

Kapsch TrafficCom

Remuneration Report *for financial year 2022/23.*

*Report pursuant to Sec. 78c
Austrian Stock Corporation Act (AktG).*

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1 Summary.

In the 2022/23 financial year, the Executive Board of Kapsch TrafficCom AG received a total remuneration in the amount of TEUR 1,975. The Supervisory Board remuneration of Kapsch TrafficCom AG was EUR 120,000. Kapsch TrafficCom does not have a stock option program, neither for the Executive Board nor for the Supervisory Board.

Remuneration of the Executive Board for financial year 2022/23.

In EUR thousand		Fixed	Variable	Pension fund	Other	Total
Georg Kapsch	Chairman, Chief Executive Officer	820.8	30.0	n.a.	13.9	864.7
Andreas Hämmerle	Member, Chief Financial Officer	464.4	20.0	20.0	8.0	512.4
Alfredo Escribá Gallego	Member, Chief Technology Officer	518.2	20.0	15.5	43.5	597.3
Total		1,803.5	70.0	35.5	65.5	1,974.5

The total remuneration of the Executive Board for the 2022/23 financial year decreased by 56.9%. This was mainly due to the severance payment for the early termination of an Executive Board mandate in the financial year 2021/22. Without the severance payment, total compensation would have decreased by 6,2%, as in the previous year Andreas Hämmerle was appointed to the Executive Board as of July 1, 2021 and until the departure of André Laux as of October 20, 2021 Kapsch TrafficCom had four (instead of three otherwise) members of the Executive Board. However, the average annual compensation of an Executive Board member increased by 3.3% in the reporting period. The average remuneration of employees at Kapsch TrafficCom AG (excluding the Executive Board and based on full-time equivalents) increased by 4.4%.

As in the previous year, no entitlements to profit-related remuneration arose for the members of the Executive Board because the requirement of EBIT of at least EUR 20 million was not met in the financial year.

Remuneration of the Supervisory Board.

In EUR thousand	Functions in			2021/22	2022/23
	Supervisory Board	Audit Committee	Remuneration Committee		
Franz Semmernegg	Chairman	Chairman	Chairman	42.0	42.0
Harald Sommerer	Deputy Chairman	Member	Member ¹⁾	39.3	38.5
Sabine Kauper	Member		Member ²⁾	19.8	20.5
Sonja Hammerschmid	Member ²⁾			9.5	19.0
Kari Kapsch	Member ¹⁾			9.5	0.0
Total				120.0	120.0

¹⁾ Until September 8, 2021

²⁾ From September 8, 2021

With the resolution of the Annual General Meeting of September 9, 2015, the total remuneration of the Supervisory Board was determined to be EUR 120,000 per year, with the Chairman being responsible for distributing this amount.

Shares owned by members of the Executive Board and Supervisory Board.

Supervisory Board members Franz Semmernegg and Claudia Rudolf-Misch each held 228 shares of Kapsch TrafficCom on the balance sheet date. The other members of the Supervisory Board and the members of the Executive Board held no shares.

2 Introduction.

The Remuneration Report 2022/23 has been prepared by the Executive Board and Supervisory Board and will be submitted to the Annual General Meeting in September 2023 for approval.

Group results 2022/23

- Revenues: EUR 553 million
- EBIT: EUR 8 million
- Employees at March 31, 2023: 4,039

Business performance 2022/23.

Kapsch TrafficCom recorded slight business growth in the financial year 2022/23, as expected, but EBIT was significantly below expectations. This was caused in particular by inflation-related rising personnel costs and negative margin adjustments in existing customer projects. The significantly reduced cost base in the past years could not compensate for these effects.

Despite the challenging economic environment, Kapsch TrafficCom also recorded numerous successes in the reporting period.

The sale of the Spanish public transport business was not only a significant strategic milestone, it also contributed substantially to the result achieved.

Project successes. In the financial year 2022/23, several implementation projects were completed and entered the operational phase, including tolling systems in California and New York as well as a traffic management system in Mexico. In South Africa, the contract for the tolling system in the Gauteng province was last extended until mid-December 2023.

