

Kapsch TrafficCom

Consolidated Corporate Governance Report.

YOU

Consolidated Corporate Governance Report.

Principles.

Kapsch TrafficCom declares its voluntary commitment to the January 2018 version of the Austrian Code of Corporate Governance.

Austrian Code of Corporate Governance (ACCG).

The ACCG was presented to the public on October 1, 2002 and has been amended several times since then. The publisher is the Austrian Working Group for Corporate Governance, and the current version of the ACCG is accessible at its website (www.corporate-governance.at).

The rules of the ACCG are divided into three categories:

- > L-rule (Legal Requirement): Rule which is based on mandatory legal requirements
- > C-rule (Comply or Explain): Rule for when a deviation is to be explained and justified
- > R-rule (Recommendation): Rule with the character of a recommendation, non-compliance requires neither disclosure nor explanation

Bodies of a stock company (Aktiengesellschaft).

Kapsch TrafficCom has the legal form of an "Aktiengesellschaft" (AG) [the equivalent of a stock company] under Austrian law. Its organization is based on three organs, the Executive Board, the Supervisory Board and the Annual General Meeting. These are set up according to the principle of the separation of powers.

Under its own responsibility, the Executive Board manages the company as the well-being of the company requires, taking into consideration the interests of the stock holders and the employees, as well as the public interest. Members of the Executive Board shall be appointed by the Supervisory Board.

The Supervisory Board is to monitor the management of the company. For certain business transactions determined in the Austrian "Aktiengesetz" (stock corporations act), in the articles of association and the by-laws, the Executive Board is to obtain the approval of the Supervisory Board. The members of the Supervisory Board shall be chosen by the Annual General Meeting. Moreover, the worker representation is entitled to delegate a member from their own ranks for every two members of the Supervisory Board chosen by the Annual General Meeting.

The Annual General Meeting serves to form the general will of the shareholders primarily in those matters of the company which are assigned to it for decision in accordance with the law and the articles, or which are submitted by the Executive Board and/or Supervisory Board for decision.

Kapsch TrafficCom in Kapsch Group.

The Kapsch family indirectly holds 100% of KAPSCH-Group Beteiligungs GmbH, the parent company of the Group. Among other things, the following main companies of the group are direct subsidiaries: Kapsch Aktiengesellschaft (100%), Kapsch BusinessCom AG (94.9%), Kapsch CarrierCom AG (100%), Kapsch Public TransportCom GmbH (100%) and Kapsch TrafficCom AG (63.3%).

Statement of compliance.

In the 2017/18 fiscal year which ended on March 31, 2018, Kapsch TrafficCom satisfied all of the conditions of the January 2018 version of the ACCG in terms of content with the following statements:

- > C-rule 27 – The profit-based variable remuneration components of Mr. Laux and Mr. Lewald are based on the operative profitability of the company (concrete: the operating result, EBIT). The percentage rate to be applied for the calculation was measured at the time of the conclusion of the contract in such a way that the variable part is not forecast to exceed the fixed payment in any year of the appointment to the Executive Board. Upper limits for the variable remuneration going beyond this provision can be waived.
- > C-rule 27a – In order to limit the amount of possible severance pay in the case of the premature termination of an appointment to the Executive Board without cause, it is envisaged to limit the duration of employment contracts to three years per term of office. Further limitations in this regard are not to be implemented on the relevant labor market and shall not be considered expedient

The decision regarding these deviations was made by the Supervisory Board of Kapsch TrafficCom AG.

Executive Board.

Name and function	Area of responsibility	Year of birth	Year first appointed	Year current term expires
Georg Kapsch Chairman, Chief Executive Officer	Finance, investor relations & compliance, mergers & acquisitions, strategy, new ventures, legal, human relations, marketing & PR, international subsidiaries & management systems, IT, innovation management, sales region North America as well as the Solution Centers: Urban Traffic & Mobility Management, Intelligent Mobility Services	1959	2002	2020
André Laux Member, Chief Operating Officer	Sales regions: Europe-Middle East-Africa, Americas, Asia-Pacific as well as supply chain management, production & logistics	1962	2010	2019
Alexander Lewald Member, Chief Technology Officer	Research & development as well as the Solution Centers: Tolling, Back Office, Connected Vehicles, Highway & Tunnel Traffic Management	1964	2015	2019

