audits.

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 shareholder representatives are Prof. 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 by alternating between using external assistance and performing self-evaluations. The performance of the Supervisory Board and its committees was last reviewed in November 2022 on the basis of a self-evaluation. The results of this self-evaluation were extremely positive. It focused on how well the Supervisory Board members work together, the organization and work methods of the Supervisory Board and its committees and the exchange of information in the Supervisory Board.

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 services rendered personally in addition to their emoluments for their Supervisory Board activities from any company in the Vossloh Group. 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 a 140-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 the value of integrity 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, 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 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 whistleblower hotline allows company employees and external whistleblowers 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 to reports which employees can make internally. Employees can contact Vossloh's Compliance Office directly.

The Chief Compliance Officer and the Group Compliance Committee continually review the appropriateness and effectiveness throughout the Group of the Compliance Management System. In the 2017 fiscal year, the Vossloh Group's Compliance Management System system was also 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's website in the "Investor Relations" section under "Corporate Governance" > "Compliance". Additional measures related to the adequacy and effectiveness of the Vossloh Group's compliance management system are covered starting on page 98 of this annual report.

The Group Compliance Committee additionally performs regular general ad hoc audits, usually with the assistance of external auditors, in addition to risk dialogues, in order to check the adequacy and 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 the responsible management of business risks as well as the environmental and social impacts of the company's activities and the sustainability goals established on this basis. 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, along with sustainability-related data. 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 64 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 2022, 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 2022:

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

Vossloh Aktiengesellschaft currently complies with all of the recommendations of the German Corporate Governance Code as amended on April 28, 2022 (GCGC) published in the Federal Gazette by the Federal Ministry of Justice on June 27, 2022, with the exceptions listed below. It will remain compliant in the 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: In addition to acting as the Chairman of the Supervisory Board of Vossloh AG, Prof. Dr. Grube has accepted Supervisory Board mandates at two other listed companies (Vantage Towers AG and Hamburger Hafen- und Logistik AG), and is the Chairman of the Supervisory Board at both. Prof. Dr. Grube has three additional 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. One other mandate exists with a function that is not considered comparable. In the opinion of the Executive Board and Supervisory Board, Prof. 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, Prof. 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: The Supervisory Board considers the share price-based component of the variable remuneration of the Executive Board, which currently accounts for around one third of the variable remuneration for Executive Board members, as being sufficient. 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 and the company, 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 assessment 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.

Furthermore, since issuing the most recent Declaration of Conformity in November 2021, Vossloh AG has complied with all of the recommendations of the German Corporate Governance Code as per December 16, 2019 and April 28, 2022, with the exception of the deviations from Recommendations C.4 and G10 set out above.

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 on a regular basis 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 the approval of the remuneration report. 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’s 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 insider information arises or becomes known outside of the regular reporting that affects Vossloh and has the potential to significantly influence the stock market price of the Vossloh share, this information is 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 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 2022 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 GCGC 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 could make its declaration of conformity with the GCGC 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, 2022, 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 seats on the Executive Board on a case-by-case basis. Executive Board members are selected on the basis of a systematic selection process, which focuses in particular on expertise and personality, and numerous other features, including the diversity of the Executive Board.

The Executive Board currently 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 underrepresented 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 occupy 25 percent of positions on both the first and second management levels below the Executive Board, to be achieved by December 14, 2026. A total of 36.0 percent of positions on the first management level were held by women on December 31, 2022, meaning that this target has been reached. Women made up 33.3 percent of the second management level at the end of the 2022 fiscal year, which also exceeded 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) AktG (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) AktG) are available at www.vossloh.com/de/investor-relations/corporate-governance/verguetung. Both the remuneration report and the auditor's report in accordance with Section 162 AktG are available on the same page. The most recent resolutions passed by the Annual General Meeting on the remuneration system and the remuneration report are also available on the company's website. 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 product business and further expanding the conventional and digital service business with the aim of sustainably increasing the value of the company.