Especially in urban areas, efficient traffic management is increasingly becoming a necessity. Kapsch TrafficCom was able to win several new urban projects in the reporting period:

- In Sweden, the implementation of a new multi-lane free-flow system was commissioned in Gothenburg. The system covers a complex urban area and is one of the largest urban tolling projects in the world in terms of the number of toll stations and toll plazas.
- In the United Arab Emirates, Kapsch TrafficCom has been selected to work with the capital of the Emirate of Sharjah to develop the next stage of intelligent traffic management. This centralized control system will improve traffic flow and be able to control it in a coordinated manner via a traffic control center.
- In Spain, Kapsch TrafficCom will implement its Kapsch Mobility Data Platform in the city of Seville, which will facilitate intelligent mobility management in the future: The system will be fed with data from sensors, cameras and existing traffic systems throughout the city, enabling city authorities to manage and predict mobility needs and traffic flows in real time.

New tolling projects are also increasingly incorporating sustainable aspects, such as tolling passenger cars based on vehicle emission status, distance traveled, and vehicle type in a pilot project in Norway, or systems in France and Norway that allow automatic payment of the toll fee without stopping.

Technological advancement. Kapsch TrafficCom is considered a pioneer in the field of communication between vehicles and other information sources or receivers ("V2X communication"). In the reporting period, great progress was achieved in the "digitalization of the road". Instead of the segmentation of the traffic system that is still common today, Kapsch TrafficCom is focusing on solutions for so-called orchestrated connected corridors (OCC) with a singular technology service offering, both in urban areas and on highways. Initial projects in Austria, the USA and Australia are already pointing the way to this future.

With these developments, Kapsch TrafficCom also sees its Strategy 2027 confirmed, which focuses with new technologies and platforms on a sustainable portfolio and on a sustainable Kapsch TrafficCom Group.

3 Remuneration of the members of the Executive Board.

The Executive Board of Kapsch TrafficCom was composed as follows in the 2022/23 financial year:

Name and function	Areas of responsibility	Born	Year first appointed	Year current term expires
Georg Kapsch Chairman Chief Executive Officer	Sales, Production (Canada), Legal, People Management, Marketing & Communications, Corporate Development, Investor Relations, "Environment, Social & Governance" (ESG), Corporate Information & Management Systems (CIMS), Demand Management, Tolling Services	1959	2002	2025
Andreas Hämmerle Member Chief Financial Officer	Finance, Supply Chain Management, Production (Austria), Internal Audit and Risk Management	1970	2021	2024
Alfredo Escribá Gallego Member Chief Technology Officer	Technology & Platforms, Global Services, Software Excellence, Product Management, Application Center Tolling and Traffic	1969	2019	2024

3.1 Basic features of the Executive Board remuneration policy.

At the Supervisory Board meeting of June 15, 2020, the Supervisory Board adopted the Remuneration Policy ("Remuneration Policy 2020") for the Executive Board and the Supervisory Board as proposed by the Remuneration Committee. The Supervisory Board presented the Remuneration Policy to the ordinary Annual General Meeting on September 9, 2020, for a vote. With 70.4% of the shares present for the vote, more than 99.9% approved the Remuneration Policy 2020. The result has the character of a recommendation and could not be contested. Thereafter, the Remuneration Policy shall be presented to the Annual General Meeting at least every fourth financial year for a vote.

Georg Kapsch has since been remunerated in accordance with the Remuneration Policy 2020, Andreas Hämmerle as of his appointment to the Executive Board (July 1, 2021). In the course of an increase in the remuneration of Alfredo Escribá as of October 1, 2021, his contract was adjusted to the provisions of Remuneration Policy 2020. Since then, the entire Executive Board of Kapsch TrafficCom has been subject to the Remuneration Policy 2020.

3.1.1 Fundamentals and overview.

Fundamentals.

- The remuneration ensures that the Executive Board acts in the interests of the business, the employees, shareholders and the Company.
- The remuneration should promote the Company's strategy.
- The remuneration takes account of the economic position of the Company and the corporate group on the one hand and the qualifications, scope of duties and performance of the individual member of the Executive Board on the other.
- The remuneration takes account of national and international circumstances on the market and the remuneration levels at comparable companies. Only in this way is it possible to ensure that the Company remains attractive for suitable members of the Executive Board in the future.
- At the same time, the remuneration and employment conditions of the Company's employees should be taken into account in the remuneration of the members of the Executive Board.
- Variable remuneration for the Executive Board should offer an adequate incentive to perform, but not entice members of the Executive Board to take inappropriate, excessive risks.

Overview of the remuneration components.

