



**Vossloh
Rolling Stock**

Vossloh Rolling Stock **Code of Conduct**

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Dear colleagues,

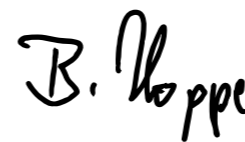
As a company that operates throughout Europe with a tradition of over 150 years in business, Vossloh Rolling Stock has responsibilities towards its customers, partners, employees, investors and the public that are social in nature. These social responsibilities include compliance with applicable law, respect for ethical principles and exemplary conduct whenever and wherever we act on behalf of our company.

This Code of Conduct is intended to help us live up to these responsibilities. It covers important legal requirements, essential aspects of internal company policies and principles of responsible corporate governance that govern the way our employees interact with each other and with business partners, shareholders, authorities and the public. It helps us to make the right decisions and obey the law. The Code of Conduct cannot describe every situation that you could encounter, so we expect you to take personal responsibility for complying with all applicable laws, fundamental international standards and our internal company guidelines.

Every employee is an ambassador of our company. Every employee's conduct and actions are perceived as representative of our company. Through our work and the way we conduct ourselves, we all contribute to creating a positive image of Vossloh Rolling Stock. And by doing that we contribute to Vossloh Rolling Stock's economic success. Managers in particular are role models for the people they work with. They assist with all types of questions on complying with legal requirements and this Code of Conduct, and they help everyone to act with integrity at all times.

We ask that you familiarize yourself with the content of this Code of Conduct and use it together with us to guide your everyday actions.

Kiel, October 2022



Dr. Bernd Hoppe

Executive Director and
General Manager of
Vossloh Rolling Stock GmbH



Jian Cheng

Vice President of CRRC ZELC
Executive Director
and Deputy General Manager of
Vossloh Rolling Stock GmbH



Lisheng Chen

Executive Director and
Deputy General Manager of
Vossloh Rolling Stock GmbH and
Deputy Director of CRRC ZELC's
Overseas Marketing Center

¹ In the interests of readability, masculine pronouns are used throughout.
They are, of course, also intended to inclusively imply the feminine.

Content

Vossloh Rolling Stock Code of Conduct	3
I. About this Code of Conduct	5
II. Principles of our actions	5
Conduct in a business environment	6
1. Lawful conduct	6
2. Fair and honest competition	6
3. Ban on corruption	7
4. Avoiding conflicts of interest	7
5. Collaborating with third-party companies	7
6. International trade and export control	7
7. Preventing money laundering	7
Conduct Towards Colleagues and Staff	8
8. Mutual respect and equal opportunity	8
9. Health and safety at work	9
10. Protecting human rights and workers' rights	9
Protecting company property	9
11. Using our company's resources	9
12. Confidentiality and protecting intellectual property	10
Handling information	10
13. Transparent reporting	10
14. Data protection	10
Social responsibility	11
15. Product safety and product quality	11
16. Responsibility for our environment	11
17. Social commitment	11
III. Implementation and compliance	12
Compliance responsibility of managers	12
Vossloh Rolling Stock Compliance Organization / Contact Details	12
Information on possible violations / Ombudspeople	13
Further information and contact details	13

I. About this Code of Conduct

The Vossloh Rolling Stock Code of Conduct describes fundamental, universally applicable standards of conduct that form the basis of our decisions and actions. The Code of Conduct combines important legal requirements that a globally active company and its employees must meet with our own values and expectations in a clear, easily understandable set of rules and principles.

The standards of conduct laid down in the Code of Conduct are mandatory for the senior management, all managers and staff (hereinafter collectively referred to as "employees") working for Vossloh Rolling Stock worldwide. They are intended to help our employees understand our principles and act accordingly. The Code of Conduct describes the conduct that is expected of you.

Any employee can find himself in a situation in the course of his daily work in which he faces problems of a legal or ethical nature. The following questions can make it easier to reach a decision:

- Is the decision in accordance with our company's principles?
- Am I convinced that the decision is lawful and doesn't violate statutory requirements?
- Am I convinced that I'm acting in Vossloh Rolling Stock's best interests with this decision?
- Does my decision hold up to public scrutiny? What effect would the decision have if it were in a newspaper article?

It only takes the misconduct of one single employee to seriously harm our company's reputation and cause Vossloh Rolling Stock considerable damage – not least of a financial nature. Our company does not tolerate breaches of the law and is resolute in its prosecution of infractions, particularly deliberate misconduct. Infractions can result in disciplinary measures (including termination of employment) and prosecution in civil and/or criminal proceedings.

