

Remuneration system for the Executive Board of Vossloh Aktiengesellschaft

I. Revised remuneration system

The Supervisory Board reviews the remuneration system for members of the Executive Board on a regular basis as to whether it provides sufficient incentives for the long-term and sustainable growth of the company and aligns the interests of the Executive Board with those of the shareholders and other stakeholders of the company, such as customers and employees in particular. The Supervisory Board deems that the remuneration system existing to date, which was approved by the General Meeting on May 15, 2024, has already significantly contributed to this. However, following a thorough review, the Supervisory Board identified potential for improvement and took particular account of feedback from shareholders on the remuneration system and remuneration reports as well as general developments in Executive Board remuneration.

Based on its careful analysis, involving an external, independent remuneration consultant, the Supervisory Board decided at its meeting on December 13, 2024, to comprehensively revise the remuneration system, which essentially serves the following purposes:

- Increased transparency and elimination of exceptions
- Enhanced alignment of the interests of the Executive Board with those of the shareholders
- Consideration of the company's sustainability targets
- Even stronger incentives for the long-term and sustainable development of the company
- Adjustments to current market developments and standards

The key changes to the remuneration system can be summarized as follows:

1. Single-year bonus

- In addition to the existing financial performance criteria, sustainability targets will also be included as a non-financial performance criterion in the single-year bonus in the future. They take into account contributions and progress in the areas of environmental, social and governance.
- The possibility of increasing the target bonus of the single-year bonus at the discretion of the Supervisory Board is capped at 20% (instead of 30% previously), in analogy to the possibility of reducing the target bonus. For the purpose of deciding on the adjustment of the target bonus, the Supervisory Board shall carry out a general performance review for all members of the Executive Board. In addition, individual qualitative targets can be defined.
- The cap on the single-year bonus is set at the customary value of 200% (instead of 170% previously) of the target amount in order to reward the performance of the Executive Board members appropriately and in line with the market, while at the same time avoiding inappropriate upward outliers.

2. Multi-year bonus as a virtual performance share plan

- The multi-year bonus is now structured as a virtual performance share plan with a three-year performance period in order to further promote the convergence of interests between the Executive Board members and the shareholders. The number of virtual shares is determined by the achievement of the return on capital employed (ROCE) and the relative total shareholder return (TSR) performance targets.
- The cap on the multi-year bonus is set at 200% of the target amount as well.

3. No special gratuities

- The possibility of the Supervisory Board granting special gratuities is abolished.

4. Share Ownership Guideline

- In addition to the performance share plan, the revised remuneration system requires Executive Board members to invest at least one gross fixed salary in Vossloh shares and hold them for the duration of their service on the Executive Board, with a five-year build-up phase for the purchase.

5. Pension substitute

- For the purposes of the pension scheme, the members of the Executive Board receive a non-earmarked annual pension substitute, which can be used at the Executive Board member's discretion for the company pension scheme in the form of deferred compensation. Regarding the serving Executive Board Chairman, the pension obligation under his existing contract shall remain in place instead of the pension substitute.

II. The remuneration system in detail

1. Principles of the remuneration system

The remuneration system described in the following contains the principles for the determination of the remuneration for the members of the Executive Board of Vossloh AG.

The system for remunerating Executive Board members makes a significant contribution to the promotion and implementation of the corporate strategy of Vossloh AG, namely the strengthening of the core business and the continued expansion of the digital service business with the goal of achieving a lasting increase in the value of the company. The performance criteria on which the Executive Board remuneration is based are expressions of this strategy and are intended in particular to offer incentives for achieving sustainable, long-term corporate growth. This aligns the interests of the Executive Board with those of the shareholders and of the company's further stakeholders.

The objective of this remuneration system is to ensure that the members of the Executive Board are remunerated appropriately according to their areas of activity and responsibility and their performance, in accordance with the statutory requirements of – and taking into account the recommendations of – the German Corporate Governance Code in the version dated April 28, 2022 ('DCGK') while allowing them to participate in the successful development of Vossloh AG. Criteria for the appropriateness of the Executive Board remuneration are: the responsibilities of the individual Executive Board members, their personal performance, the economic development, the achievement of sustainability targets, the success and the future prospects of the company, as well as the consistency of the remuneration with standard levels of remuneration, while taking into account similar companies and the remuneration structure within the company, including its development over time.

The Supervisory Board has designed the remuneration system for the Executive Board according to the following principles in particular:

Principles of Executive Board remuneration

The objective of this remuneration system is to ensure that the members of the Executive Board are remunerated appropriately according to their areas of activity and responsibility and their performance, in accordance with the statutory requirements.

