

TRATON

Declaration of the Executive Board and the Supervisory Board

of TRATON SE

regarding the recommendations of the

“Government Commission of the German Corporate Governance Code”

pursuant to section 161 of the German Stock Corporation Act (AktG)

“The Executive Board and Supervisory Board of TRATON SE declare compliance with the recommendations of the “Government Commission on the German Corporate Governance Code” as amended 16 December 2019 (“the Code”) published by the Federal Ministry of Justice in the official part of the “Bundesanzeiger” on 20 March 2020 in the period from entry into force of this version of the Code and in future with the exception of the recommendations listed below for the reasons therein listed and in the specified periods:

1. The recommendation in C.5 (Upper limit of term of office as a board member) will not be fulfilled to the extent that in addition to the seat on the Supervisory Board of TRATON SE, the Chair of the Supervisory Board discharges one further mandate as Chair of the Supervisory Board of the listed VOLKSWAGEN AG as well as a seat on the Supervisory Board of each of AUDI AG, which was listed until 16 November 2020, and Bertelsmann SE & Co. KGaA and is also Chair of the Board of Management of Porsche Automobil Holding SE. VOLKSWAGEN AG, AUDI AG and TRATON SE do not form a group with Porsche Automobil Holding SE. Nonetheless, we are of the opinion that the Chair of the Supervisory Board has sufficient time available to discharge his mandate.
2. The recommendation in C.10 sentence 2 (Independence of the Chair of the Audit Committee from the controlling shareholder) is not being complied with insofar as the Chairman of the Audit Committee of the Supervisory Board, Mr Frank Witter, is not “independent from the controlling shareholder” in view of his position as a member of the Board of Management of Volkswagen AG. In addition, the recommendation in D.4 (Independence of the Chair of the Audit Committee) is also not being complied with, because the Chair of the Audit Committee also cannot be seen as independent within the meaning of the definition of the recommendation in C.6 sentence 2 if he is not independent from the controlling shareholder.
The Executive Board and Supervisory Board of TRATON SE consider it to be of prime importance that the Chair of the Audit Committee have the necessary understanding of the profession and industry, especially in large, international, listed companies. Due to the personal competencies of Mr Witter it has been decided to deviate from this recommendation.
3. With regard to the recommendation in C.13 (Disclosure of candidates proposed for the Supervisory Board), the guidelines in the Code are vague and the definitions unclear. A deviation from the Code is therefore being declared as a precautionary

measure. Notwithstanding this, the Supervisory Board will make every effort to comply with the requirements of the recommendation in C.13.

4. The recommendation in D.1 (Publication of rules of procedure for the Supervisory Board) was not fulfilled to the extent that the rules of procedure for the Supervisory Board will only be published on the company's website since 10 November 2020 following appropriate consultation with the Supervisory Board. This recommendation is since being observed.
5. The recommendation in G.1 (Remuneration system) and G.2 (Target total remuneration) will be fulfilled from 1 January 2021. The Supervisory Board introduced a new remuneration system in December 2018, which took account of all recommendations of the German Corporate Governance Code as amended 7 February 2017. These recommendations were changed significantly under the reformed Code. The remuneration system from 2018 does not correspond to these modified recommendations in some aspects. The Supervisory Board has decided to introduce a new remuneration system, which takes account of the modified recommendations of the Code, with effect as of 1 January 2021. The deviations will be described here and below until the new remuneration system takes effect. The Supervisory Board has decided on a remuneration system within the meaning of recommendation G.1 with effect as of 1 January 2021. The relative portion of the individual remuneration components with respect to the target total remuneration defined in this sense can be derived from this new remuneration system, unlike from the existing remuneration system. The Supervisory Board decided on the specific target total remuneration of the individual members of the Executive Board within the meaning of recommendations G.1 and G.2 on 21 December 2020.
6. The recommendation in G.10 sentence 2 (4-year commitment period) has not yet been fulfilled. According to recommendation G.10 sentence 2, long-term variable remuneration components shall be accessible to a member of the Executive Board only after a period of four years. Because our current performance share plan has a three-year term, at the end of which a cash payment is made, the members of the Executive Board can currently access these long-term variable remuneration components after three years. The new remuneration system provides for a four-year term for the performance share plan for service agreements of members of the Executive Board concluded or renewed after 31 December 2020.
7. The recommendation in G.13 sentence 1 (Severance cap) will not be fulfilled. According to recommendation G.13 sentence 1, payments made to a member of the Executive Board due to early termination of their board activity shall not exceed twice the annual remuneration (severance cap) and shall not constitute remuneration for more than the remaining term of the contract of service. It is not clear to the Executive Board and the Supervisory Board of TRATON SE whether recommendation G.13, sentence 1 only refers to severance payments or also to payments to a retired member of the Executive Board due to a continuing contract of service. A corresponding recommendation for the actual payments made following the departure of a member of the Executive Board did not yet exist in the German Corporate Governance Code as amended 7 February 2017. Section 4.3.2 (4) simply recommended ensuring when concluding Executive Board service contracts that payments do not exceed twice the annual remuneration in the

case of early termination of their board activity and do not constitute remuneration for more than the remaining term of the contract of service. The contracts of service of the currently appointed members of the Executive Board and those who departed in July 2020 comply with this recommendation of the old Code. In July 2020, Mr Joachim Drees, among others, left the Executive Board by mutual consent. The contract of service between Mr Drees and TRATON SE shall, in agreement with Mr Drees, continue following his departure and remain in force – subject to earlier termination by Mr Drees – for more than two more years following the departure of Mr Drees. Mr Drees shall accordingly not receive severance but shall potentially receive his contractual remuneration for a period of more than two years following his departure. Against this backdrop, the Executive Board and Supervisory Board declare a deviation from recommendation G.13, sentence 1 as a precautionary measure.

The Executive Board and Supervisory Board of TRATON SE furthermore declare compliance with the recommendations of the “Government Commission on the German Corporate Governance Code” as amended 7 February 2017 published by the Federal Ministry of Justice in the official part of the “Bundesanzeiger” on 24 April 2017 in the period since the last Declaration of Conformity in December 2019 until entry into force of the reformed German Corporate Governance Code as amended 16 December 2019 on 20 March 2020 with the exception of section 5.3.2 (3) sentence 2 (Independence of the Chair of the Audit Committee) and section 5.4.1 (6) to (8) (Disclosure of candidates proposed for the Supervisory Board). The reasons for this correspond to the above explanations on the deviations from recommendations C.10 sentence 2 and D.4 as well as C.13 of the current German Corporate Governance Code.”

Munich, December 2020

For the Supervisory Board

Hans Dieter Pötsch
- Chairman of the Supervisory Board -

For the Executive Board

Matthias Gründler
- Chairman of the Executive Board -