

Report of the Supervisory Board

1. Kapsch TrafficCom AG's supervisory board held a total of four meetings in the fiscal year from 1 April 2015 to 31 March 2016. No member of the supervisory board attended less than half of all meetings.

The supervisory board was informed by the executive board on an ongoing basis in writing and verbally as well as in the meetings held jointly with the executive board on the position, development and strategy of the company. It also monitored and advised the executive board during the period under review.

As the chairman of the supervisory board, I was regularly in contact with the chairman of the CEO in order to discuss business developments, strategy and risk management of the company.

In the past fiscal year, no transactions requiring approval in accordance with Sec. 95 para 5 no. 12 of the Austrian Stock Corporation Act (Aktiengesetz –“AktG”) took place with members of the supervisory board or with companies in which a member of the supervisory board has a significant financial interest, with the exception of the transactions listed in the notes to the consolidated financial statements under “Related parties”.

2. PwC Wirtschaftsprüfung GmbH, Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Vienna, as independent auditor appointed by the annual general meeting, has audited and issued an unqualified audit opinion on the annual separate financial statements and the management report dated 08 June 2016 and the annual consolidated financial statements and the consolidated management report dated 8 June 2016 of Kapsch TrafficCom AG as of 31 March 2016, each as prepared by the executive board.

The annual separate financial statements and the annual consolidated financial statements, the executive board's proposal for the distribution of profit, the auditors' reports (including the management letter) as well as the corporate governance report were discussed in detail with the executive board and the independent auditors at a meeting of the audit committee and subsequently presented to the supervisory board.

The supervisory board reviewed such documents in accordance with Sec. 96 AktG and approved the annual separate financial statements in line with Sec. 96 para 4 AktG. The supervisory board concurs with the executive board's proposal for the distribution of profits and, together with the executive board, will therefore recommend to the annual general meeting on 7 September 2016 the payment of a dividend of EUR 1.50 per share for the fiscal year 2015/16.

3. The audit committee held a total of four meetings during the fiscal year from 1 April 2015 to 31 March 2016 and met the responsibilities as set out in Sec. 92 para 4a AktG. In addition to the review and preparation of the approval of the financial statements and consolidated financial statements as well as the audit of the corporate governance report, these responsibilities included the review of the audit process and the auditor's independence, the preparation of a proposal for the distribution of profit, of a report to the annual shareholders' meeting and of the proposal for the selection of an auditor, as well as the review of the accounting process, of the effectiveness of the internal control and of the risk management systems. No member of the audit committee attended less than half of all meetings.

4. The committee for executive board matters held two meeting in the past fiscal year.
5. The supervisory board extends its thanks to the members of the executive board and all employees of Kapsch TrafficCom AG for their work in fiscal year 2015/16.

Vienna, 21 June 2016

Franz Semmernegg
Chairman of the Supervisory Board