Mag. Georg Kapsch is employed by Kapsch AG and shall be delegated by this company to various management positions within Kapsch Group. He is since:

- > July 1989: Member of the Executive Board of Kapsch AG, and elected CEO in October 2001
- > October 2000: CEO of KAPSCH-Group Beteiligungs GmbH, now the core shareholder of Kapsch TrafficCom AG
- > November 2000: Managing director of DATAX HandelsgmbH, the sole parent company of KAPSCH-Group Beteiligungs GmbH
- > December 2002: CEO of Kapsch TrafficCom AG

Mr. Kapsch studied business administration at the Vienna University of Economics and Business and graduated in 1981. In the following year he joined Kapsch AG, where he was active in the various areas of the company. In stock companies outside of Kapsch TrafficCom Group, he exercises the following Supervisory Board positions:

- > Chairman of the Supervisory Board of Kapsch CarrierCom AG
- > Deputy Chairman of the Supervisory Board of Kapsch BusinessCom AG
- > Member of the Supervisory Board of Teufelberger Holding AG

Georg Kapsch is also a member of the Executive Board of the Private Foundation Wunderer, the Mitterbauer Private Foundation and the Tabor Private Foundation, and has been President of the Federation of Austrian Industries since June 2012.

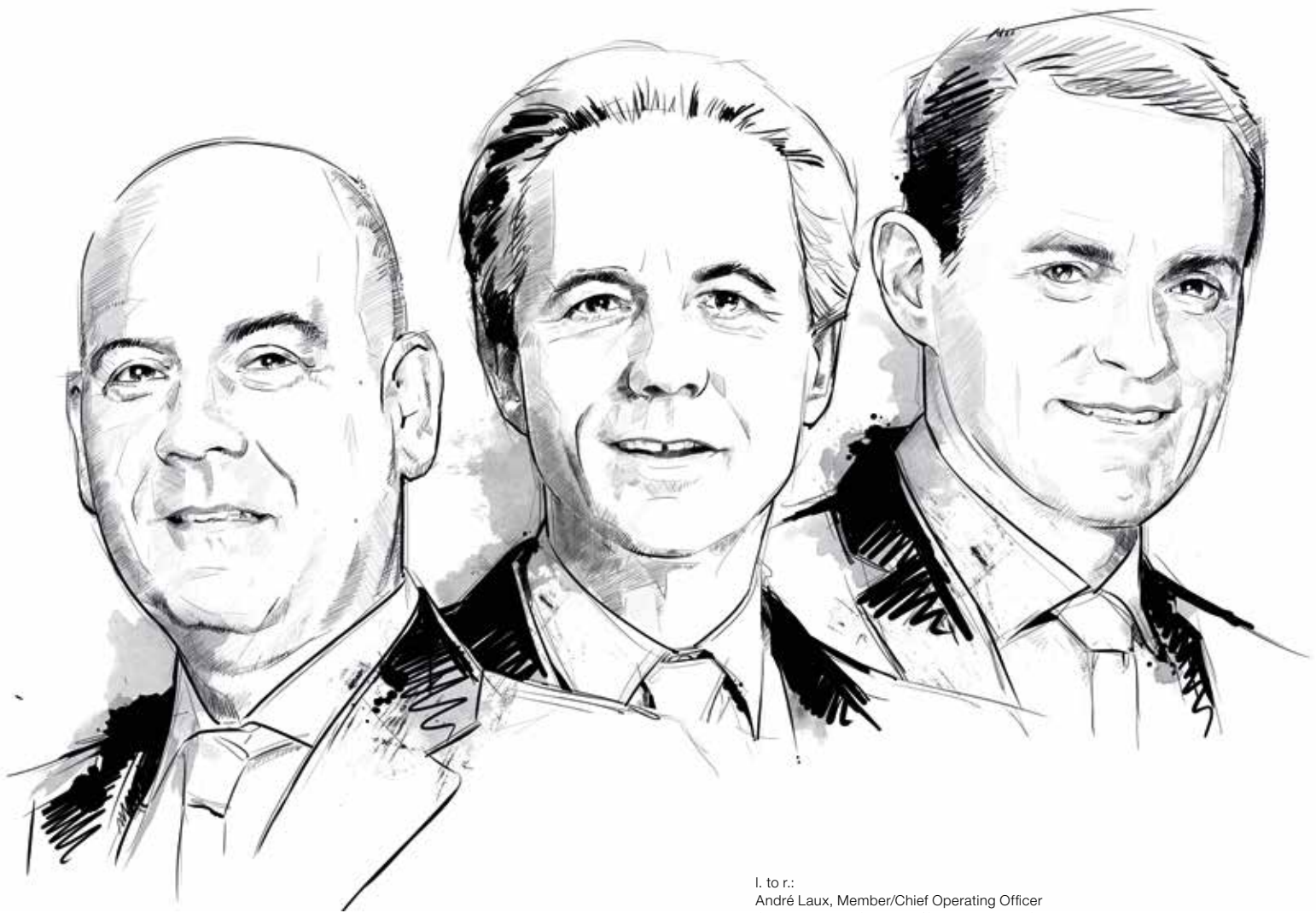
Dipl.-Betriebsw. André Laux has been working for Kapsch TrafficCom Group since December 2007 and has been a member of the Executive Board of Kapsch TrafficCom AG since April 1, 2010. In November 2014 he was appointed COO.

