

Corporate Governance Declaration in accordance with Section 289a of the German Commercial Code

Declaration of compliance in accordance with Section 161 of the German Companies Act

In accordance with Section 161 of the Aktiengesetz (AktG – German Companies Act), the management board and supervisory board of listed companies have to make an annual declaration on the extent to which they have complied with the recommendations of the German Corporate Governance Code in the past and will comply with them in the future. The Executive Board and the Supervisory Board of IVU Traffic Technologies AG (“IVU”) published the following declaration of compliance in February 2021:

Part I: Declaration of the Executive Board and the Supervisory Board of IVU Traffic Technologies AG in accordance with Section 161 AktG on compliance with the German Corporate Governance Code until 19 March 2020

The Executive Board and the Supervisory Board hereby declare in accordance with the provisions of Section 161 AktG that IVU Traffic Technologies AG complied with the provisions and recommendations of the German Corporate Governance Code as amended on 7 February 2017 up to the entry into force of the amended version on 20 March 2020 with the following exceptions:

(The numbering below corresponds to the points of the Code as amended on 7 February 2017 that are numbered in this way)

3.4 Information and reporting obligations of the Executive Board

The Supervisory Board has not formally defined the information and reporting obligations of the Executive Board, as the Executive Board is already required by law to provide the Supervisory Board with comprehensive information and the Supervisory Board has not had any reason to object to the information policy of the Executive Board.

3.8 Excess in a D&O insurance policy for the Supervisory Board

The remuneration of the Supervisory Board was increased with effect from 2019 at the Annual General Meeting on 29 May 2019. These increases accompany the expansion of the scope of the activities as a result of the enlargement of the board and the establishment of two committees. However, remuneration of the Supervisory Board remains relatively low. The company therefore does not consider a significant excess for the Supervisory Board to be reasonable. Even without an excess, there is a sufficient basis for the Supervisory Board to act in accordance with its duties.

4.1.3 Compliance management system, whistleblowing system

The Executive Board and the Supervisory Board agree that it has not been necessary to set up an institutionalised compliance management system, as the company has ensured through work and procedural instructions, among other methods, that laws and standards are complied with in the company.

In accordance with Section 4.1.3 sentence 3 of the Code, employees are to be given the opportunity in a suitable manner to securely provide details of legal violations within the company (establishment of a whistleblowing system). This recommendation has not been complied with. The

Executive Board and Supervisory Board are of the opinion that compliance within the company is ensured even without the establishment of a system of this kind.

4.2.4 Disclosure of the Executive Board's remuneration

The remuneration of the individual Executive Board members was not reported in the notes to the consolidated financial statements for the 2019 fiscal year in accordance with Section 286(5) of the German Commercial Code on the basis of a resolution of the Annual General Meeting of 25 May 2016.

5.1.2 Age limit for Executive Board members, diversity

The Supervisory Board has not defined an age limit for members of the Executive Board. The company does not see any reason to stipulate an age limit for the Executive Board, as the expertise of experienced Executive Board members should be available to the company and exclusion from the Executive Board solely on grounds of age does not seem appropriate.

In the interests of the company, when making appointments to the Executive Board the Supervisory Board primarily makes sure that the greatest possible specialist expertise and management skills are present. In view of the international nature of the company, it is important here in particular that candidates have key qualifications, linguistic skills and experience in the sector.

5.4 Composition and remuneration of the Supervisory Board

The Code recommended in Section 5.4.1 that the supervisory board sets out concrete targets that, while taking the company's specific situation into consideration, also take into account the international activities of the company, potential conflicts of interests, the number of independent members of the supervisory board within the meaning of Section 5.4.2, an age limit to be defined for supervisory board members and a limit to be defined for the length of service on the supervisory board as well as diversity.