Misconduct can almost always be prevented by seeking advice early. If you are uncertain what the requirements are or whether your conduct is legally and ethically impeccable, we expect you to ask your manager, the relevant department (e.g. Legal, HR or Financial Accounting / Controlling) or the relevant Compliance Officer. Any suspected or actual violation of the law or company guidelines must be reported to your manager or the relevant Compliance Officer.

II. Principles of our actions

1. Lawful conduct

Compliance with the rule of law is Vossloh Rolling Stock's top priority. Every employee must comply with the legal requirements that are relevant to his job. This applies to every legal system under whose jurisdiction he operates.

This Code of Conduct cannot cover all the laws that Vossloh Rolling Stock employees around the world have to observe. It only puts forward a few key principles on acting responsibly. Consequently, every employee is responsible for finding out about the current legislation relevant to his job. Where national laws exhibit more restrictive provisions than the rules in force at Vossloh Rolling Stock, the national laws naturally take precedence.

If in doubt, every employee is required to consult the relevant staff members inside Vossloh Rolling Stock. Vossloh Rolling Stock will do everything necessary to assist its employees in exercising legally compliant and ethically impeccable conduct.

Conduct in a business environment

2. Fair and honest competition

Vossloh Rolling Stock abides by the rules of free and fair competition. In competition with our rivals, we put our trust in expertise, customer orientation, the quality of our products and services and the power of innovation. All forms of anti-competitive conduct are strictly prohibited. Every employee must understand that violating competition law regulations is never in Vossloh Rolling Stock's interest under any circumstances and is therefore prohibited with no exceptions.

The main – and therefore strictly prohibited – forms of anti-competitive conduct include:

- unlawfully coordinating and agreeing with competitors on prices, terms, reducing capacity, curtailing production or the sharing of markets, customers or territories;
- unlawfully exchanging sensitive information with rivals, e.g. prices, changes to prices, margins and discounts; and
- improperly exploiting a dominant position in the market.

Infringements are punishable by steep penalties and fines for the company and the individuals in question. Breaches of competition law also have the potential to do considerable long-term damage to Vossloh Rolling Stock's capital and reputation through, for example, damage claims on the part of customers, the invalidation of agreements with customers or exclusion from future contracts.

The Legal Department must be consulted as soon as any doubts arise in connection with competition law. Further information and binding standards of conduct are available in Vossloh Rolling Stock's Policy on Conduct Compliant with Competition Law.

3. Ban on corruption

Vossloh Rolling Stock does not tolerate corruption no matter what form it takes. Unlawfully granting advantages to third parties is strictly prohibited, and this applies unconditionally and without exception; in other words, regardless of to whom, by whom, how many, where and for what reason benefits were wrongfully granted. We would rather do without the business and fail to achieve our internal targets than break the law.

Breaches of anti-corruption laws are serious crimes and can significantly damage both the individual and the company. No Vossloh Rolling Stock employee is permitted therefore to offer, grant, request or accept any personal advantages that could even just give the impression that business or public authority decisions are being influenced. This applies similarly to our representatives and commissioned parties (e.g. commercial agents and consultants).

Experience has shown that day-to-day business continually throws up questions, especially in connection with gifts and invitations. If unsure, protect yourself from unwittingly committing a crime by consulting your manager or the relevant Compliance Officer.

Vossloh Rolling Stock has enacted a Corruption Prevention Policy that summarizes the mandatory standards in force at Vossloh Rolling Stock and provides further information.

4. Avoiding conflicts of interest

Preventing private interests from conflicting with the company's interests is one of the official duties of every Vossloh Rolling Stock employee. Private interests or personal relationships cannot be allowed to influence business decisions made on behalf of Vossloh Rolling Stock.

Conflict situations can arise through family connections or friendships with a business partner, a public authority or its employees and through financial interests in connection with an employee's own business undertakings or shareholdings, for example. Secondary employment can also create a financial or moral relationship of dependence.

Full disclosure is the correct way of dealing with potential conflicts of interest. Avoid even the appearance of a conflict of interest and report any apparent or actual conflict of interest to your manager.

In the event that a conflict of interest does arise, the Chief Compliance Officer's consent must always be obtained in writing before making a business decision. Secondary employment always requires the prior written consent of the HR department.

5. Collaborating with third-party companies

Vossloh Rolling Stock sees itself as a partner to the subcontractors, suppliers and service providers who contribute to our company's success, which is why we always treat our business partners fairly and as equals. This also means, however, that we expect the companies and people working for Vossloh Rolling Stock to ensure that their actions on behalf of Vossloh Rolling Stock are informed by principles comparable to the principles we apply to ourselves.

We trust our partners but in individual cases we also check and verify whether the way they perform their actions on Vossloh Rolling Stock's behalf is in accordance with the law at all times.