Mr. Laux began his professional career following his studies in business management in Germany and England in various sales and management positions (1988-1997) both at home and abroad. In 1997 he was Managing Director of the German chip card manufacturer ODS Landis & Gyr in Munich. In 2000 André Laux moved within the group of companies to Salzburg as Chairman of the Executive Board at Skidata AG. In 2004 he took over the position of Chairman of the Executive Board of Winter AG in Munich. Outside of Kapsch TrafficCom Group, André Laux is member of the Supervisory Board of Kapsch BusinessCom AG.

Dr. Alexander Lewald has been a member of the Executive Board and CTO of Kapsch TrafficCom AG since November 2015.

Following his studies in electrical engineering at Munich Technical University, Mr. Lewald worked for three years at DLR (Deutsches Zentrum für Luft- und Raumfahrt – the German Aerospace Center) at the Institute for Robotics and System Dynamics. Within this framework, Mr. Lewald wrote his thesis in the field of system dynamics of multi-axle robots at the Ruhr University Bochum, and expanded on this subject at the Engineering School of Stanford University, Palo Alto, USA.

After his employment at McKinsey & Company, Alexander Lewald has for the past 15 years worked in various management positions at Kappa IT Ventures, Gilde IT, SAP as well as at Parametric Technology Corp. in particular with the development of new businesses in the information and communications technology (ICT) industry. Alexander Lewald does not have any appointments to Supervisory Boards outside of Kapsch TrafficCom Group.



l. to r.:
André Laux, Member/Chief Operating Officer
Georg Kapsch, Chairman/Chief Executive Officer
Alexander Lewald, Member/Chief Technology Officer

Remuneration for the Executive Board.

	Total 2016/17	Fixed 2017/18 (and in % of total remuneration)		Variable 2017/18 (and in % of total remuneration)		Total 2017/18
Georg Kapsch	1,060	668	59%	467	41%	1,135
André Laux	670	439	74%	150	26%	589
Alexander Lewald	444	381	72%	150	28%	531
Total	2,175	1,488	66%	767	34%	2,255

Georg Kapsch is employed by Kapsch AG. His services are part of the management and consulting services provided by Kapsch AG and settled by Kapsch TrafficCom AG. These are shown in the notes to the Consolidated Financial Statement under "Related parties". The remuneration on the level of Kapsch AG comprises a fixed and a variable element, which depends on the consolidated earnings before tax of KAPSCH-Group Beteiligungs GmbH.

The remuneration for André Laux and Alexander Lewald comprises both a fixed and a profit-based component. The latter amounts to 0.25% of the operating result (EBIT) provided that this exceeds EUR 20 million. In addition, both men possess an individual and contributory pension plan. In this context, the company pays EUR 65,000 annually for Mr. Laux and EUR 30,000 for Mr. Lewald into an external pension fund. If they leave the Executive Board, both men are subject to a non-compete clause for the period of one year (except in the case of a departure for good causes).

For all members of the Executive Board of Kapsch TrafficCom AG there exists a financial incentive which is geared to employee satisfaction. An employee survey shall be carried out in intervals of several years. After submission of the results of the survey and it is found that all of the defined criteria are achieved, an amount of EUR 10,000 per member of the Executive Board shall be paid out for each year since the last such survey. For this, it is required that an appointment to the Executive Board has been retained for at least two years.