The remuneration system makes a significant contribution to the corporate success of the Vossloh Group through its assignment of performance criteria whose achievement is dependent on the economic, corporate and sustainability-related development of the Vossloh Group, thereby creating incentives for achieving sustainable, long-term corporate growth.

The remuneration system focuses closely on variable remuneration elements that are rigorously aligned with the company's success and with the development of Vossloh shares, and on the Executive Board members' own investment in Vossloh AG shares, in order to ensure that the interests of the Executive Board are appropriately attuned to those of the shareholders and of the company's further stakeholders.

The majority of the variable remuneration, i.e. the multi-year bonus, rests on a multi-year assessment basis, thereby promoting the sustainable development of the company. This is coupled with a single-year bonus that is based on annual performance targets, thereby offering incentives for annual performance as well. There is an upper limit for the variable remuneration.

In order to assess whether the remuneration structure is appropriate and in line with usual levels compared to other enterprises, it is regularly compared horizontally with comparable companies, as well as vertically, with the remuneration levels for Executive Board members being compared to one another, as well as to compensation for upper management, and to remuneration for the relevant total workforce within the company.

With properly aligned incentives, the remuneration system contributes to ensuring the shared pursuit of the company's long-term strategy by the Executive Board and by upper management.

2. Procedures for determining, implementing and reviewing the remuneration system; initial application of the system; conflicts of interest

Pursuant to the requirements set out in Sections 87(1) and 87a(1) of the German Stock Corporation Act (Aktiengesetz, 'AktG'), the Supervisory Board adopts a system for the remuneration of the members of the Executive Board of Vossloh AG.

The Supervisory Board determines the remuneration of Executive Board members in accordance with the remuneration system presented to the General Meeting for approval. The remuneration system is implemented within the framework of the employment contracts concluded with the members of the

Executive Board, as well as through annual target agreements for the variable remuneration elements defined within the remuneration system.

The remuneration system for the Executive Board and the appropriateness of the Executive Board remuneration are reviewed by the Supervisory Board at its discretion on a regular basis. For Executive Board contracts with a five-year contract term, the review should be conducted after half of the contract term has passed. In the event that any substantive changes are made to the remuneration system, this system shall be presented to the General Meeting once again for its approval. Even if no significant changes are made, the remuneration system will be presented to the General Meeting for approval at least once every four years.

Should the remuneration system presented to the General Meeting not receive its approval, a reviewed remuneration system will be presented for approval no later than to the next ordinary General Meeting.

The Executive Board remuneration system being presented is based on the remuneration system approved by the Annual General Meeting of May 15, 2024. It shall apply from January 1, 2025 for the Executive Board of Vossloh AG and is to be applied to new appointments and to contract extensions. On the occasion of the revision of the remuneration system, adjusted employment contracts were concluded with the current members of the Executive Board, which – subject to the corresponding submission of the remuneration system to the General Meeting – will enter into force on January 1, 2025 and anticipate the revised remuneration system. Remuneration claims applying to periods preceding the effective date of this remuneration system shall continue to be based on the respective contractual and legal regulations on which they are based.

As with all decisions made by the Supervisory Board, general statutory regulations shall also apply while taking the recommendations of the currently applicable version of the German Corporate Governance Code into account with regard to the determination, implementation and review of the remuneration system when it comes to dealing with conflicts of interest. Should there be any conflicts of interest, the Supervisory Board members shall not participate in the resolutions on the relevant agenda items in the Supervisory Board or in the respective committees. The Supervisory Board shall inform the General Meeting in its report about any conflicts of interest arising over the course of a financial year and about how these were dealt with.

When revising the remuneration system, the Supervisory Board called in the external advice of a remuneration consultant specializing in the remuneration of Executive Board members of listed companies in order to verify the need for adjustment identified by the Supervisory Board and to comprehensively review the appropriateness of Executive Board remuneration – in particular by means of a detailed horizontal comparison with comparable companies and a vertical comparison in the form of the company's internal remuneration structure. In this context, the Supervisory Board ensured the remuneration consultant's independence from the Executive Board and the company. If necessary, the Supervisory Board may also consult external consultants in the future, in which case the Supervisory Board must ensure again that the consultant is independent of both the Executive Board and the company.

3. Determination of the specific target total remuneration by the Supervisory Board; appropriateness of Executive Board remuneration

In accordance with the requirements set out in the German Stock Corporation Act, and taking into account the recommendations of the DCGK, when determining the specific target total remuneration for each Executive Board member, the Supervisory Board must ensure that this is appropriate to each Executive Board member's own tasks and performance, as well as to the enterprise's overall situation and performance, that it is oriented towards the sustainable and long-term development of Vossloh AG, and that it does not exceed the usual level of remuneration without specific reasons.

