

Kapsch TrafficCom

Remuneration Report *for financial year 2023/24.*

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

Table of contents.

1 Summary.	2
2 Introduction.	3
3 Remuneration of the members of the Executive Board.	4
3.1 Basic features of the Executive Board remuneration policy.	4
3.1.1 Fundamentals and overview.	4
3.1.2 Fixed remuneration.	5
3.1.3 Profit-based remuneration.	5
3.1.4 Variable Remuneration I: non-financial criteria.	6
3.1.5 Variable Remuneration II: non-financial criteria (employee satisfaction).	6
3.1.6 Benefits equally enjoyed by all employees	6
3.1.7 D&O insurance.	6
3.1.8 Optional benefits.	6
3.2 Executive Board remuneration.	8
3.2.1 Total remuneration.	8
3.2.2 Executive Board remuneration in financial year 2023/24.	8
3.2.3 Relative composition of the Executive Board remuneration in financial year 2023/24.	9
3.2.4 Development of the remuneration.	10
4 Remuneration of the Members of the Supervisory Board.	10
4.1 Fundamentals of the Supervisory Board remuneration policy.	11
4.1.1 Fundamentals.	11
4.1.2 Remuneration.	11
4.2 Supervisory Board member remuneration.	12

1 Summary.

In the 2023/24 financial year, the Executive Board of Kapsch TrafficCom AG received a total remuneration in the amount of TEUR 3,171. 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 2023/24.

in EUR thousand		Fixed	Variable	Pension fund	Other	Total
Georg Kapsch	Chairman, Chief Executive Officer	820.8	536.9	n.a.	14.0	1,371.7
Alfredo Escribá Gallego	Member, Chief Technology Officer	524.9	326.2	12.4	42.3	905.7
Andreas Hämmerle ¹⁾	Member, Chief Financial Officer	500.2	361.3	20.0	12.2	893.6
Total		1,845.9	1,224.4	32.4	68.5	3,171.1

¹⁾ Andreas Hämmerle left the Executive Board on November 6, 2023, his employment contract will end by agreement in the next financial year.

The total remuneration of the Executive Board for the 2023/24 financial year increased by 60.6%. This was primarily due to the profit-based remuneration. The average annual compensation of an Executive Board member increased in line with total remuneration by 60.6% 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 1.7%.

In the reporting period, an entitlement to profit-based remuneration arose for the members of the Executive Board because the requirement of EBIT of at least EUR 20 million was met in the financial year.

Remuneration of the Supervisory Board.

in EUR thousand	Functions in			2022/23	2023/24
	Supervisory Board	Audit Committee	Remuneration Committee		
Franz Semmernegg	Chairman	Chairman ¹⁾	Chairman	42.0	37.0
Harald Sommerer	Deputy Chairman	Chairman ²⁾			
Monika Brodey	Member ²⁾	Member ¹⁾		38.5	39.3
Sonja Hammerschmid	Member	Member ²⁾	Member ²⁾	0.0	13.8
Sabine Kauper	Member ¹⁾		Member ¹⁾	19.0	19.8
Total				20.5	10.3
				120.0	120.0

¹⁾ Until September 6, 2023

²⁾ From September 6, 2023

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.

As of the balance sheet date, the Supervisory Board member Franz Semmernegg held 228 shares in Kapsch TrafficCom. The other members of the Supervisory Board and the members of the Executive Board did not hold any shares in the Company.

2 Introduction.

The Remuneration Report 2023/24 has been prepared by the Executive Board and Supervisory Board and will be submitted to the Annual General Meeting in September 2024 for approval.

Group result 2023/24

- Revenues: EUR 539 million
- EBIT: EUR 70 million
- Employees at March 31, 2024: 4,054

Business performance 2023/24.

In financial year 2023/24, Kapsch TrafficCom reached key milestones that placed the company back on a solid base for the future: In May 2023, a financing restructuring was agreed with the major financial creditors, which led to a longer-term financing structure and has since been extended until March 2026. In July, a settlement agreement was reached in the arbitration proceedings between the autoTicket joint venture and the Federal Republic of Germany conducted due to the termination of the operations contract for the collection of the passenger car toll. This led to a significant improvement in the financial and asset position. The earnings also improved as a result.