Except for the definition of targets stipulated by the "Act for the equal participation of women and men in executive positions in the private and the public sector", the Supervisory Board has not specified concrete targets for its composition. In the interests of the company, importance is attached primarily to having the greatest possible specialist expertise and international experience in the composition of the Supervisory Board.

The company pays attention to the independence of all Supervisory Board members in the composition of the Supervisory Board. The company has additionally dispensed with the definition of an age limit for the Supervisory Board, as the expertise of experienced Supervisory Board members should be available to the company and exclusion from the Executive Board solely on grounds of age does not seem appropriate.

The Code further recommended in Section 5.4.5 that the company should provide appropriate support for the members of the supervisory board to undertake training and professional development measures that are necessary for them to perform their tasks. The company has in principle supported the members of the Supervisory Board with appropriate individual training and professional development measures in the context of the statutory reimbursement of expenses and also through joint professional development events. As it is unclear, however, which requirements have to be met in order for the support provided by the company to be regarded as appropriate within the scope of this recommendation of the Code, an exception from the recommendation is declared as a precaution.

Part II: Declaration of the Executive Board and the Supervisory Board of IVU Traffic Technologies AG in accordance with Section 161 AktG on compliance with the German Corporate Governance Code from 20 March 2020 onwards

The Executive Board and the Supervisory Board further declare IVU Traffic Technologies AG complied and will continue to comply with the provisions and recommendations of the German Corporate Governance Code as most recently amended on 20 March 2020 with the following exceptions:

A.2 Compliance management system, whistleblowing system

The Executive Board and the Supervisory Board agree that the establishment of an institutionalised compliance management system through work and procedural instructions, among other methods, will be developed.

Furthermore, employees and third parties should be given the opportunity in a suitable manner to securely provide details of legal violations within the company. The Executive Board and Supervisory Board are of the opinion that compliance within the company is ensured even without the establishment of a system of this kind.

B.1 Diversity of the Executive Board

In the interests of the company, when making appointments to the Executive Board the Supervisory Board primarily makes sure that the greatest possible specialist expertise and leadership quality are present. In view of the international nature of the company, it is important here in particular that candidates have key qualifications, linguistic skills and experience in the sector.

B.5 Age limit for Executive Board members

The Supervisory Board will not define an age limit for members of the Executive Board. The company does not see any reason to stipulate an age limit for the Executive Board, as the expertise of experienced Executive Board members should be available to the company and exclusion from the Executive Board solely on grounds of age does not seem appropriate.

C.2 Age limit for Supervisory Board members

The company dispenses with the definition of an age limit for the Supervisory Board, as the expertise of experienced Supervisory Board members should be available to the company and exclusion from the Executive Board solely on grounds of age does not seem appropriate.

F.2 Interim financial information

The Code recommends that the mandatory interim financial information be made publicly accessible within 45 days from the end of the period under review. In order to ensure proper financial reporting and in particular sufficient time for the Supervisory Board to review the information, the company departs slightly from the recommendation of the Code.

Berlin, 24 February 2021

For the Executive Board
Martin Müller-Elschner (Chairman of the Executive Board)

For the Supervisory Board
Prof. Herbert Sonntag (Chairman of the Supervisory Board)

Corporate governance information

Remuneration of the executive bodies

The company provides information on the remuneration of the Executive Board and the Supervisory Board in its annual report. The annual report can be downloaded from the website at www.ivu.com/investors/financial-reports.

Corporate governance practices that are applied above and beyond the legal requirements

The highest priority for the corporate governance of the Executive Board and the Supervisory Board of IVU is ensuring compliance with legislation and law. The nature of the corporate governance is primarily determined here by the German Companies Act and additionally by the provisions of the German Corporate Governance Code as currently amended, which form the basis for the decision-making and control processes in the Executive Board and the Supervisory Board of IVU. The Executive Board and the Supervisory Board manage the company in such a way that the interests of the various stakeholders are taken into appropriate consideration and all laws and regulations are complied with.