When determining whether the level of remuneration is appropriate, comparisons will be made with both the comparable peer group of Vossloh AG (horizontal, external comparison) and the company's internal remuneration structure (vertical, internal comparison).

3.1. Horizontal comparison

For the horizontal – external – comparison, a group of companies deemed suitable on account of their market position (i.e., the peer group of Vossloh AG) is used as the basis for assessing the appropriateness and prevalence of the level and structure of the target total remuneration. The peer group is defined on the basis of the size of the company (based in particular on revenue, number of employees and market capitalization) and the complexity of the business model. SDAX companies were included in the peer group.

3.2. Vertical comparison

In addition to the horizontal – external – comparison, a vertical – internal – comparison is also carried out for the Executive Board remuneration. Here, the remuneration levels for Executive Board members are compared to one another, as well as to compensation for the upper management, and to remuneration for the relevant total workforce within the company. In doing so, the Supervisory Board takes into account not only the current relationship between remuneration levels for various hierarchical levels, but also and in particular the development of remuneration of the aforementioned groups over time.

3.3. Overview of the remuneration system

Components of the remuneration system	
Fixed remuneration component	Basic remuneration Fixed, contractually agreed remuneration that is paid in twelve monthly installments
	Non-cash benefits and other perquisites Provision of customary perquisites, in particular provision of a company car for business and private use, allowances for health, accident and luggage insurance
	Company pension scheme <u>Pension substitute</u> for Executive Board members (with the exception of the serving Executive Board Chairman): - non-earmarked annual pension substitute; - possibility of deferred compensation using a provident fund - Existing <u>pension obligation</u> for the serving Executive Board Chairman in continuation of his existing contract: - Pension payments to be made once the individual reaches the age of 63 - Level depends on duration of service on Executive Board: After three years, 1% per full year of service; thereafter, 2% per subsequent full year of service; maximum level: 40% - The basis of calculation is the monthly average of the basic remuneration over the last three years before departure - Company grants pledged reinsurance for the pension obligation unless the this is assumed by the Pension Insurance Association
Variable remuneration component	Single-year bonus <u>Relative proportions</u>: Approx. 42% to 49% of the total variable remuneration for the Executive Board Chairman; approx. 40% to 46% for the other members of the Executive Board <u>Performance criteria</u>: - Financial performance criteria: - Consolidated EBIT - Consolidated turnover - Average working capital employed - Non-financial performance criteria (ESG targets) <u>Payment</u>: Following approval of the consolidated financial statements for the previous year <u>Limitation/cap</u>: Maximum 200% of the target bonus + option to reduce or increase the target bonus by up to 20% at the Company's discretion (in particular based on the general performance assessment of the Executive Board members)
	Multi-year bonus (Performance period: 3 years) <u>Relative proportions</u>: Approx. 51% to 58% of the total variable remuneration for the Executive Board Chairman; approx. 54% to 60% for the other Executive Board members <u>Plan type</u>: Virtual performance share plan <u>Performance criteria</u>: - ROCE (return on capital employed) - Index performance of Vossloh share (relative total shareholder return) <u>Payment</u>: Following approval of consolidated financial statements for the final financial year of the (three-year) performance period taking account of the overall target achievement and development of the Vossloh share price during performance period <u>Limitation/cap</u>: Maximum of 200% of the target bonus

Other components of the remuneration system	
Further remuneration regulations	Maximum total remuneration The maximum total remuneration for the Executive Board Chairman is €4,000,000 (gross) per annum and is €2,500,000 (gross) per annum for each other member of the Executive Board
	Share Ownership Guideline - Each Executive Board member should invest at least an amount of 100% of their fixed gross annual remuneration for the previous year in Vossloh shares and hold such shares for the duration of their employment - Existing shareholdings are to be offset using historical purchase prices
	Malus / Clawback - Partial or total reduction or repayment of variable remuneration - Possible in the event of significant breaches of duty and for payments made on the basis of an objectively incorrect consolidated financial statement - Clawback deadline of two years after payment has been made
	Benefits in the event of early termination - In the event that an appointment is terminated ahead of schedule, the variable remuneration that is due for the period until the end of the contract will be paid in accordance with the originally agreed rules for the employment contract - The Executive Board member receives a compensation payment for the remaining term of the employment contract at the time of their departure; however, this shall not exceed 24 months. This shall also apply in the event of the termination of the employment contract due to a change of control, if the employment contract contains the Executive Board member's right to terminate the contract upon a change of control - No compensation payment if the Executive Board member resigns their position unilaterally and without good cause, or where the termination is mutually agreed at the request of the Executive Board member, or if the company has terminated the employment contract for good cause or revoked the appointment of the Executive Board member for this reason - The compensation payment is determined based on the (projected) total remuneration of the departed Executive Board member

3.4. The components of the remuneration system; share of the target total remuneration

3.4.1. Components of the remuneration system

The remuneration system comprises fixed components that are not performance-based, and variable components that are performance-based; the sum of these components represents the total remuneration for each Executive Board member.

