

REPORT OF THE SUPERVISORY BOARD



DR. WILHELM SCHEIDER,
CHAIRMAN OF THE SUPERVISORY BOARD

In the year under review, the Supervisory Board of VTG Aktiengesellschaft again fulfilled the responsibilities placed on it by the law, the Articles of Association and the Rules of Procedure. On the basis of detailed verbal and written reports provided to us promptly by the Executive Board, we regularly monitored its work and provided continuous support. Additionally, there was a regular exchange of information between the Chairman of the Supervisory Board and the Chairman of the Executive Board. Through this contact, the Chairman of the Supervisory Board was kept continuously informed about the situation of the company and the Group.

Regular subjects of reporting were the current situation of the Group, the development of the business in the individual segments, corporate planning and strategy, the profitability of the company, the risk situation, risk management and compliance management. The Executive Board informed us about and discussed with us important business transactions in the company's divisions. Deviations in the course of business from the agreed plans and targets were explained to us in detail.

The Supervisory Board was also included in all decisions of importance for the company. The Executive Board consulted with and gained our agreement on the strategic orientation of the company. Before passing resolutions, we discussed in depth all measures requiring the approval of the Supervisory Board under

the Rules of Procedure for the Executive Board decided by the Supervisory Board.

Ongoing consultation with and supervision of the Executive Board

In the year under review, there were five ordinary meetings and two additional meetings of the Supervisory Board. Additionally, as required, resolutions were adopted by written procedure or in conference calls. All members of the Supervisory Board attended more than half of the meetings. The issues addressed in all meetings included corporate strategy and the performance of the divisions.

In January 2015 the Supervisory Board adopted two resolutions by written procedure. Subject matter of the first resolution was the approval of the issue of a hybrid bond, which was guaranteed by the company, via a group company in Luxembourg. With the second resolution the Supervisory Board granted approval for the sale of the English tank container leasing company Tankspan Leasing Ltd.

In the first regular meeting of February 4, 2015 the Executive Board informed us about the successful start of the integration process with regard to the AAE group which had been taken over at the beginning of the year 2015. Another agenda point was the joint declaration of the Executive Board and Supervisory Board on compliance with the recommendations of the German Corporate Governance Code.

In an additional meeting held on February 27, 2015 the Executive Board presented an updated budget to the Supervisory Board which had become necessary due to the inclusion of the AAE group. Following a detailed discussion this budget was approved by us. Furthermore the Supervisory Board approved the entering into a joint-venture with the Slovakian freight railway company ZSSK during this meeting.

At the accounts review meeting of March 31, 2015, the Executive Board provided us with a summary of the earnings and financial situation and the key business events in the financial year 2014 in the company, the VTG Group and the joint ventures. Subsequently, after detailed discussion with the Executive Board and

the auditor, we approved the annual and consolidated financial statements and management reports for 2014. The meeting also included the examination and approval of the 2014 Dependent Company Report and approval of the agenda and proposed resolutions for the 2015 Annual General Meeting. Furthermore, the Executive Board presented us in this meeting the compliance report for the year 2014 and also reported to us on the risk management and the activities of the internal audit department of the VTG Group. Finally in this meeting Dr. Heiko Fischer was appointed member and chairman of the Executive Board for 5 more years with effect from March 1, 2016, following his present term.

In a conference call of May 4, 2015 the Supervisory Board approved the appointment of Mr. Mark Stevenson as additional member of the Executive Board with effect from May 15, 2015 for the time until January 31, 2018.

Another meeting of the Supervisory Board was held directly prior to the Annual General Meeting on May 29, 2015. In this meeting, the Executive Board informed us about the status of the listing of the newly issued shares from the capital increase at the beginning of the year in connection with the financing of the takeover of the AAE Group. Furthermore in this meeting we approved the acquisition of a smaller wagon hire activity in Switzerland as well as the updated schedule of responsibilities for the Executive Board.

Following the Annual General Meeting the Supervisory Board approved the appointment of the auditor elected by the shareholders by resolution adopted by written procedure.

A key issue of the further meeting of September 15 and 16, which like in previous years was held in a closed-door session, was the information for the Supervisory Board about the intended repayment and refinancing of a large part of the existing group facilities including an increase in volume. Following intensive discussions the Supervisory Board authorized the Executive Board, subject to final approval by the Supervisory Board, to continue ongoing negotiations with potential lenders. In this meeting we also took note of the recent changes in the German Corporate Governance Code and approved the acquisition of the minority shares in a wagon hire activity in Russia taken over with the AAE group from the current joint-venture partners.

Another key issue of the meeting were the medium-term growth and profitability targets of the enterprise for the financial years until 2018. Following intensive discussion with the Executive Board the targets presented were expressly approved by the Supervisory Board. Another point of discussion in this meeting and an additional meeting of October 9, 2016 was the strategic development of the company also with regard to the composition of the shareholders and potential changes.