The remuneration for members of the Executive Board consists of the following:

- Fixed remuneration
- Variable Remuneration
 - Profit-based component
 - Variable Remuneration I: non-financial criteria
 - Variable Remuneration II: non-financial criteria (employee satisfaction)
- Benefits equally enjoyed by all employees
- D&O insurance
- Optional benefits
 - Company pension plan
 - Severance payment
 - Insurance
 - Continued payment of remuneration in the event of illness or death
 - Fringe benefits

The Company does not grant any share-based remuneration.

3.1.2 Fixed remuneration.

The members of the Executive Board receive fixed annual remuneration that is agreed individually. It should be more than EUR 300,000 (gross) per member of the Executive Board and financial year and may not exceed the value of EUR 1,200,000 (gross). If a member of the Executive Board works for the Company for less than one financial year or a member of the Executive Board departs prior to the end of a financial year, the indicated limits will be applied proportionately.

The fixed remuneration is usually adjusted once a year in accordance with a recognized index (e.g. in the case of remuneration in Euros: the Consumer Price Index calculated by the Austrian Federal Statistical Office (Bundesanstalt Statistik Österreich); in the case of remuneration in US Dollars: US Consumer Price Index (CPI-U) provided by the Bureau of Labor Statistics). The Remuneration Committee decides on adjustments in excess thereof.

3.1.3 Profit-based remuneration.

This remuneration component should create suitable incentives for management to act in accordance with the interests of the business and its shareholders, investors and the Company without making it attractive to take excessive risks. The profit-based remuneration is consistent with the Company's strategy of long-term added value and the targets formulated within the strategy. Specifically, the Group's operating income should increase sustainably.

The basis for the profit-based remuneration is the consolidated operating result (earnings before interest and taxes, EBIT) as reported in the Company's consolidated financial statements. The EBIT is the most important key performance indicator for controlling profitability in the Kapsch TrafficCom Group. The percentage of EBIT to be applied for the calculation of the "bonus entitlement" is agreed individually with the members of the Executive Board.

There will only be an entitlement to the profit-based remuneration component if the EBIT is at least EUR 20 million in a financial year. The amount of the profit-based remuneration to be paid out is limited to the amount of the fixed remuneration. An amount in excess of this shall be forfeited.

Payout terms. The payout of the profit-based remuneration is determined by the EBIT in the preceding financial year ("base value") and is made in three annual tranches, each in November. A member of the Executive Board is entitled to a payment of 60% of the bonus entitlement in the first year; 30% in the second year, and 10% in the third year.

Deferred payments. The entitlements to the second and third tranches ("deferred payments") are tied to future EBIT performance as an incentive to ensure sustainable EBIT performance. To this end, there are corridors that represent deviations from the base value (within the scope of a defined Compound Annual Growth Rate, CAGR) and can result in adjustments to the amounts to be paid out in tranches two and three. Tranches two and three can fall into different corridors.

3.1.4 Variable Remuneration I: non-financial criteria.

The Remuneration Committee sets four non-financial targets for each financial year, with at least two targets covering a multi-year timeframe. In the selection of the targets, the Remuneration Committee uses the key performance indicators in the Company's current consolidated non-financial report as a reference point, but can also autonomously define them. A member of the Executive Board shall be entitled to an amount of EUR 10,000 for the achievement of each target. This remuneration component will be paid out in each November.

3.1.5 Variable Remuneration II: non-financial criteria (employee satisfaction).

Satisfied employees are an essential component for the success of the Kapsch TrafficCom Group. There is therefore an additional variable remuneration component linked to the sustainable achievement of non-financial criteria – specifically to certain results of the employee survey. This survey takes place at intervals that are several years apart. Once the results are available and if all defined criteria have been met, an amount of EUR 10,000 per Executive Board member will be paid out for each year since the last such survey. The condition for the payout is an Executive Board mandate that has been in effect for at least two years.

3.1.6 Benefits equally enjoyed by all employees.

Kapsch TrafficCom provides certain benefits to all employees. This may include members of the Executive Board, in each case under the same conditions and to the same extent as all other employees. If a benefit is available to a different extent in the future or no longer available in general, this shall apply analogously to the members of the Executive Board. Examples of such a benefit are:

- Business trip health insurance to cover medical costs on business trips.
- Business trip emergency help provides support in medical or safety-relevant emergencies. Furthermore, it offers advice on questions about the destination before starting a business trip (particularly on risk factors). It is not possible to individually categorize this service for specific persons.