Principles of the remuneration policy. The remuneration paid to the members of the Executive Board employed by Kapsch TrafficCom AG takes into consideration the size, international orientation, the business model and the financial situation of the company, as well as the scope of tasks and qualifications of the individual persons. In doing so, the payment to the directors should offer an incentive on the one hand, and on the other should not promote the taking of excessive risk. External benchmarks shall be drawn upon in order to ensure a payment which corresponds with the level on the market.

The profit-based remuneration is based on the operating result (EBIT). The percentage rate to be applied for the calculation is to be measured at the time of the conclusion of the contract in such a way that this variable part is not forecast to exceed the fixed payment in any year of the appointment to the Executive Board. In this way, additional upper limits for the variable remuneration components can be waived. In years with poor company results (a minimum EBIT is to be defined for this), the directors should not receive any such performance bonuses. Satisfied employees are an essential component for the success of Kapsch TrafficCom Group. Therefore, there exists a variable remuneration component for all members of the Executive Board, which is bound to the sustainable achievement of non-financial criteria, specifically to certain results of the employee survey. This survey shall take place at intervals of several years.

Due to the increasing significance of the company pension plans alongside the state pension fund, Kapsch TrafficCom AG pays into an external pension fund for the directors employed by it. Following the end of the appointment over time, a director cannot make any more claims whatsoever against the company. In order to limit the amount of possible severance pay in the case of the premature termination of an appointment to the Executive Board without cause, it is envisaged to limit the duration of employment contracts to three years per term of office.

There is no stock options program at Kapsch TrafficCom AG.

Directors and officers liability insurance.

The members of the Executive Board are insured against financial losses within the framework of directors and officers liability insurance. Alongside the Executive Board, the members of the Supervisory Board and the management staff of Kapsch TrafficCom Group are insured. Because a total premium is paid, it is not possible to allocate to individual members of the Executive Board.

Supervisory Board.

Name	Position	Year of birth	Year first appointed	Year current term expires
Franz Semmerneegg	Chairman	1968	2002	2019
Kari Kapsch	Deputy Chairman	1964	2002	2019
Sabine Kauper ¹⁾	Member	1968	2011	2018
Harald Sommerer	Member	1967	2013	2019
Christian Windisch	Member ²⁾	1963	2002	–
Martin Gartler	Member ²⁾	1970	2015	–

¹⁾ Proposal to the Annual General Meeting to extend Ms Kauper's mandate for another three years.

²⁾ Delegated by the works council which may recall a member it has delegated at any time.

In accordance with the articles of association, the Supervisory Board is made up of three to six members elected by the Annual General Meeting, as well as representatives delegated by the works council in accordance with the Austrian "Arbeitsverfassungsgesetz" (Labor Constitutional Act). The current members of the Supervisory Board are:

Dr. Franz Semmerneegg has been a member since June 2002 and has been Chairman of the Supervisory Board since 2005. He has occupied the following positions within Kapsch Group since:

- > October 2001: CFO of Kapsch AG
- > March 2003: CFO of Kapsch BusinessCom AG, since April 2010 also CEO
- > April 2005: CFO of KAPSCH-Group Beteiligungs GmbH
- > February 2010: Member of the Supervisory Board of Kapsch CarrierCom AG

In addition, Franz Semmerneegg exercises other functions in direct and indirect shareholdings of Kapsch BusinessCom AG and Kapsch AG. In 1992 Franz Semmerneegg concluded his studies in business administration at the Karl-Franzens University in Graz, where he also wrote his thesis in 1997. From 1993 – 1996 Mr. Semmerneegg worked in a firm of chartered accountants and tax consultants and in 1996 moved to Schrack Seconet AG, where he rose to become the Manager and Authorized Representative for Finance and Controlling after a stopover at Ericsson Austria. Together with a partner, in January 1999 Franz Semmerneegg executed a management buy-out and founded Schrack BusinessCom AG. At the start of 2001, Kapsch AG acquired a majority share in the company, which was renamed Kapsch BusinessCom AG in 2002.