The components that are not performance-based are made up of the fixed remuneration and the annual pension substitute, non-cash benefits and other perquisites. The fixed remuneration is remuneration tied to the financial year that is paid in twelve equal monthly installments. In particular, the non-cash benefits and other perquisites include private use of a company car and contributions to insurance policies.

The variable, performance-based components of the remuneration are tied to the achievement of performance targets that are defined in advance, and comprise a short-term variable remuneration component, the 'single-year bonus', and a long-term variable remuneration component, the 'multi-year bonus'.

Should the Executive Board member achieve a degree of target achievement of 100% for both their single-year bonus and their multi-year bonus, the sum of these two variable remuneration compo-

nents taken together with the basic remuneration and the perquisites, plus the annual pension substitute, results in the target total remuneration. Moreover, an additional pension obligation exists for the serving Executive Board Chairman with the continued applicability of his existing contract.

3.4.2. Relative proportions of remuneration components of the target total remuneration

The individual remuneration components have different weightings in the target total remuneration.

In the event that there is a degree of target achievement of 100 percent for both the fixed remuneration components and the variable components, the variable components will account for approx. 55% to 65% of the target total remuneration (when accounting for expenditures for benefits and perquisites¹, for approx. 45% to 55% for the serving Executive Board Chairman and for approx. 50% to 60% for the further Executive Board members). As a result, the fixed remuneration accounts for approx. 35% to 45% of the target total remuneration (when accounting for expenditures for benefits and perquisites, for approx. 45% to 55% for the serving Executive Board Chairman and for approx. 40% to 50% for each of the further Executive Board members).

Within the variable remuneration components, the single-year bonus represents the smaller portion of the total variable remuneration. In the event that there is a degree of target achievement of 100 percent, this accounts for approx. 42% to 49% of the total variable remuneration for the Executive Board Chairman, and for approx. 40% to 46% of the total variable remuneration for the further members of the Executive Board. The multi-year bonus accounts for the majority of the variable remuneration, and in the event that there is a degree of target achievement of 100 percent in each case, this will account for approx. 51% to 58% of the total variable remuneration for the Executive Board Chairman and for approx. 54% to 60% of the total variable remuneration for the further members of the Executive Board.

This greater weighting of the multi-year bonus creates a particular incentive for the achievement of long-term targets and ensures that efforts are oriented towards the sustainable development of Vossloh AG. At the same time, the achievement of the annual operational targets is particularly incentivized by the single-year bonus.

3.5. Maximum remuneration

In accordance with Section 87a(1) Sentence 2 No. 1 of the AktG, the Supervisory Board places an upper limit on the sum of all remuneration elements for the financial year; this comprises the fixed remuneration, perquisites, the annual pension substitute and the annual expenditure for benefits and perquisites pursuant to IAS 19, short-term variable remuneration components, and long-term variable remuneration components ('maximum remuneration'). The maximum remuneration for the Executive Board Chairman is €4,000,000 (gross) per annum and is €2,500,000 (gross) per annum for each further member of the Executive Board. In this regard, payments of multi-year bonuses are allocated to the year in which the multi-year bonuses on which they are based were granted, i.e. the first year of the measurement period. Perquisites are assessed at their monetary value as defined for tax purposes.

¹ The expenditures for benefits and perquisites in the financial year 2024 in accordance with IAS 19 expected at the time the resolution on this remuneration system is passed forms the basis for calculating the target total remuneration and relative proportions of the individual remuneration components as well as for determining the maximum remuneration. The actual development of said expenditures and corresponding assessment fluctuations shall not be considered. Any additional costs or expenditure for reinsurance are also disregarded for these purposes.

Any severance payments granted in the event of the premature end of a term on the Executive Board and any other benefits that were not granted as compensation for the services of the Executive Board member are not included in the calculation of the maximum remuneration and are not limited by this maximum remuneration.

4. The individual components of the remuneration system

4.1. Basic remuneration

4.1.1. Fixed remuneration

Each member of the Executive Board receives a fixed remuneration that is based on the entire year and which is paid in twelve equal monthly installments. With regard to the level of the fixed remuneration, a distinction is made between the Chairman and the further members of the Executive Board. The level of the fixed remuneration reflects the role on the Executive Board, the member's experience and area of responsibility, and market conditions, and generally also includes all activities for the subsidiaries and shareholdings of Vossloh AG.