Although net revenues were slightly below the previous year's figure, Kapsch TrafficCom was able to achieve an increase in invoiced revenues compared to the previous year and numerous project successes, which indicate a future increase in revenues and earnings.

Project successes. The operation projects continued to perform well and several implementation projects were transitioned to the operation phase. Furthermore, Kapsch TrafficCom was able to win several new projects in the reporting period. Of particular strategic importance are those that point the path to the future of roads with tolling services and connected vehicles.

The company was awarded two interconnected contracts in the tolling segment in Switzerland: firstly, the implementation of the collection system for the performance-based heavy vehicle fee (after the balance sheet date) and its operation, and secondly, the corresponding vehicle equipment and registration system for the trucks as well as customer service for the toll service provider for at least eight years. Together, Kapsch TrafficCom thus supplies all essential elements for this state-of-the-art system.

Also noteworthy is the further expansion of the tolltickets network. With the purchase of a single toll box, drivers can since then seamlessly use the road network in France, Italy, Spain and Portugal – a cornerstone for the tolling services business segment in Europe.

In the segment of traffic management, Kapsch TrafficCom sees a particularly increasing demand for urban traffic management and low emission zones. In addition, the implementation and subsequent operation of a Cooperative Intelligent Transport System (C-ITS) with hardware and software for construction site areas were awarded in a highway project in Germany. Shortly after the end of the financial year, Kapsch TrafficCom was awarded a pioneering contract in Florida, USA: In Pinellas County, intersections will be equipped with modern technology to prevent accidents involving pedestrians, and a system that combines predictive analyses with traffic distribution algorithms is designed to help proactively reduce traffic congestion.

Incoming orders reached a remarkable EUR 734 million in the reporting period (previous year: EUR 480 million), and the order backlog amounted to EUR 1.4 billion at the end of the year, 15% higher than in the previous year.

3 Remuneration of the members of the Executive Board.

The Executive Board of Kapsch TrafficCom was composed as follows in the 2023/24 financial year:

Name and function	Areas of responsibility	Born	Year first appointed	Year current term expires
Georg Kapsch Chairman Chief Executive Officer	Sales, Production, Finance, Legal, People Management, Marketing & Communications, Corporate Development, Investor Relations, "Environment, Social & Governance", Demand Management, Tolling Services	1959	2002	2025 ¹⁾
Alfredo Escribá Gallego Member Chief Technology Officer	Technology & Platforms, Global Services, Software Excellence, Product Management, Application Centers Tolling and Traffic, Corporate Information & Management Systems, Supply Chain Management	1969	2019	2024 ¹⁾
Andreas Hämmerle ²⁾ Member (until 11/2023) Chief Financial Officer	Finance, Supply Chain Management, Production (Austria), Revision and Risk Management	1970	2021	2024

¹⁾ The appointment was extended after the balance sheet date.

²⁾ Andreas Hämmerle left the Executive Board on November 6, 2023; his employment contract will end by agreement in the next financial year. The areas of responsibility Finance and Production (Austria) were transferred to Georg Kapsch on this date, Supply Chain Management to Alfredo Escribá. The responsibility areas Revision and Risk Management were integrated into Finance.

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 and will therefore be presented for resolution at the Annual General Meeting 2024.

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 profit-based remuneration for a financial year is paid out in three annual tranches:

- 60% of the profit-based remuneration in November of the financial year following the year in which the entitlement arises ("tranche one");
- 30% of the profit-based remuneration in November of the second financial year following the year in which the entitlement arises, whereby the specific amount depends on EBIT development (corridor) ("tranche two");
- 10% of the profit-based remuneration in November of the third financial year following the year in which the entitlement arises, whereby the specific amount depends on the EBIT performance (corridor) ("tranche three").