Dr. Kari Kapsch, brother of Georg Kapsch (CEO), has been a member of the Supervisory Board since June 2002 and has been its Deputy Chairman since June 2005. He has occupied the following positions within Kapsch Group since:

- > March 2001: COO of Kapsch AG
- > December 2005: COO of KAPSCH-Group Beteiligungs GmbH
- > April 2010: CEO of Kapsch CarrierCom AG
- > June 2010: Chairman of the Supervisory Board of Kapsch BusinessCom AG
- > October 2016: Managing Director of Kapsch PublicTransportCom GmbH

In addition, Kari Kapsch exercises other functions in both direct and indirect shareholdings of Kapsch CarrierCom AG, Kapsch BusinessCom AG as well as Kapsch AG and also outside of Kapsch Group. He completed his studies in physics at the University of Vienna (1988), where he also wrote his thesis in 1992. In terms of his career, following his experiences at Kapsch he had a stay abroad at ANT, a member of the Bosch Group. In 1990, Mr. Kapsch returned as Head of the Road Telematics Solutions division and developed the road tolling business segment. During the following then years, Kari Kapsch managed several business units within Kapsch Group.

Dipl.-Betriebsw. Sabine Kauper, is a financial expert for organizations in challenging phases from growth to restructuring and supports companies in various industries as a consultant. She spent around eight years on the Executive Boards of globally active stock corporations listed in Germany. After studying business administration in Munich with a focus on taxes and auditing, Ms. Kauper worked for an auditing company for four years. Since 2009, she has held Supervisory Board mandates and completed training as a qualified Supervisory Board member with certification by Deutsche Börse AG. She is a member of the Advisory Board at Cidron Ollopa Investment B.V.

Dr. Harald Sommerer has been self-employed since December 2013 and is working on establishing an investment portfolio. Before that he was CEO and Chairman of the Executive Board of Zumtobel AG from May 2010 to September 2013. From 1997 to 2010, Harald Sommerer was a member of the Executive Board of

AT & S Austria Technologie & Systemtechnik AG, CFO between 1998 and 2005 and CEO from 2005 to January 2010. He is a doctor of social and economic sciences from the Vienna University for Economics and Business and Master of Management from the J. L. Kellogg Graduate School of Management, Northwestern University.

Ing. Christian Windisch has been working for Kapsch Group since September 1984 and is currently employed in the area of quality assurance. He graduated from the polytechnic in Vienna with a degree in telecommunications and electrical engineering.

Martin Gartler has been working in the area of operations at Kapsch TrafficCom AG since February 2008. He holds a degree from the Technical School of Electrical and Telecommunications Technology and in 1992 completed his training as foreman for industrial electronics.

None of the persons mentioned above is a director of a publicly listed company and simultaneously fulfils more than four appointments to Supervisory Boards in stock companies outside of the Group or occupies a position in one of the bodies of companies which are in competition with Kapsch TrafficCom AG. Harald Sommerer is deputy chairman of the Supervisory Board of the publicly listed VARTA AG. No other appointment to a Supervisory Board or comparable position in other publicly listed companies is exercised by one of the persons mentioned above.

In the fiscal year 2017/18 (from April 1, 2017 to March 31, 2018), besides the constituting meeting the Supervisory Board held another five meetings. The Executive Board also took part in the latter. No member of the Supervisory Board took part in less than half of the meetings.

Committees of the Supervisory Board:

- > audit committee
- > committee for Executive Board matters (remuneration committee).

Committees of the Supervisory Board.

The **audit committee** has the duties listed in Section 92 (4) "Aktiengesetz" (Austrian Stock Corporation Act) and article 5(4) of Regulation EU/537/2014, and is competent to make decisions to this extent. This includes auditing and preparing the approval of the annual Financial Statements and annual Consolidated Financial Statements, auditing the consolidated Corporate Governance Report and consolidated Non-Financial Report, handling the report on risk management pursuant to C-rule 83 of the ACCG, the review of the audit process and the independence of the auditor (including the evaluation and approval of non-audit services), the preparation of a proposal for the distribution of profit as well as the preparation of the report to the Annual General Meeting. Moreover, the audit committee prepares the proposal of the Supervisory Board for the selection of the annual auditor (consolidated accounts auditor), reviews the accounting process as well as the effectiveness of the internal control system and the risk management system. A member of the audit committee must be a so-called financial expert. Persons who were formerly members of the Executive Board, managing director or annual auditor, as well as persons who certified the annual Financial Statements or annual Consolidated Statements in the last three years, cannot act as financial experts or as chairperson of the audit committee. This committee is made up of Franz Semmerneegg (Chairman and financial expert), Harald Sommerer (financial expert) and Christian Windisch. The annual auditor is to be included in the meetings of the audit committee which concern the preparation of the approval of the annual Financial Statements (Consolidated Financial Statements) and their auditing. The audit committee held a total of four meetings in the 2017/18 fiscal year. The annual auditor was present at two meetings; there was no need for a joint meeting without the presence of the Executive Board. No member of the audit committee took part in less than half of the meetings.