3.1.7 D&O insurance.

The members of the Executive Board, the Supervisory Board and senior executives at Kapsch TrafficCom are insured against financial loss as part of a directors and officers liability insurance (D&O insurance). Due to the payment of a collective premium, it is not possible to individually categorize the insurance for specific members of the Executive Board. The insurance contract contains standard market conditions; the premiums do not have to be covered by the members of the Executive Board. This insurance is not classified as remuneration in kind subject to income tax according to applicable Austrian law.

3.1.8 Optional benefits.

Company pension plan.

The importance of a company pension plan alongside the government pension insurance is increasing. For this reason, Kapsch TrafficCom may agree with the members of the Executive Board that a share of the total remuneration is contributed to an external pension fund in the form of payments. The amount of these contributions shall be agreed individually upon conclusion of the contract and may not exceed EUR 100,000 per year and member of the Executive Board. The pension commitments are defined contribution plans; the Company is not obligated to make additional payments in the case of unsatisfactory investment performance at the pension fund. After the end of a mandate due to the passage of time, an Executive Board member has no further claims against the Company.

Severance payment.

Independently of other benefits, an Executive Board member can be granted an entitlement to a severance payment in his or her Executive Board contract. This can only occur on the expiration of the Executive Board mandate without another extension or in the case of premature dissolution of the contract without the existence of misconduct.

The severance payment for a member of the Executive Board may not amount to more than the total remuneration in two years. The underlying total annual remuneration is calculated as the average of the respective total remuneration in the last two financial years. The amount of the contractual severance payment must be reduced in any case

- by the account balance on the balance sheet date according to the pension fund and
- any ongoing entitlement to continued payment of the fixed remuneration.

Insurances.

For members of the Executive Board employed in Austria, insurance (particularly travel accident insurance, accident insurance, supplementary health insurance) can be concluded and its premiums covered by the Company. The total annual premiums may not exceed EUR 10,000 per Executive Board member.

Adequate private insurance can be concluded for Executive Board members that are employed in other countries without comparable government health insurance. The premiums for this are covered by the Company up to an annual maximum amount of EUR 50,000 per Executive Board member.

Continued payment of remuneration in the event of illness or death.

In deviation from the regulations regarding the fixed remuneration, the Executive Board contract can include for the special case of illness or accident that the entitlements to remuneration remain in effect in the event of incapacity to work for a maximum of the remaining term of the employment contract.

In the event that an Executive Board member dies, an entitlement to continued payment of the remuneration may be granted for the benefit of the statutory heirs for a maximum of the month of death and the two following months.

Fringe benefits.

Executive Board members have an entitlement to a company car. A driver can be provided. The company car and the driver can also be used privately.

The Company covers the cost of the standard electronic work equipment (smartphone, notebook, etc.) for office and home use. The secretaries may be used by Executive Board members for private purposes (e.g., the booking of private trips or cultural events, etc.) to the standard extent in the industry.

Kapsch TrafficCom can provide members of the Executive Board with a company apartment or an allowance for housing. A condition for this is that the Executive Board member's place of residence is not in Vienna or within 100 kilometers of Vienna as the crow flies at the time the Executive Board mandate is accepted. The company apartment or allowance for housing may amount to a maximum of EUR 3,500 net per month.

The Company can assume expenses for health care, if not already covered by an insurance, for an amount of up to EUR 1,500 per financial year.

Kapsch TrafficCom may offer members of the Executive Board relevant training for their duties and cover the costs incurred.

Extraordinary remuneration.

Extraordinary remuneration is not provided.

3.2 Executive Board remuneration.

3.2.1 Total remuneration.

The total compensation to the Executive Board of Kapsch TrafficCom in the 2022/23 financial year decreased by 56.9% to TEUR 1,975. The main reasons for this were the severance payment for the early termination of the Executive Board mandate with André Laux in financial year 2021/22 and the fact that Kapsch TrafficCom had four (instead of otherwise three) Executive Board members after the appointment of Andreas Hämmerle to the Executive Board as of July 1, 2021 until the departure of André Laux. By contrast, in the financial year 2021/22 Georg Kapsch waived 10% of his fixed compensation from April 1 to December 31, 2021, and Alfredo Escribá Gallego waived payments into his US pension plan in the reporting period.