4.1.2. Perquisites

Each Executive Board member receives non-cash benefits and perquisites. In particular, the non-cash benefits and other perquisites include the provision of a company car for both company and private use, and contributions to health, accident and luggage insurance policies.

The perquisites are generally available in the same manner to all members of the Executive Board; however, they may vary in individual cases depending on personal situations and whether they are claimed or used, and in particular in the amount thereof. The Supervisory Board may grant different or additional perquisites that are in line with usual levels compared to the market.

4.1.3. Pension substitute

For the purposes of the pension scheme, the members of the Executive Board receive a non-earmarked annual pension substitute, which is paid to them in twelve equal monthly installments. In this respect, responsibility for the pension scheme is transferred in full to the members of the Executive Board, and the company is therefore not required to form any accruals for the pension scheme of the Executive Board members.

The company offers the members of its Executive Board an option to receive the annual pension substitute in whole or in part in the form of a benefit entitlement from the company pension scheme of equal value (deferred compensation). If the option of deferred compensation is utilized by a member of the Executive Board, this is carried out through a provident fund.

An exception is made for the Executive Board Chairman serving at the time the resolution on this remuneration system is passed, whose existing contract contains a pension obligation. Accordingly, the serving Executive Board Chairman is not paid a pension substitute. Instead, the pension obligation is continued that calls for the following pension payments once the individual reaches the age of 63. The annual pension entitlement depends on the duration of service on the Executive Board: following three years of service, the Chairman is to receive 1% per full year of service on the Executive Board; for the period thereafter the entitlement amounts to an additional 2% per subsequent full year of

service on the Executive Board. The maximum level of the pension is 40% of the remuneration on which the pension is based. The basis of calculation is the monthly average of the basic remuneration over the last three years before departure. Should the Executive Board Chairman leave the company before reaching the age of 63, the pension that is to be paid as of the time he reaches the age of 63 shall correspond to the entitlement to future benefits that had been earned as of the time of his departure from the company at the pension rate that had been achieved at the time of his departure. If the Executive Board Chairman does not leave the company after reaching the age of 63, the entitlement to future benefits continues to build up. Along with this, in the event of the death of the serving Executive Board Chairman, provision has been made for a widow's pension for his wife. The level of this pension shall be 60% of the pension entitlement of the Executive Board Chairman at the time of his death / of the most recent pension payment made to the Executive Board Chairman. The company has ensured its ability to meet its obligations vis-à-vis the serving Executive Board Chairman by means of an insolvency protection (pledged re-insurance) unless the latter is assumed by the Pension Insurance Association (*Pensionssicherungsverein*).

4.2. Variable remuneration

The variable, performance-based components of the remuneration are tied to the achievement of performance targets that are defined in advance, and comprise a short-term variable remuneration component, the single-year bonus, and a long-term variable remuneration component, the multi-year bonus.

Before the beginning of each financial year, the Supervisory Board and the Executive Board member shall, on the basis of the then-current planning, determine the specific target values for the performance targets for the single-year bonus ('short-term performance targets') for the following financial year and the multi-year bonus ('long-term performance targets') for the following performance period.

For each performance target, the determination includes target values for a 0-percent, 100-percent and 200-percent target achievement. With the ranges resulting therefrom (i.e., between the lower threshold value and the target value, and between the target value and the upper threshold value), the degree of target achievement will in each case be determined linearly according to the values achieved.

There is in each case an upper limit on the total of the variable remuneration components. The payment of both the single-year bonus and of the multi-year bonus is in each case limited to a maximum of 200% of the amount that applies to a target achievement of 100 percent. It is possible that the target achievement could also exceed this level for some performance targets and compensate for other performance targets of the relevant remuneration component with a lower degree of target achievement; in this case, for those performance targets with a higher degree of target achievement, the linear rate of increase between the 100-percent and 200-percent target achievement value is to be continued.

4.2.1. Single-year bonus

The single-year bonus is dependent on the achievement of short-term performance targets. The short-term performance targets are based, on the one hand, on objectively measurable financial per-

formance criteria that are important to the business success of the Vossloh Group, namely the consolidated EBIT, consolidated turnover, and the average working capital employed by the Vossloh Group.

In addition, the short-term performance targets relate to non-financial performance criteria in the form of ESG targets (environmental, social and governance, 'ESG'). Based on the company's general sustainability strategy, the ESG targets can relate to the following categories:

- Occupational safety
- Company health management
- Training and development
- Diversity
- Data protection and privacy
- Employee satisfaction
- Responsible procurement
- Energy efficiency and greenhouse gas emissions
- Waste management
- Water consumption
- Product safety

The specific weighting and the target values for the short-term performance targets are determined in each case before the beginning of the year of remuneration. The Supervisory Board determines the target achievement for short-term performance targets on the basis of the audited consolidated financial statements for Vossloh AG for the respective year of remuneration.