At the meeting of November 26, 2015, the Executive Board explained to the Supervisory Board the annual budget including the financial and investment plans for the financial year 2016. We approved these after detailed discussion. In this meeting the Supervisory Board also approved the execution of the meanwhile finally negotiated refinancing measures. Further approved was the acquisition of the minority shares held by the joint-venture partner in VTG Rail Logistics GmbH. Finally in this meeting the Supervisory Board discussed the results of its efficiency assessment conducted in October 2015 and agreed to take these results into account to further optimize its work.

The Executive Committee held a total of four meetings in the year under review. The subjects covered included matters relating to the Executive Board, the remuneration system for the Executive Board, the composition of the Executive Board and the long-term planning for the Executive Board successors and executive management staff. Additionally, approval was given for the taking up of positions requiring the consent of the Supervisory Board in accordance with § 88 of the German Stock Corporation Act as well as the evaluation of the efficiency assessment of the Supervisory Board conducted in October 2015. The Executive Committee did not have to address any conflicts of interest of members of the Executive Board or the Supervisory Board in the year under review.

During the discussion in the Supervisory Board about the composition of the shareholders in the meetings of September 15 and 16 and October 9, 2015 one member of the Supervisory Board had a conflict of interest due to his position as shareholder of the company. This was taken into account in the way that the concerned Supervisory Board member neither participated in respective consultations nor resolutions and in addition did not receive any information thereof.

Audit of annual financial statements and dependent company report

PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Hamburg, (PwC) was appointed by the Annual General Meeting as auditor for the year under review. PwC examined and gave an unqualified opinion on the annual financial statements of VTG Aktiengesellschaft drawn up in accordance with the principles of the German Commercial Code and on the consolidated financial statements for the financial year 2015 drawn up according to IFRS, including the corresponding management reports. Moreover, the auditor confirmed that the risk management system set up by the Executive Board complies with the legal requirements. The auditor has assured the Supervisory Board that no business, financial, personal or other relationships exist between, on the one hand, the auditor and its executive bodies and head auditors, and, on the other hand, the company and the members of its executive bodies that could call its independence into question. The Supervisory Board has agreed with the auditor that the Chairman of the Supervisory Board shall be informed immediately of any grounds for disqualification or conflicts of interest arising during the audit, unless such grounds are eliminated immediately.

The Supervisory Board itself also checked the annual financial statements of the company and the Group, the management report and Group management report. The audit reports were submitted in good time to all members of the Supervisory Board and were discussed in depth at today's meeting with the Executive Board and the auditors, who were also present. The Supervisory Board endorsed the findings of the audit by PwC of the annual financial statements, the consolidated financial statements and the management reports. The annual financial statements and consolidated financial statements for the financial year 2015 were approved at today's meeting after in-depth discussion with the Executive Board and the auditor's representatives. After completing its investigations of the annual financial statements, the consolidated financial statements and management reports, the Supervisory Board has no objections. We endorse the proposal by the Executive Board for the appropriation of net profit with payment of a dividend of € 0.50 per share and the remainder to be carried forward.

The auditor also examined the report drawn up by the Executive Board for part of the year under review in accordance with § 312 of the German Stock Corporation Act on relations with affiliated companies (Dependent Company Report) and issued the following opinion:

“On completion of our examination and evaluation in accordance with our professional standards, we confirm that:

1. The factual information given in the report is correct,

2. Payments made by the company for the legal transactions stated in the report were not unreasonably high.”

The Supervisory Board examined the Dependent Company Report for completeness and correctness. The findings of the Supervisory Board have led to its conclusion that the Executive Board exercised due care in identifying the affiliated companies. It has taken the necessary precautions in recording legal transactions and other measures the company undertook or refrained from undertaking in the last financial year with the majority shareholder or with its affiliated companies. According to the findings of the audit, there are no indications that legal transactions or measures have not been recorded completely. The Supervisory Board therefore concurs with the auditor's findings. There are no objections to the declaration of the Executive Board at the end of the report.

Code recommendations largely met

On February 12, 2016, the Executive Board and Supervisory Board issued a Declaration of Conformity in accordance with § 161 of the German Stock Corporation Act and published it on the company's website. VTG Aktiengesellschaft complies to a great extent with the recommendations of the Commission of the German Corporate Governance Code as amended on May 5, 2015 and has largely complied with these in the past financial year, whereby until publication of the amended Code in the Federal Gazette on June 12, 2015 the previous version of the Code as of June 24, 2014 was applied.

Composition of Supervisory Board and Executive Board

Mr. Gunnar Uldall resigned from the Supervisory Board as of the end of the Annual General Meeting 2015. Mr. Andreas Goer was elected member of the Supervisory Board by the Annual General Meeting on May 29, 2015 for the rest of the term of Mr. Uldall. We thank Mr. Uldall for his long years of service on the Supervisory Board.

Mr. Mark Stevenson by resolution of the Supervisory Board of May 4, 2015 was appointed an additional member of the Executive Board with effect from May 15, 2015 for the time until January 31, 2018 and took office at this date.

We wish to thank the Executive Board and all employees of the Group for their commitment and the success achieved through their efforts in the financial year 2015.

Hamburg, March 24, 2016
The Supervisory Board

Dr. Wilhelm Scheider,
Chairman of the Supervisory Board