

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

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

A handwritten signature in blue ink, appearing to read 'Martin Müller-Elschner', written in a cursive style.

Martin Müller-Elschner (Chairman of the Executive Board)

For the Supervisory Board

A handwritten signature in black ink, appearing to read 'Herbert Sonntag', written in a cursive style.

Prof. Herbert Sonntag (Chairman of the Supervisory Board)