In the event that there is a degree of target achievement of 100 percent, the so-called 'target bonus' is granted; this represents part of the target total remuneration. The Supervisory Board can, at its discretion, reduce the target bonus by up to 20 percent, or increase this by up to 20 percent. For this purpose, the Supervisory Board shall carry out a general performance review for all members of the Executive Board. In addition, individual qualitative targets can be agreed on between the Supervisory Board and the relevant Executive Board member. Subsequent changes to the target values are fundamentally excluded. This does not affect the Supervisory Board's ability to take special effects into account when determining the target achievement (see Section 7).

4.2.2. Multi-year bonus

The multi-year bonus is granted to the Executive Board members as share-based remuneration in the form of a performance share plan based on virtual shares. The virtual shares are allocated in annual tranches. The tranches have a three-year 'performance period'. The performance period of each tranche generally begins on January 1 of the financial year for which the multi-year bonus is granted.

The performance period ends on December 31 of the second financial year following the financial year for which the multi-year bonus is granted.

At the beginning of the performance period, the Executive Board members are each allocated a provisional number of virtual shares. The number is calculated by dividing the individual target amount agreed in the employment contract of the relevant Executive Board member by the Vossloh share price before the start of the performance period².

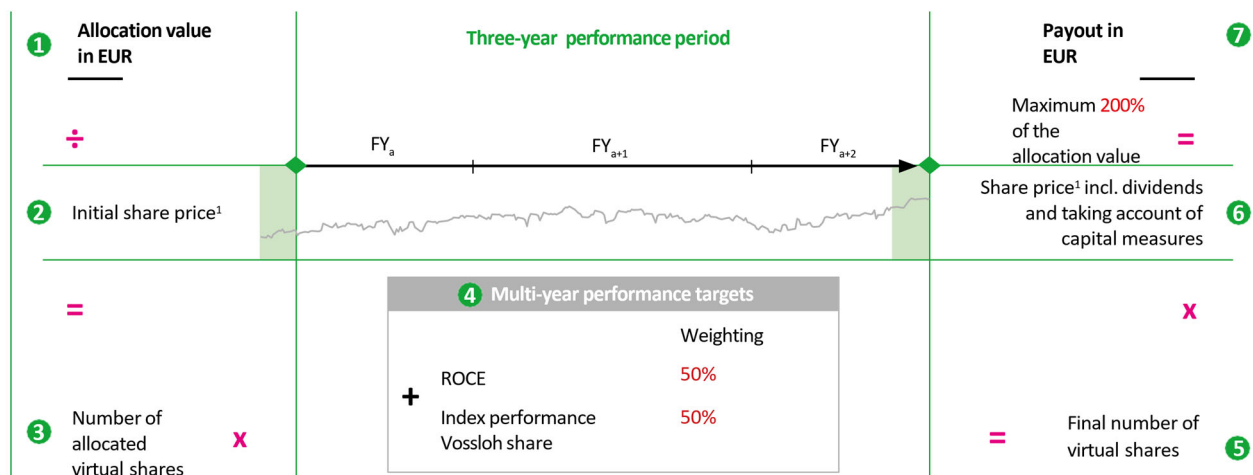
The payout amount is calculated by multiplying

- the number of virtual shares finally allocated with
- the Vossloh share price at the end of the performance period² plus the dividends granted during the performance period and taking into account any capital measures (total shareholder return ('TSR')).

The payout amount is capped at 200% of the individual target amount.

The number of virtual shares to be finally allocated is in turn calculated by multiplying

- the number of virtual shares provisionally allocated with
- the overall degree of target achievement of the multi-year performance targets set by the Supervisory Board for the performance period.



¹Average of the last 40 trading days before commencement or before end of performance period.

Performance criteria for the multi-year bonus

The key performance criteria for the multi-year bonus are both the Vossloh Group's return on capital employed ('ROCE') and the relative performance of the Vossloh share based on total shareholder return compared to the average price performance of the DAX, MDAX and SDAX performance indices, each with a weighting of 50 percent. The performance criteria based on internal capital efficiency

² The average closing price of the Vossloh share in the XETRA trading system of the Frankfurt Stock Exchange (or a comparable successor system) on the last forty trading days of the financial year preceding the start of the performance period or before the end of the performance period in question, as the case may be, shall be decisive in this respect.