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 previously took place at intervals of several years. In the reporting period, a new interval of six months was defined. 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 2023/24 financial year increased by 60.6% to TEUR 3,171. This was primarily due to the profit-based remuneration. By contrast, Georg Kapsch waived TEUR 63 of his fixed compensation in the financial year 2023/24.

3.2.2 Executive Board remuneration in financial year 2023/24.

in EUR	Georg Kapsch	Alfredo Escribá Gallego ¹⁾	Andreas Hämmerle	Total
Fixed remuneration	820,820	524,866	500,164	1,845,850
Profit-based remuneration	526,933	316,160	351,289	1,194,383
	(0.75% of EBIT ²⁾)	(0.45% of EBIT ²⁾)	(0.50% of EBIT ²⁾)	
thereof deferred payments	210,773	126,464	140,516	477,753
Variable Remuneration I	10,000	10,000	10,000	30,000
Variable Remuneration II (employee satisfaction)	-	-	-	-
Variable remuneration	536,933	326,160	361,289	1,224,383
Pension fund	n.a.	12,361	20,000	32,361
Other remuneration³⁾	13,978	42,340	12,153	68,471
	-	-	-	
Total remuneration	1,371,732	905,727	893,606	3,171,065

¹⁾ Payments in US Dollars; applied average exchange rate in the reporting period: 1.084. Pension fund means payments into the US pension account 401 (k).

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

³⁾ Other remuneration comprises: various insurances, company car as compensation in kind or car allowance.

In the 2023/24 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 and profit-based remuneration components will be made in November 2024. The deferred payments of the profit-based remuneration in the amount of TEUR 478 will be made in two tranches in November 2025 and November 2026.

Profit-based remuneration. In the reporting period, an entitlement to profit-based remuneration arose for the members of the Executive Board because the requirement of EBIT of at least EUR 20 million was met in the financial year.

Variable Remuneration I. The multi-year targets from the financial year 2022/23 that relate to the financial year 2023/24 were:

- 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%.

These targets were relevant for Georg Kapsch and were not met.

The one-year targets from the financial year 2023/24 were:

- The response rate and completion of the capital market compliance training must be at least 90% of the targeted employees.
- Absolute improvement in the CDP rating in 2023 compared to the previous rating in 2022.

These targets were relevant for Georg Kapsch, Andreas Hämmerle and Alfredo Escribá and were partially met. An absolute improvement in the Carbon Disclosure Project (CDP) ranking in 2023 compared to the previous ranking in 2022 could not be achieved, although Kapsch TrafficCom was able to improve in several sub-disciplines compared to the previous year.

Multi-year targets were defined as:

- Reduction of the corporate carbon footprint (CCF) by 14% by the end of the 2025/26 financial year compared to the 2023/24 financial year.
- Improvement of the CDP rating to A by the end of financial year 2025/26, with the interim target of an A- rating by the end of financial year 2024/25.

Variable Remuneration II. A survey is conducted at defined intervals to ascertain employee satisfaction. The 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 by more than 85% to the question “Considering everything, I believe that KTC is a great place to work”.

These criteria were relevant for Georg Kapsch, Andreas Hämmerle and Alfredo Escribá and were partially met. The response rate was met, but the target value for a positive response to the question was at 77% not achieved. Therefore, there was no entitlement to Variable Remuneration II.

3.2.3 Relative composition of the Executive Board remuneration in the financial year 2023/24.

	Fixed	Variable	Pension fund	Other	Total ¹⁾
Georg Kapsch	60%	39%	n.a.	1%	100%
Alfredo Escribá Gallego	58%	36%	1%	5%	100%
Andreas Hämmerle ²⁾	56%	40%	2%	1%	100%

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

²⁾ Andreas Hämmerle left the Executive Board on November 6, 2023, his employment contract will end by agreement in the next financial year.