The **committee for Executive Board matters (remuneration committee)** is responsible for the relations between the company and the members of the Executive Board (including remuneration issues) and to this extent has decision-making authority. This excludes the appointment and recall of members of the Executive Board, however (responsibility of the full Supervisory Board). The committee is composed of two members of the Supervisory Board who are selected by the Annual General Meeting, including the Chairman of the Supervisory Board. This committee is made up of Franz Semmerneegg (Chairman) and Harald Sommerer. Both men possess knowledge and experience in the area of remuneration policy. Mr. Semmerneegg is CEO and is the director responsible for personnel agenda at Kapsch BusinessCom. Mr. Sommerer was CEO and also the director responsible for personnel agenda at Zumtobel AG, as well as previously at AT & S Austria Technologie & Systemtechnik Aktiengesellschaft. The committee for Executive Board matters (remuneration committee) did not hold a meeting in the past fiscal year.

Remuneration for the Supervisory Board.

In EUR thousand	2016/17	2017/18
Franz Semmerneegg	50	50
Kari Kapsch	30	30
Sabine Kauper	16	16
Harald Sommerer	24	24
Total	120	120

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, whereby the Chairman is responsible for distributing this amount. This shall apply until a future Annual General Meeting decides on another remuneration. In addition, the members of the Supervisory Board are entitled to expenses. In the 2017/18 fiscal year, travel costs amounting to EUR 2,000 were compensated. No stock options program is provided for members of the Supervisory Board.

Directors and officers liability insurance.

The members of the Supervisory Board are insured against financial losses within the framework of Directors and officers liability insurance. Alongside the Supervisory Board, the members of the Executive Board and the management staff of Kapsch TrafficCom Group are insured. Because a total premium is paid, it is not possible to allocate to individual members of the Supervisory Board.

Independence of the members of the Supervisory Board.

A member of the Supervisory Board shall be deemed as independent according to C-rule 53 ACCG if said member does not have any business or personal relations with the company or its Executive Board that constitute a material conflict of interests and is therefore suited to influence the behavior of the member.

Kapsch TrafficCom AG is part of Kapsch Group. All members of the Management of the parent company (KAPSCH-Group Beteiligungs GmbH) are equal and exercise various positions in companies of Kapsch Group. No significant conflict of interests is to be assumed here. DATAX HandelsgmbH acts purely as an investment company and has no influence on the business activity of its 100% subsidiary KAPSCH-Group Beteiligungs GmbH. For these reasons, any Supervisory Boards of Kapsch TrafficCom AG, which are at the same time members of the Management of KAPSCH-Group Beteiligungs GmbH (and therefore representatives of shareholders with an entrepreneurial stake) are to be declared independent of Kapsch TrafficCom AG, even if they do not formally satisfy points 1, 5 or 7 of the following catalogue.

1. The Supervisory Board member shall not have served as member of the Executive Board or as a management-level staff of the company or one of its subsidiaries in the past five years.
2. The Supervisory Board member shall not maintain or have maintained in the past year any business relations with the company or one of its subsidiaries to an extent of significance for the member of the Supervisory Board. This shall also apply to relationships with companies in which a member of the Supervisory Board has a considerable economic interest, but not for exercising functions in the bodies of the group.
3. The approval of individual transactions by the Supervisory Board pursuant to L-rule 48 does not automatically mean the person is qualified as not independent.
4. The Supervisory Board member shall not have acted as auditor of the company or have owned a share in the auditing company or have worked there as an employee in the past three years.
5. The Supervisory Board member shall not be a member of the Executive Board of another company in which a member of the Executive Board of the company is a Supervisory Board member.
6. A Supervisory Board member may not remain on the Supervisory Board for more than 15 years. This shall not apply to Supervisory Board members who are shareholders with an entrepreneurial stake in the company or who represent the interests of such a shareholder.
7. The Supervisory Board member shall not be a closely related (direct offspring, spouses, life partners, parents, uncles, aunts, sisters, nieces, nephews) of a member of the Executive Board or of persons having one of the aforementioned relations.

