

## **Declaration of Conformity**

### **Corporate governance at Vossloh**

Art. 161 German Stock Corporation Act ("AktG") requires the executive and supervisory boards of an exchange-listed stock corporation to issue an annual declaration on the extent to which the recommendations of the German Corporate Governance Code Government Commission have been and will be applied. In this context, the Executive and Supervisory Boards have made the following statement:

#### **"Statement made by the Executive and Supervisory Boards of Vossloh AG on the recommendations of the German Corporate Governance Code Government Commission pursuant to Art. 161 AktG"**

Vossloh AG implemented and continues to implement all recommendations of the German Corporate Governance Code Government Commission, which have been published by the Federal Ministry of Justice in the official part of the digital Federal Gazette on May 15, 2012, subject to the following exceptions:

Section 5.4.3, 2nd clause, of the German Corporate Governance Code ("Code") recommends that candidates slated for supervisory board chairpersonship be disclosed to the stockholders.

Vossloh's six-member Supervisory Board consists of one-third employee representatives and two-thirds stockholder representatives. At this year's Supervisory Board election, 3 of the 4 stockholder representatives will be newly elected to the Supervisory Board to succeed the 3 retirees. The fourth stockholder representative was appointed by the court in January 2013 but has also been slated for election at the annual general meeting. Given this configuration, any limitation of the new board's decision-making powers before it has even commenced its activities has not been deemed expedient by the previous Supervisory Board.

Section 5.4.6, 2nd paragraph, 2nd clause, of the Code as amended up to May 15, 2012, recommends that if supervisory board members are promised any performance-related compensation, it should be oriented toward the company's sustainable growth. The present remuneration of the Supervisory Board as laid down in Article 17(2) of Vossloh's current Articles of Association comprises a fixed fee plus variable remuneration based on group earnings. Therefore, this currently applicable variable fee has not met the amended Code's recommendation since May 15, 2012. It has been planned that the Executive and Supervisory Boards deliberate in fiscal 2013 on a redesign (if any) of Supervisory Board fees.

Werdohl, May 2013

Vossloh AG

The Executive and Supervisory Boards