Working method of the Executive Board and the Supervisory Board as well as composition and working method of their committees

In accordance with the statutory regulations, IVU is subject to what is known as the “dual governance system”, which is characterised by a strict separation of personnel between the Executive Board as the managing body and the Supervisory Board as the monitoring body.

Executive Board

The Executive Board of IVU currently consists of three members. It is responsible for managing the company with the aim of creating sustainable value. The principle of collective responsibility applies here, according to which the members of the Executive Board jointly bear the responsibility for the overall management. They develop the corporate strategy and ensure its implementation in consultation with the Supervisory Board. Furthermore they ensure group-wide compliance with the provisions of the law, the articles of association and the internal company guidelines as well as effective risk management and control.

The Executive Board informs the Supervisory Board regularly, promptly and comprehensively about all aspects of the business performance that are significant for IVU, important business transactions and the current earnings situation, including the risk situation and the risk management. Deviations in the course of business from plans and targets that were drawn up earlier are explained in details and reasons for these deviations are provided.

Composition

According to the Articles of Association of IVU, the Executive Board consists of one or more members, who are appointed and dismissed by the Supervisory Board. The Supervisory Board also determines the number of members and can appoint a chair of the Executive Board as well as a deputy chair of the Executive Board.

When appointing members of the Executive Board, the Supervisory Board makes sure that the greatest possible specialist expertise is present. In view of the international nature of the company, it also at-

taches importance here in particular to the possession of key qualifications, linguistic skills and experience in the sector.

The general committee of the Supervisory Board reviews the remaining term of the current Executive Board contracts each year and ensures that long-term succession planning is in place for the Executive Board, where it also obtains the opinion of the incumbent members of the Executive Board. In this connection, the Supervisory Board regularly looks at qualified executives who come into consideration as potential candidates for Executive Board positions. In this process, it takes into consideration candidates both in the top management levels of the company and outside of the company.

Information on the current composition of the Executive Board of IVU Traffic Technologies AG can be found on the IVU website.

Working method

The chair of the Executive Board defines the principles of the company policy and the organisation as well as the corporate strategy in agreement with the other members of the Executive Board. The members of the Executive Board are jointly responsible for the management (principle of collective responsibility). They have to inform each other of important business transactions in their areas of responsibility. The members of the Executive Board are independently responsible for managing the departments that are assigned to them. The responsibility for the departments is set out in the rules of procedure. In accordance with the Articles of Association, the Executive Board adopts resolutions by a simple majority of votes, unless the law stipulates that a unanimous decision is required.

In accordance with the statutory regulations, the Executive Board informs the Supervisory Board regularly, promptly and comprehensively of all issues relevant to the company. The Executive Board is represented before the Supervisory Board in principle by the chair of the Executive Board. Each member of the Executive Board is entitled here to contact the chair of the Supervisory Board in relation to matters within their area of responsibility and in relation to personal matters.

The members of the Executive Board are obliged to act in the interests of the company and are subject during their work for the company to a comprehensive non-compete clause. An exception to this are other mandates that are assumed at the instigation of the company and with the approval of the Supervisory Board. Any conflicts of interest must be disclosed to the chair of the Supervisory Board and the chair of the Executive Board.

Supervisory Board

The Supervisory Board advises the Executive Board on the management of the company and monitors its work. It appoints and dismisses the members of the Executive Board, decides on the remuneration system for the members of the Executive Board and determines their individual overall remuneration. It is involved in all decisions that are of fundamental importance for IVU. The Supervisory Board of IVU consists of six members. Further information about the specific work of the Supervisory Board and any committees can be found in the report of the Supervisory Board.

Composition

In accordance with the Articles of Association, the Supervisory Board consists of six members, two of which are elected by the employees of IVU in accordance with the Drittelbeteiligungsgesetz (German One-third Participation Act). Four members of the Supervisory Board are elected by the Annual General Meeting.