(ROCE) and share performance (TSR) promote the implementation of the long-term corporate strategy and strengthen the convergence of interests between the members of the Executive Board and the shareholders.

ROCE

ROCE is calculated using the weighted average of the ROCE figures for the individual financial years of a performance period. The ROCE figure for each financial year is calculated as the percentage ratio of the consolidated EBIT reported in the approved and audited consolidated financial statements and the average capital employed (i.e., the sum of working capital and fixed assets). The individual components of ROCE are therefore strategically important key figures for the company and each increase in ROCE reflects an optimized use of the capital tied up in the company.

Relative Total Shareholder Return (TSR)

When determining the relative TSR, the TSR (i.e., the total return taking into account dividends and capital measures) of the Vossloh share in the performance period is compared with the average development of the DAX, MDAX and SDAX performance indices in the performance period (jointly, the 'index performance').³

Target achievement and payment

The overall degree of target achievement of a relevant tranche for a performance period is calculated from the weighted arithmetic mean of the target achievements in the ROCE and relative TSR performance criteria.

The multi-year bonus is paid together with the single-year bonus following approval of the consolidated financial statements for the final financial year of the performance period. The Supervisory Board shall be able to provide for advance payments to the serving Executive Board Chairman in order to facilitate the conversion of the two-year assessment period that has existed to date in continuation of his existing contract to the three-year performance period relevant for the multi-year bonus.

If the term of office of an Executive Board member begins or ends during a current financial year, the target amount of the multi-year bonus to be granted for said financial year is reduced *pro rata temporis* to the duration of the term of office served in the financial year in question.

If the appointment ends after the end of the financial year for which the multi-year bonus is granted but before the end of the associated performance period, the tranches in question are generally maintained. The payout amount is not paid out prematurely in the event of departure during the year.

³ The average closing prices on the last forty stock exchange trading days before the commencement or end of the relevant performance period, as the case may be, are decisive.

4.3. Obligation to purchase and hold shares (Share Ownership Guideline)

The members of the Executive Board are obligated to hold a minimum number of shares in Vossloh AG. Each Executive Board member should invest at least an amount of 100 percent of their fixed gross annual remuneration (excluding the pension substitute and perquisites) for the previous year in Vossloh shares or hold such shares for the duration of their employment. The historical purchase prices shall always apply. In the event of an increase in gross annual remuneration, the obligation to purchase and hold shares is adjusted accordingly. A five-year build-up phase applies to the accrual of this minimum shareholding from the date of joining the Executive Board or, in the case of the serving Executive Board members, from the effective date of this remuneration system.

The shareholdings of the Executive Board members existing at the time of appointment or when this remuneration system comes into effect are to be offset against the target amount using the historical purchase prices. In individual cases, the Supervisory Board may, at its discretion and taking into account the individual circumstances (e.g., due to restrictions on the acquisition of shares under contractual, internal company or statutory provisions), permit deviations from the aforementioned conditions by means of a corresponding resolution that states the circumstances and the necessity of the deviation.

4.4. Malus/clawback

The remuneration system provides for malus/clawback provisions. Under these provisions, the Supervisory Board has the ability, at its discretion in justified cases, to withhold or demand the repayment of variable remuneration components in whole or in part.

This possibility exists if an Executive Board member has demonstrably breached their obligations in such a way that it would justify termination without notice for good cause, or if they have demonstrably either intentionally or with gross negligence breached their duty of care within the meaning of Section 93 of the AktG (a 'compliance clawback').

In the event that variable remuneration components are determined or paid on the basis of an objectively incorrect consolidated financial statement, the Supervisory Board can adapt the determination on the basis of the corrected consolidated individual statement and demand the repayment of any remuneration components that have already been paid (a 'performance clawback').

A required repayment or reduction is possible in the aforementioned cases until two years have passed following the payment of the variable remuneration component. The reduction or repayment fundamentally takes place in the year in which the breach of duty took place, or for which an objectively incorrect consolidated financial statement has been determined.

Any liability for damages on the part of the Executive Board member vis-à-vis the company, as well as the right of the company to issue notice of termination for good cause, remain unaffected by the malus and clawback provisions.

5. Termination of service on the Executive Board

5.1. Contractual periods, termination options

Executive Board employment contracts are in each case concluded for the period of the appointment and generally terminate as of the time at which the respective appointment as a member of the Executive Board comes to an end.

Each term of appointment cannot exceed five years and is generally limited to three years for a first-time appointment. In accordance with the AktG, there are no provisions for an ordinary right to terminate in the employment contracts; the reciprocal right to terminate the employment contract without notice for good cause remains unaffected.