All members of the Supervisory Board are independent pursuant to C-rule 53 ACCG.

Sommerer and Kauper are also independent pursuant to C-rule 54 ACCG.

Declaration of independence. All members of the Supervisory Board have declared themselves to be independent of Kapsch TrafficCom AG pursuant to C-rule 53 ACCG. Sabine Kauper and Harald Sommerer are also independent pursuant to C-rule 54 ACCG.

Transactions which require approval.

Besides those transactions requiring approval listed alongside the "Related parties" in the group notes, in 2017/18 there were no transactions requiring approval pursuant to Section 95 (5) no. 12 Aktiengesetz.

“In meetings of the Supervisory Board there are open discussions between the members of the Executive Board and the Supervisory Board”

Georg Kapsch

(for the Executive Board)

Franz Semmernegg

(for the Supervisory Board)

Operation of the Executive Board and Supervisory Board.

The areas of responsibility of the individual members of the Executive Board, the procedures (such as resolution requirements and procedures) as well as the transactions which require authorization from the Supervisory Board are determined in the articles of association as well as in the rules of procedure for the Executive Board. The Executive Board holds regular meetings with open discussions and mutual exchange of information and passes resolutions in all matters which fall within the responsibility of the full Executive Board.

The Supervisory Board monitors the management of the Executive Board regularly and comprehensively and provides consultation. The Chairman of the Supervisory Board was in regular contact with the Chairman of the Executive Board in order to discuss the company development, strategy and state of implementation of the strategy, as well as the risk management of the company. The Supervisory Board has provided itself with rules of procedure, in which, inter alia, the composition and the chairmanship, the terms for being called and votes, the area of activity, duties to provide information, transactions between the company and Executive Board members as well as the committees are governed.

Members of the Executive Board generally take part in meetings of the Supervisory Board. Together, the points on the agenda, in particular the position and the development of the company and its strategic orientation are openly discussed. The Executive Board also informs the Supervisory Board about relevant developments between the periodically set meetings.

Diversity.

Kapsch TrafficCom has developed into a globally active company in recent years. This led to an increase in diversification in many different facets.

In order to take account of this development, great importance is placed on diversity in internal training programs. It is important that employees and managers familiarize themselves with this topic in order to gain a suitable understanding of diversity and thus create the basis for smooth collaboration within the company. Since Kapsch TrafficCom often forms international project teams, there are also special programs for intercultural management.

An important point in terms of diversity is cooperation between men and women. Various measures to promote women within the Group (explained in the consolidated Non-Financial Report of Kapsch TrafficCom) should lead to an increasing number of women in management positions.

In general, the selection of candidates for a position on the Executive Board, Supervisory Board or in a managerial position is made with a view to the best possible filling of vacancies. We attach great importance to professional and social competence, personal networking, and experience, as well as the ability to work on a team. Kapsch TrafficCom AG does not have a detailed plan for the advancement of women in the Executive Board, Supervisory Board and executive functions in the company and its subsidiaries. A person may be appointed to the Executive Board up until the age of 65 and to the Supervisory Board up until the age of 75. Origin, gender, religious and sexual orientation are not appointment criteria.

No new members were appointed to the Executive Board or Supervisory Board in the previous financial year. Ms. Kauper's Supervisory Board mandate will expire at the 2018 Annual General Meeting. The Supervisory Board will propose the re-election of Ms. Kauper for another three-year term at the Annual General Meeting.

Kapsch TrafficCom AG does not apply the statutory quota for women on the Supervisory Board (it has fewer than 1,000 employees and fewer than six shareholder representatives on the Supervisory Board). In the previous fiscal year, the Supervisory Board was composed of Sabine Kauper and three male shareholder representatives. There was no woman on the Executive Board. Women hold various management positions within Kapsch TrafficCom AG (such as Head of Finance and Head of Legal) and its subsidiaries (such as Head of Production at Kapsch Components GmbH & Co KG and Head of Finance in the APAC region).

External evaluation.

This consolidated Corporate Governance Report has not been audited externally. The 2016/17 Corporate Governance Report was externally evaluated and no objections were raised.

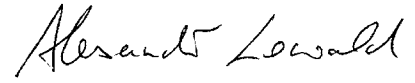
The Executive Board



Georg Kapsch
Chief Executive Officer



André Laux
Executive Board member



Alexander Lewald
Executive Board member