3.2.4 Development of the remuneration.

	2022/23	Change		2023/24
		absolute	in %	
Total Executive Board remuneration (in EUR)				
Georg Kapsch	864,724	507,008	58.6%	1,371,732
Alfredo Escriba Gallego ¹⁾	597,316	308,411	51.6%	905,727
Andreas Hämmerle ²⁾	512,439	381,167	74.4%	893,606
Total	1,974,479	1,196,586	60.6%	3,171,065
Average remuneration (in EUR)				
Average remuneration of an Executive Board member ³⁾	658,160	398,862	60.6%	1,057,022
Average remuneration per employee ⁴⁾	73,390	1,238	1.7%	74,628
Financial performance of Kapsch TrafficCom				
Revenues (EUR million)	553.4	-14.6	-2.6%	538.8
EBIT ⁵⁾ (EUR million)	5.2	65.1	>500%	70.3
Equity ratio ⁶⁾	10.7%	n.a.	8.1pp	18.8%

¹⁾ Payments in US Dollars; applied average exchange rate in the reporting period: 1.084

²⁾ Andreas Hämmerle left the Executive Board on November 6, 2023, his employment contract will end by agreement in the next financial year.

³⁾ Calculation: Total Executive Board remuneration / Number of Executive Board members; appointments or resignations during the year are recorded on a pro-rata basis.

⁴⁾ Average remuneration of employees at Kapsch TrafficCom AG (excluding the Executive Board) on a full-time equivalent basis

⁵⁾ EBIT = Earnings Before Interest and Taxes, operating result

⁶⁾ Calculation: total equity / total assets

4 Remuneration of the members of the Supervisory Board.

In the 2023/24 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	2024
Harald Sommerer	Deputy Chairman	1967	2013	2024
Monika Brodey	Member ¹⁾	1966	2023	2027
Sonja Hammerschmid	Member	1968	2021	2025
Sabine Kauper	Member ²⁾	1968	2011	2023
Christian Windisch	Member ³⁾	1963	2002	-
Robert Kutschera	Member ^{3)/4)}	1976	2023	-
Claudia Rudolf-Misch	Member ^{3)/4)}	1976	2018	2023

¹⁾ Monika Brodey was elected to the Supervisory Board at the Annual General Meeting on September 6, 2023.

²⁾ Sabine Kauper left the Supervisory Board at the end of her appointed term upon the conclusion of the Annual General Meeting on September 6, 2023.

³⁾ Delegated by the works council, which may recall a member it has delegated at any time.

⁴⁾ As of November 21, 2023, the works council delegated Robert Kutschera to the Supervisory Board, succeeding Claudia Rudolf-Misch.

The Supervisory Board has established an Audit Committee and a Remuneration Committee. At the end of the reporting period, the Audit Committee is made up of Harald Sommerer (Chairman and financial expert), Monika Brodey and Christian Windisch. Franz Semmernegg (Chairman) and Sonja Hammerschmid form the Remuneration Committee. Both committee members have knowledge and experience in the area of remuneration policy.

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. She/He 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. This shall apply until a future Annual General Meeting decides on another remuneration. The specific distribution of this amount is the responsibility of the Chairman. The following amounts were paid out:

in EUR	Functions	2022/23	2023/24
Franz Semmernegg	Chairman of the Supervisory Board, Chairman of the Audit Committee ¹⁾ , Chairman of the Remuneration Committee	42,000	37,000
Harald Sommerer	Deputy Chairman of the Supervisory Board, Chairman of the Audit Committee ²⁾ , Member of the Audit Committee ¹⁾	38,500	39,250
Monika Brodey	Member of the Supervisory Board ²⁾ , Member of the Audit Committee ²⁾	0	13,750
Sonja Hammerschmid	Member of the Supervisory Board, Member of the Remuneration Committee ²⁾	19,000	19,750
Sabine Kauper	Member of the Supervisory Board ¹⁾ , Member of the Remuneration Committee ¹⁾	20,500	10,250
Total		120,000	120,000

¹⁾ Until September 6, 2023

²⁾ From September 6, 2023

Of the remuneration entitlement in financial year 2023/24, EUR 3,500 will be paid out after the balance sheet date. The compensation claim in financial year 2022/23 was settled in full before the balance sheet date.

At the 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 18, 2024



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, unless required by applicable law.

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 2023/24 financial year, about 4,000 employees generated revenues of EUR 539 million.

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