6. International trade and export control

Vossloh Rolling Stock believes that free trade contributes to wealth and prosperity in the world. We comply with all export and import bans imposed in accordance with national or international law and with all official approval requirements for our products and services.

7. Preventing money laundering

Vossloh Rolling Stock does not participate in money laundering operations and meets its obligations towards ensuring such operations are prevented. Wherever there is doubt, employees are requested to report to the relevant financial or legal department any unusual financial transactions that could justify suspicions of money laundering, particularly any involving cash.

Conduct towards colleagues and staff

8. Mutual respect and equal opportunity

Our employees are the foundation upon which Vossloh Rolling Stock's success is built. Vossloh Rolling Stock bases its strategy on creating a working environment that is sustained by trust and mutual respect so that every single person can bring his abilities and strengths to bear. Diversity, tolerance and equal opportunity are what we stand for as an international company. And we value versatility: having staff with different backgrounds promotes creativity and enables us to understand our customers around the world better.

Direct or indirect discrimination must therefore be ruled out of all decisions and in all areas of the company. This applies regardless of gender, age, race, skin color, religion, world view, sexual orientation or disability. Nor are cultural, ethical or national origins or political and philosophical views to be attributed any relevance. Only objective criteria such as qualifications, abilities, performance and experience are relevant for deciding on personnel.

The importance of interacting objectively, respectfully and fairly is equally as self-evident as trusting each other and working together constructively. We expect all our employees to respect the dignity, privacy and personality rights of everyone. Discrimination, harassment and insults will not be tolerated and will result in disciplinary action.

9. Health and safety at work

Safe and healthy working conditions are key to the way we work at Vossloh Rolling Stock. Our responsibility to staff and colleagues demands the best possible precaution against the risk of accidents. In the Work Safety Committee we have a permanent, company-wide committee for occupational safety. Vossloh Rolling Stock has formulated a collective health and safety policy that is binding for all the subsidiaries. The Zero-Accident Strategy has been specified in the policy as the prime objective.

All our staff promote occupational health and safety in their places of work and comply with the occupational health and safety regulations. The following rules of conduct must be obeyed at all times:

- Comply with the guidelines relating to health and safety in the workplace.
- Conduct yourself with sufficient circumspection to ensure no-one is put at risk.
- Be careful and deliberate in your actions so as not to endanger anyone's safety.
- In the event that a hazardous situation develops, take steps to ensure that the problem is rectified immediately and that your colleagues are informed accordingly.
- Report any incident that endangers safety to your manager and the contact person for occupational health and safety.

10. Protecting human rights and workers' rights

All our employees respect the internationally recognized human rights and encourage their observance. We strongly reject forced labor and child labor in all its forms. We acknowledge the right of all our employees at all of our locations to form trade unions and employee representation on a democratic basis and in accordance with applicable legal and statutory requirements. We also support those who work for our business partners in their enforcement of these rights.

A close working relationship with workers' representatives based on trust is an important element and a proven management policy for Vossloh Rolling Stock. Open and constructive dialog characterized by respect forms the foundation of mutual trust and cooperation.

Protecting company property

11. Using our company's resources

Vossloh Rolling Stock provides company resources for the achievement of our common objectives. Only the efficient use of these resources can ensure the company's long-term success at every level.

Wasting or misusing the company's resources – including working hours – impairs Vossloh Rolling Stock's operational and financial performance and consequently affects us all. Each and every employee can make a contribution in this regard:

- Act in a cost-conscious manner and check carefully whether expenses are necessary and proportionate.
- Ensure that the company's property is treated with care. Protect it from damage, destruction and theft.

12. Confidentiality and protecting intellectual property

Our trade secrets such as our inventions and expertise, for example, are valuable assets and they form the basis of our company's success. Vossloh Rolling Stock invests considerable human and financial resources in developing innovative products and services. Consequently, this information requires special protection.

Each and every employee has a duty to contribute to the protection of this information. Confidential company information is to be kept secret and must only be used for business purposes. Specifically, confidential information must not be passed on to unauthorized persons. This includes family and friends.

The trade secrets of our business partners are also to be protected from disclosure to unauthorized parties.

Handling information

13. Transparent reporting

Vossloh Rolling Stock places great importance on openly and truthfully reporting and communicating the company's business transactions to business partners, employees, authorities and the general public. Every employee ensures that internal and external reports, records and other documentation are always completed correctly, in a timely manner and in accordance with the applicable statutory regulations.

14. Data protection

Vossloh Rolling Stock respects the fact that individuals have an interest in protecting personal information, and it ensures that modern information and communications technology is used appropriately. The personal data of employees and business partners enjoys maximum protection and can only be collected, processed or used to the extent stipulated by the law and required for our day-to-day business transactions.