3.2.2 Executive Board remuneration in financial year 2022/23.

In EUR	Georg Kapsch	Andreas Hämmerle	Alfredo Escribá Gallego ¹⁾	Total
Fixed remuneration	820,820	464,408	518,232	1,803,460
Profit-based remuneration	-	-	-	-
	(0.75% of EBIT ²⁾)	(0.50% of EBIT ²⁾)	(0.40% of EBIT ²⁾)	
thereof deferred payments	-	-	-	-
Variable Remuneration I	30,000	20,000	20,000	70,000
Variable Remuneration II (employee satisfaction)	n.a.	n.a.	n.a.	n.a.
Variable remuneration	30,000	20,000	20,000	70,000
Pension fund	n.a.	20,000	15,547	35,547
Other remuneration³⁾	13,904	8,031	43,536	65,471
	-	-	-	
Total remuneration	864,724	512,439	597,316	1,974,479

¹⁾ Payments in US Dollar; applied average exchange rate in the reporting period: 1.046. Pension fund means payments into the US pension account 401 (k). In financial year 2021/22 he waived such contributions.

²⁾ EBIT = Earnings Before Interest and Taxes, operating result

³⁾ Other remuneration comprises: various insurances, company car as compensation in kind (Georg Kapsch and Andreas Hämmerle) or car allowance (Alfredo Escribá Gallego).

In the 2022/23 financial year, there were payments in the amount of TEUR 70 to members of the Executive Board for variable remuneration components from previous periods. The payment of the Variable Remuneration I will be made in November 2023.

Profit-related remuneration. As in the previous year, no entitlements to profit-related remuneration arose for the members of the Executive Board because the requirement of EBIT of at least EUR 20 million was not met in the financial year.

Variable Remuneration I. The multi-year targets from the financial year 2021/22 that relate to the financial year 2022/23 were:

- In the financial year 2022/23, the employee turnover rate must be lower than 10%. The calculation of the employee turnover rate corresponds to that in the Non-Financial Report.
- The number of airline tickets used in the financial year 2022/23 is more than 50% lower than in financial year 2018/19 (i.e., the last financial year before travel was significantly restricted as a consequence of COVID-19).

These targets were relevant for Georg Kapsch and were partially met. The employee turnover rate did not reach the required level.

The one-year targets from the financial year 2022/23 were:

- Average emissions per vehicle (in metric tons of CO₂ equivalents) decrease by 2% (previous year: 4.91).
- In the financial year 2022/23 there shall be no conviction, sanction or fine for Kapsch TrafficCom Group companies in connection with corruption or human rights violations.

These targets were relevant for Georg Kapsch, Andreas Hämmerle and Alfredo Escribá and were met.

Multi-year targets were defined as:

- In the financial years 2022/23 and 2023/24, a total of at least 25 Green Gantries will be sold.
- On December 31, 2023, the proportion of women in leadership positions (calculated as in the Non-Financial Report) in the Group is to be at least 30%.

Variable Remuneration II. A survey is conducted at multi-year intervals to ascertain employee satisfaction. Results of the employee survey form the basis for entitlements to Variable Remuneration II (employee satisfaction). Each member of the Executive Board is granted a bonus of EUR 10,000 for each financial year since the previous survey if 100% of the following criteria are met in the employee survey:

- A response rate of over 55%.
- A positive response more than 85% of the time when answering the question of “If you had to choose again, would you still choose Kapsch as an employer?”
- A positive response more than 80% of the time when answering the question of “Would you recommend Kapsch as an employer?”.

As no survey has been conducted since the resolution of these criteria and in the reporting period, there was no Variable Remuneration II.

3.2.3 Relative composition of the Executive Board remuneration in the financial year 2022/23.

	Fixed	Variable	Pension fund	Other	Total ¹⁾
Georg Kapsch	95%	3%	n.a.	2%	100%
Andreas Hämmerle	91%	4%	4%	2%	100%
Alfredo Escribá Gallego	87%	3%	3%	7%	100%

¹⁾ For ease of presentation, amounts have been rounded. However, calculations are done using exact amounts which may lead to rounding differences.