A gender quota that is binding in law applies to the Supervisory Board of IVU, according to which the proportion of women and men must each amount to 30%. Following the last election of the Supervisory Board members by the Annual General Meeting on 29 May 2019, two women, Ms Ute Witt and Prof. Barbara Lenz are now members of the Supervisory Board. The composition has not changed since then. The proportion of women on the Supervisory Board of IVU thus met the statutory minimum proportion of 30% in the 2020 fiscal year.

Furthermore, on 16 October 2020 the Supervisory Board adopted a profile of expertise that defines personal, company-specific and professional requirements both for the Supervisory Board as a whole and for its individual members to ensure that the duties of the Supervisory Board are properly performed. The profile of expertise is published on the website of IVU Traffic Technologies AG, www.ivu.com/investors under the heading Investor Relations/Corporate Governance

The Supervisory Board of IVU shares the conviction that, as a whole, it meets all the specifications of the profile of expertise and satisfies in full the requirements that have been defined. Its members collectively have the necessary knowledge, skills and professional experience to perform their tasks properly. As a whole, they are furthermore familiar with the “public transport” sector in which IVU works.

In Ms Ute Witt, the Chairwoman of the Audit Committee, at least one member of the committee furthermore has proven specific knowledge and experience in applying accounting principles and internal control processes and is familiar with audits. She is qualified for this position as a public auditor and tax consultant as well as a result of her many years of work as a partner at Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft. She can thus be regarded as an independent financial expert within the meaning of the German Corporate Governance Code and Section 100(5) AktG.

The Supervisory Board states that all shareholder representatives (Prof. Herbert Sonntag, Ute Witt, Dr Heiner Bente, Prof. Barbara Lenz) are independent within the meaning of the German Corporate Governance Code. Even with the inclusion of the employee representatives, the Supervisory Board believes that the board has an appropriate number of independent members within the meaning of the German Corporate Governance Code. It assumes here that the status of the employee representatives as employees does not give rise to any doubt about their independence within the meaning of the German Corporate Governance Code. Furthermore, no member of the Supervisory Board has a personal or business relationship with IVU or its Executive Board.

Working method

The Supervisory Board of IVU appoints, advises and monitors the Executive Board. It has the right at all times to inspect and audit all books, papers and assets of the company. In accordance with the Articles of Association, the Supervisory Board has laid down in the rules of procedure for the Executive Board as well as by resolution that certain types of business require its approval.

The work of the Supervisory Board is subject to German and European laws, the Articles of Association of IVU, the German Corporate Governance Code and the rules of procedure that the Supervisory Board has adopted for itself. No less than four regular meetings of the Supervisory Board are held each fiscal year, at which it deals with current issues arising from the current business as well as the current financial results that are due to be published. The Supervisory Board can additionally hold extraordinary meetings if this is required by law or otherwise appears in the interests of the company.

At the request of the Supervisory Board or its chair, the members of the Executive Board as well as other experts of relevance for individual issues take part in the meetings of the Supervisory Board. It furthermore also meets regularly without the members of the Executive Board.

Resolutions of the Supervisory Board are generally adopted at meetings. Resolutions can also be adopted outside of meetings by votes taken by phone, especially by way of video conferences, when arranged by the chairman. The Supervisory Board is quorate when no less than three members take part in the resolution, where a written vote can also be cast.

Each member of the Supervisory Board is required to act in the company's interests. They may neither pursue personal interests nor exploit business opportunities of the company for themselves or for third parties in their decisions. Conflicts of interest must be disclosed and are notified to the Annual General Meeting.

The Supervisory Board regularly conducts a self-assessment to evaluate the efficiency of its work both in the Supervisory Board as a whole and in the committees. It determines here whether the processes of the Supervisory Board enable the proper fulfilment of its duties and in particular effective monitoring of the Executive Board.

Committees

The Supervisory Board created the following committees during its inaugural meeting.