Social Responsibility

15. Product safety and product quality

Our products and services represent the best in quality, careful workmanship and reliability. Ensuring the quality, safety and reliability of our products are the main pillars of our success. Particularly in railway engineering, products have to meet the highest quality and safety requirements. We work continuously on improving our products and processes for the benefit of our customers in order to achieve the highest level of quality.

16. Responsibility for our environment

Resource conservation and the sustained protection of the environment and the climate are matters of great importance to Vossloh Rolling Stock. As we develop new products, provide our services and operate our production facilities, we ensure that all the resulting impacts on the environment and our climate are kept to a minimum and that our products make a positive contribution to protecting the environment and mitigating climate change. Each and every employee bears a responsibility to conserve natural resources and contribute to protecting the environment and the climate through his individual conduct.

17. Social commitment

Vossloh Rolling Stock has an obligation to society. Vossloh Rolling Stock promotes social, cultural and sporting amenities at our locations and as such is making a contribution to quality of life, prosperity and sustainability. Donations and sponsoring must benefit the public good. The Vossloh Rolling Stock Corruption Prevention Policy contains additional rules on donations and sponsoring.

We welcome social commitment and encourage all employees to participate in activities that benefit the general public.

The Code of Conduct as mandatory component of the Vossloh Rolling Stock Compliance Management System

III. Implementation and compliance

Vossloh Rolling Stock's senior management has established a Compliance Management System for the company. The Vossloh Rolling Stock Compliance Management System is designed to ensure conduct that complies with all applicable laws and internal company guidelines. Its goal is to protect Vossloh Rolling Stock and every single employee from the serious and costly consequences of misconduct. The Code of Conduct constitutes a core component of the Compliance Management System.

Every Vossloh Rolling Stock employee has been given a copy of the Code of Conduct, which is also available on the intranet and on Vossloh Rolling Stock's website. The Code of Conduct is mandatory for all Vossloh Rolling Stock employees. Under the current provisions, violations of the Code of Conduct will result in disciplinary action and prosecution in civil and, if applicable, criminal proceedings.

Compliance responsibility of managers

Compliance, understood as conduct that complies with all applicable laws and internal company guidelines, is the responsibility of the entire organization. Managers have a special function in setting an example and their actions in particular are measured against the Code of Conduct.

Managers are the first point of contact for employees with questions on how to understand the rules. They ensure that all our employees know and understand the Code of Conduct. It is part of their leadership role to prevent unacceptable behavior and take appropriate action in order to ensure that rules are followed in their areas of responsibility. A good working relationship based on trust is demonstrated by honest, open communication and mutual support.

Vossloh Rolling Stock Compliance Organization / Contact Details

In order to assist managers and staff, Vossloh Rolling Stock's senior management has established a Compliance Organization, whose task is to ensure compliance at Vossloh Rolling Stock.

The Compliance Organization comprises the Chief Compliance Officer, who is assisted by the Compliance Office. A Local Compliance Officer has also been appointed in each of the Vossloh Rolling Stock subsidiaries. The duties and responsibilities of the various Compliance Officers are specified in Vossloh Rolling Stock's Rules of Procedure on Compliance.

The Compliance Officers' contact details and the Code of Conduct have been issued to every employee and are also available on the intranet. The Compliance Officers and your managers are available at any time to answer questions concerning correct conduct or to provide further information.

Information on possible violations / Ombudspeople

All employees are requested to inform their managers or the relevant Compliance Officer of any possible violations of the Code of Conduct, laws or internal company guidelines. No employee making a bona-fide report of an actual or apparent violation need fear sanctions or disadvantages as a consequence of providing this information.

Independent external ombudspeople are also available to contact if our employees have information on possible misconduct. These ombudspeople are lawyers who have been retained by Vossloh Rolling Stock exclusively for this purpose and who are obliged to maintain strict confidentiality. The ombudspeople are required to clarify the matter in advance to the point where the information can be acted on.

The ombudspeople pass on incoming reports – anonymously, if the informant prefers – to the Chief Compliance Officer, who follows up on every lead and documents all the information, verification activities and any consequences. The contact details of the independent ombudspeople retained by Vossloh Rolling Stock have been given to every employee together with the Code of Conduct and are posted on the Vossloh Rolling Stock intranet.

Further information and contact details

Further information on compliance together with all the company guidelines referred to in the Code of Conduct are available on the Vossloh Rolling Stock intranet.

This Code of Conduct was put into effect on the 5th of October, 2022 by Vossloh Rolling Stock's senior management. The Chief Compliance Officer is responsible for creating, implementing and making any changes to the Code of Conduct under the authority of senior management.

Vossloh Rolling Stock GmbH

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