3.2.4 Development of the remuneration.

	2021/22	Change		2022/23
		absolute	in %	
Total Executive Board remuneration (in EUR)				
Georg Kapsch	780,564	84,160	10.8%	864,724
Andreas Hämmerle ¹⁾	359,277	153,162	42.6%	512,439
Alfredo Escriba Gallego ²⁾	477,549	119,767	25.1%	597,316
André Laux ³⁾	2,965,227	-2,965,227	-100.0%	-
Total	4,582,617	-2,608,138	-56.9%	1,974,479
Exclusive severance payment	2,104,751	-130,272	-6.2%	1,974,479
Average remuneration (in EUR)				
Average remuneration of an Executive Board member ⁴⁾	1,387,090	-728,930	-52.6%	658,160
of which: exclusive severance payment	637,077	21,083	3.3%	658,160
Average remuneration per employee ⁵⁾	70,294	3,096	4.4%	73,390
Financial performance of Kapsch TrafficCom				
Revenues (EUR million)	519.8	33.6	6.5%	553.4
EBIT ⁶⁾ (EUR million)	11.0	-3.4	n.a.	7.6
Equity ratio ⁷⁾	15.2%	n.a.	-4.5pp	10.7%

¹⁾ Member of the Executive Board since July 1, 2021

²⁾ Payments in US Dollars; applied average exchange rate in the reporting period: 1.046

³⁾ Executive Board contract terminated in October 2021

⁴⁾ Calculation: Total Executive Board remuneration / Number of Executive Board members; appointments or resignations during the year are recorded on a pro-rata basis.

⁵⁾ Average remuneration of employees at Kapsch TrafficCom AG (excluding the Executive Board) on a full-time equivalent basis

⁶⁾ EBIT = Earnings Before Interest and Taxes, operating result

⁷⁾ Calculation: total equity / total assets

4 Remuneration of the members of the Supervisory Board.

In the 2022/23 financial year, the members of the Supervisory Board were:

	Position	Year of birth	Year first appointed	Year current term expires
Franz Semmernegg	Chairman	1968	2002	2023
Harald Sommerer	Deputy Chairman	1967	2013	2023
Sabine Kauper	Member	1968	2011	2023
Sonja Hammerschmid	Member	1968	2021	2025
Christian Windisch	Member ¹⁾	1963	2002	-
Claudia Rudolf-Misch	Member ¹⁾	1967	2018	-

¹⁾ Delegated by the works council which may recall a member it has delegated at any time.

The Supervisory Board has established an Audit Committee and a Remuneration Committee. The Audit Committee is made up of Franz Semmernegg (Chairman and financial expert), Harald Sommerer (financial expert) and Christian Windisch. Franz Semmernegg (Chairman) and Sabine Kauper form the Remuneration Committee.

4.1 Fundamentals of the Supervisory Board remuneration policy.

4.1.1 Fundamentals.

- The remuneration policy for the Supervisory Board aims to adequately compensate members for their tasks and responsibilities. This is intended to make it possible to acquire and retain appropriately qualified persons for this work.
- Highly-qualified Supervisory Board members are necessary so that they can properly fulfill their supervisory duties and act as sparring partners for management. This helps to promote the business strategy and the long-term development of the Company.
- When drafting the remuneration policy for the Supervisory Board, the remuneration and employment conditions of the employees at Kapsch TrafficCom were not taken into account due to their lack of relevance.

4.1.2 Remuneration.

The Supervisory Board consists of the members elected at the Annual General Meeting (“Capital Representatives”) and the members appointed by the Works Council. The latter exercise their duty voluntarily on account of mandatory statutory provisions and do not receive any remuneration for their work.

The total remuneration is divided between the Capital Representatives, the amount of which is determined at the Annual General Meeting. The allocation of this amount is the responsibility of the Chair of the Supervisory Board. He/She shall take account of the duties handled by the Capital Representatives (e.g. chair work, membership on committees). The remuneration for the members of the Supervisory Board can be paid out monthly, quarterly or annually.

The Company expects that members of the Supervisory Board will also handle their duties outside of regular meetings (e.g., dealing with circular resolutions). For this reason, Kapsch TrafficCom considers the paying of meeting fees to be inappropriate.

Members of the Supervisory Board are not entitled to any bonuses, share-based remuneration or other variable remuneration components. These would only encourage members to take risks and would contradict the purpose of this body.

Expenses and Infrastructure.

Members of the Supervisory Board are reimbursed for travel expenses.

All Capital Representatives can make use of the office infrastructure (particularly the printers, fax, phone) and secretary support in exercising their duties at the headquarters of the Company. Kapsch TrafficCom also assumes the costs for phone and video conferences if they are connected with the work as Capital Representative on the Supervisory Board at Kapsch TrafficCom.