- General Committee (Prof. Herbert Sonntag (Chairman), Dr Heiner Bente)
- Audit Committee (Ute Witt (Chairwoman), Prof. Herbert Sonntag, Axel Zimmermann)

The General Committee deals with fundamental questions relating to the company, especially with any M&A activities of the company, with any restructuring and transformations as well as with contracts of service and personnel matters of the Executive Board, including the succession planning. The full committee met twice in the course of the fiscal year.

The Audit Committee deals in particular with questions relating to the accounting, the effectiveness of the internal control system, risk management, compliance and the internal audit system as well as the auditing of the financial statements. The committee met three times in 2020, where one meeting was used to set out the preparation of the audit of the annual financial statements with the public auditor. All the members of the committee were present at the meetings.

Targets for the proportion of women on the Executive Board and in the two management levels below the board

In accordance with the "Act for the equal participation of women and men in executive positions in the private and the public sector", the Supervisory Board specified the targets for the participation of women on the Supervisory Board and the Executive Board by resolution of 9 September 2020, while the Executive Board set the targets for the participation of women in the two management levels below the Executive Board by resolution of 9 November 2020.

A target of 0% was set for the three-member Executive Board, and a target of 15% was set for the first and second management levels below the Executive Board. The proportion of women executives in the first two management levels currently amounts to 15%. A perspective increase of the respective shares is aimed at.

Diversity

It is the goal of IVU to maintain a balanced relationship on the Executive Board and the Supervisory Board when it comes to the gender, educational and professional background and age of the members. The Supervisory Board has taken the specific situation of IVU into consideration here.

Diversity concept for the Executive Board

In accordance with Section 111(5) AktG, the Supervisory Board has not currently set any targets for the proportion of women on the Executive Board in order not to impose any limitation when filling vacant positions on the Executive Board in the interests of the company. The Supervisory Board has agreed in the diversity concept specifically to search for appropriate women candidates in order to achieve appropriate participation of women on the Executive Board in the future.

With regard to the educational and professional background, Executive Board members should, depending on the focal point of the contents, have thorough knowledge and skills in the areas of company management, strategy development and implementation, public transport and IT, research and development, finance and accounting, marketing and personnel development. Relevant university studies are not a requirement. Suitable candidates can have gathered their experience both at IVU itself and at other companies.

Where possible, the age structure of the Executive Board should be mixed in order to present different experiences of life and related outlooks. The Supervisory Board has not set an age limit for members of the Executive Board, as the expertise of experienced Executive Board members should be available to IVU and exclusion solely on grounds of age does not seem appropriate. Furthermore, the Supervisory Board has not stipulated any requirements relating to age in order not to set blanket limitations on the selection of suitable Executive Board members.

When searching for and selecting suitable candidates for an Executive Board position, the Supervisory Board takes the specified aspects into consideration in order to implement the diversity concept for the Executive Board appropriately. As no Executive Board positions had to be filled, the diversity concept was not applied in the 2020 fiscal year.

Diversity concept for the Supervisory Board

In order to guarantee an appropriate participation of women on the Supervisory Board, the diversity concept applies the statutory gender quota in accordance with Section 96(2) sentence 1 AktG.

Together with the educational and professional backgrounds of all the other members of the Supervisory Board, the educational and professional backgrounds of an individual Supervisory Board members should cover the skills that are defined in the profile of expertise for the Supervisory Board. It is irrelevant whether the expertise has been acquired in the course of university studies, vocational training or based on professional experience.

When searching for and selecting suitable representatives from the shareholders for the Supervisory Board, the Supervisory Board takes the specified aspects into consideration in order to implement the diversity concept for the Executive Board appropriately. The diversity concept is not applied to the representatives from the employee side on the Supervisory Board, as the employee representatives are elected solely by the German employees of IVU AG.

Berlin, 24 February 2021

Executive Board and Supervisory Board of IVU Traffic Technologies AG