The Executive Board member's employment contract is terminated earlier than planned upon the expiry of the termination period applicable in accordance with Section 622(2) of the German Civil Code (BGB) if the appointment of the Executive Board member is revoked pursuant to Section 84(3) of the AktG and the company is entitled to terminate the employment contract for good cause (Section 626 of the BGB). It shall also be terminated earlier than planned if an Executive Board member should unilaterally resign their position before the end of their contract or if the Executive Board appointment is ended by mutual agreement.

5.2. Change of control

The employment contracts of the Executive Board members may include the member's right to early termination in the event of a change of control, whereby the Executive Board members have the right to resign their position on the board and to cancel their employment contract with a notice period of three months as of the end of the month. A control change is considered to have occurred if one or more individuals acting jointly gain control of at least 30% of the voting rights in the company or if an offer document for a takeover offer aimed at assuming control of the company within the meaning of Section 29(1) of the German Securities Acquisition and Takeover Act (WpÜG) has been published. In the latter case, the termination of the employment contract becomes effective no earlier than at the time at which actual control of the company is assumed. In the event that the employment contract provides for such a possibility for termination, the Executive Board member may be paid compensation for the remuneration for the remainder of the period of service. Such compensation may not exceed the level of compensation payments that would be due for other early termination of the contract pursuant to Clause 5.3.

5.3. Early termination

In the event that an appointment is terminated ahead of schedule, the variable remuneration that is due for the period until the end of the contract will be paid in accordance with the originally agreed rules for the employment contract. The Executive Board member generally receives a compensation payment for the remaining term of the employment contract at the time of their departure; however, this shall not exceed 24 months.

A compensation payment will not be made if the Executive Board member resigns their position unilaterally and without good cause, in cases where the termination is mutually agreed at the request of the Executive Board member, or if the company has terminated the employment contract for good cause or revoked the appointment of the Executive Board member for this reason.

The compensation payment is determined based on the (projected) total remuneration of the departed Executive Board member. In the event that the appointment is terminated within the first six months of the financial year, the (projected) total remuneration for the previous financial year shall serve as the basis; otherwise, the projected total remuneration for the current financial year will be decisive. The Supervisory Board shall determine the relevant total remuneration at its discretion and on the basis of a corresponding forecast while taking into account the degrees of target achievement that have already been reached. The compensation payment becomes due upon departure from the Executive Board.

In the event of the death of the serving Executive Board Chairman, the fixed remuneration will continue to be paid to the surviving dependents for the three months subsequent to the month in which he died.

6. Sideline activities of the members of the Executive Board

The fixed remuneration generally covers all activities performed by Executive Board members for the company and for its affiliated companies. In particular, this includes Supervisory Board mandates within the Group. Insofar as there are any remuneration claims vis-à-vis other affiliated companies, these shall be taken into account for the fixed remuneration. In the event of remuneration for the assumption of Supervisory Board memberships at non-Group entities, the Supervisory Board shall decide at the time at which the activity is approved whether and to what extent the remuneration from such memberships shall be taken into account for the fixed remuneration.

7. Temporary deviations

When determining the degree of target achievement of short-term performance targets and multi-year performance targets, the Supervisory Board is entitled to take into account or adjust for special effects (e.g., due to significant changes in the scope of consolidation not planned in the budget, e.g., as a result of M&A activities) at its discretion in order to take these into account to an appropriate extent so that the actual performance of the Executive Board members is reflected in their remuneration.

In exceptional cases, the Supervisory Board may moreover temporarily deviate from the remuneration system should this be necessary in the interest of the long-term well-being of the company. Overall unfavorable market developments expressly do not represent an extraordinary situation in this regard. Far-reaching and extraordinary changes to the economic situation, for example as the result of a severe economic crisis, may represent extraordinary situations within the meaning of this provision. In addition, a realignment of the remuneration system in the event of a significantly changed corporate strategy can be viewed as part of efforts to ensure that suitable incentives are in place. In the event that there is a deviation from the existing remuneration system, the remuneration must continue to be geared towards the sustainable and long-term development of the company and it cannot place too great a burden on the company's financial capacity. Any deviation from the remuneration system

is only possible with a corresponding resolution of the Supervisory Board recognizing the existence of extraordinary circumstances and the necessity of a deviation.

The ability to temporarily deviate from the Executive Board remuneration system is limited to the following components: Performance criteria for short-term and long-term variable remuneration, ranges for possible target achievement for the individual elements of the variable remuneration, and temporary disbursements for extraordinary ancillary performance. In the event that efforts to restore the incentive effect of Executive Board remuneration by adapting the existing remuneration components should prove insufficient, the Supervisory Board may, in the event of extraordinary developments and other things being equal, temporarily grant additional remuneration components.