Kapsch TrafficCom may offer members of the Supervisory Board relevant training for their duties and cover the costs incurred.

D&O insurance.

The members of the Supervisory Board, the Executive Board and senior executives at Kapsch TrafficCom are insured against financial loss as part of a directors and officers liability insurance (D&O insurance). Due to the payment of a collective premium, it is not possible to individually categorize the insurance for specific members of the Supervisory Board. The insurance contract contains standard market conditions; the premiums do not have to be covered by the members of the Supervisory Board. This insurance is not classified as remuneration in kind subject to income tax according to applicable Austrian regulations.

4.2 Supervisory Board member remuneration.

With the resolution of the Annual General Meeting of September 9, 2015, the total remuneration of the selected members of the Supervisory Board was determined to be EUR 120,000 per year, with the Chairman being responsible for distributing this amount. This shall apply until a future Annual General Meeting decides on another remuneration. The following amounts were paid out:

In EUR	Functions	2021/22	2022/23
Franz Semmernegg	Chairman of the Supervisory Board, Chairman of the Audit Committee, Chairman of the Remuneration Committee	42,000	42,000
Harald Sommerer	Deputy Chairman of the Supervisory Board, Member of the Audit Committee, Member of the Remuneration Committee ¹⁾	39,250	38,500
Sabine Kauper	Member of the Supervisory Board, Member of the Remuneration Committee ²⁾	19,750	20,500
Sonja Hammerschmid	Member of the Supervisory Board ²⁾	9,500	19,000
Kari Kapsch	Member of the Supervisory Board ¹⁾	9,500	0
Total		120,000	120,000

¹⁾ Until September 8, 2021

²⁾ From September 8, 2021

Of the remuneration entitlement in financial year 2022/23, EUR 30.000 was paid after the balance sheet date. The compensation claim in financial year 2021/22 was settled in full before the balance sheet date.

At the constituent meeting of the Supervisory Board on September 8, 2021, it was decided that the Audit and Remuneration Committees would be made up with partly different capital representatives. Whereas until this meeting a collective compensation was paid for both committee activities, the compensation for each committee had to be regulated individually thereafter. The breakdown of the total remuneration of EUR 120,000 was revised to this effect as of the 2021/22 half-year and was based on the following scheme:

In EUR	Since October 1, 2021
Supervisory Board	
Chairman	30,000
Deputy Chairman	30,000
Member	19,000
Audit Committee	
Chairman	10,000
Member	8,500
Remuneration Committee	
Chairman	2,000
Member	1,500

Vienna, June 13, 2023



Georg Kapsch
Chief Executive Officer



Franz Semmernegg
Chairman of the Supervisory Board

Disclaimer.

Certain statements in this report are forward-looking statements. They contain the words “believe,” “intend,” “expect,” “plan,” “assume,” and terms of a similar meaning. Forward-looking statements reflect the beliefs and expectations of the company. Actual events may deviate significantly from the expected developments, due to a range of factors. As a result, readers are cautioned not to place undue reliance on such forward-looking statements. Kapsch TrafficCom AG is under no obligation to update forward-looking statements made herein.

This report was created with care and all data has been checked conscientiously. Nevertheless, the possibility of layout and printing errors cannot be excluded. Differences in calculations may arise due to the rounding of individual items and percentages. The English translation is for convenience; only the German version is authentic.

When referring to people, the authors strive to use both the male and female forms as far as possible (for example: he or she). For readability reasons, occasionally only the masculine form is used. However, it always refers to people of all gender categories.

This report does not constitute a recommendation or invitation to purchase or sell securities of Kapsch TrafficCom.

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Kapsch TrafficCom

Kapsch TrafficCom is a globally renowned provider of transportation solutions for sustainable mobility with successful projects in more than 50 countries. Innovative solutions in the application fields of tolling, tolling services, traffic management and demand management contribute to a healthy world without congestion.

With one-stop-shop solutions, the company covers the entire value chain of customers, from components to design and implementation to the operation of systems.

Kapsch TrafficCom, headquartered in Vienna, has subsidiaries and branches in more than 25 countries and is listed in the Prime Market segment of the Vienna Stock Exchange (ticker symbol: KTCG). In its 2022/23 financial year, about 4,000 employees generated revenues of EUR 553 million.

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