

RULES OF PROCEDURE FOR INTERNAL INVESTIGATIONS

ACCORDING TO THE RESOLUTION OF THE
MANAGEMENT BOARD OF
KNORR-BREMSE AG OF 11/24/2022



KNORR-BREMSE



Table of contents

| | | |
|-------|---|---|
| 1. | Scope..... | 3 |
| 2. | Reporting channels | 3 |
| 2.1. | Decentralized reporting channels | 3 |
| 2.2. | Central reporting channels | 3 |
| 3. | Free choice of reporting channel | 3 |
| 4. | Persons entitled to make reports | 3 |
| 5. | Reporting format | 3 |
| 6. | Principles for internal investigations | 3 |
| 6.1. | Legality principle | 3 |
| 6.2. | Confidentiality & anonymity | 4 |
| 6.3. | Prohibition against disadvantaging reporters..... | 4 |
| 6.4. | Fair procedure | 4 |
| 6.5. | Conflicts of interest | 4 |
| 6.6. | Data economy | 5 |
| 6.7. | Quick clarification | 5 |
| 6.8. | Collaboration with state entities & safeguarding legitimate interests | 5 |
| 6.9. | Appropriate sanctions & corrective measures | 5 |
| 6.10. | Error culture & determining causes | 5 |
| 7. | Responsibilities | 5 |
| 7.1. | Principle of local responsibility | 5 |
| 7.2. | Cases with group-wide relevance | 6 |
| 7.3. | Responsible departments | 6 |
| 7.4. | Evocation right | 7 |
| 8. | Investigation process | 7 |
| 8.1. | Initial control | 7 |
| 8.2. | Direct corrective measures | 7 |
| 8.3. | Passing on the tip | 7 |
| 8.4. | Reviewing the tip & internal communication | 7 |
| 8.5. | Involving official agencies | 8 |
| 8.6. | Initiating an investigation | 8 |
| 8.7. | Decision on access to communication systems | 8 |
| 9. | Investigation authorities | 8 |
| 9.1. | Independence and freedom from instructions | 8 |
| 9.2. | Securing evidence (“legal hold”) | 8 |
| 9.3. | Interviews | 9 |
| 9.4. | Access to company facilities | 9 |
| 9.5. | Access to documents | 9 |

RULES OF PROCEDURE FOR INTERNAL INVESTIGATIONS

| | |
|---|----|
| 9.6. Access to and evaluation of communications | 9 |
| 9.7. Involving other departments and external personnel | 9 |
| 9.8. Transmission of personal data | 10 |
| 10. Conclusion of the investigation | 10 |
| 11. Sanctions & corrective measures | 10 |
| 12. Root cause analysis | 10 |
| 13. Deadlines & informing the whistleblower and affected persons..... | 10 |
| 13.1. Confirmation of receipt | 10 |
| 13.2. Initial status report (3-month report) | 10 |
| 13.3. Other status reports | 11 |
| 13.4. Final notification to the whistleblower | 11 |
| 13.5. Information regarding the disclosure of identity | 11 |
| 13.6. Information to affected persons | 11 |
| 13.7. Responsibility for the status reports | 11 |
| 13.8. Rectification, deletion, rights to object and submit complaints | 11 |
| 14. Documentation | 12 |
| 14.1. Documentation requirements | 12 |
| 14.2. Storage location | 12 |
| 14.3. Storage term & deletion concept | 12 |
| 15. Internal reporting | 12 |
| 15.1. Local cases | 12 |
| 15.2. Cases with group-wide relevance | 13 |
| 16. Data protection | 13 |
| 16.1. Legal obligation (Art. 6 para. 1 c GDPR | 13 |
| 16.2. Legitimate interest (Art. 6 para. 1 f GDPR | 13 |
| 17. Adjustment to local legal regulations | 13 |
| 18. Regular review of the process | 14 |
| | |
| Annex 1. RACI matrix duties & responsibilities | 15 |
| Annex 2. Damage categories (Sanctioning Committee) | 16 |

RULES OF PROCEDURE FOR INTERNAL INVESTIGATIONS



1. Scope

These rules of procedure regulate the investigation of potential violations of human rights, laws, the Code of Conduct and internal guidelines, as well as for handling complaints and tips.

These specifications apply group-wide, unless there are deviating local legal regulations. If necessary, the Regional Boards may enact deviating regulations, in coordination with Corporate Compliance.

These rules of procedure do not apply to reports of IT disruptions, cyber attacks, data leaks or cases of data theft. There is a separate reporting portal on the intranet for this purpose (INAS – Incident Notification and Alarm Service).

Furthermore, these rules of procedure do not apply to reports of work-related accidents and near accidents, for which separate reporting channels have also been established.

2. Reporting channels

Within the Knorr-Bremse Group, the following options are available to report violations of human rights, laws and internal guidelines, as well as to submit tips and complaints regarding potential risks or deficiencies in relation to legal regulations or human rights.

2.1. Decentralized reporting channels

Within a group company, the general management takes the measures necessary to ensure that tips and complaints can be reported via the following channels:

- Report to the responsible manager
- Report to the responsible HR department
- Report to the responsible Local Compliance Officer or Regional Compliance Officer.

2.2. Central reporting channels

Alternatively, whistleblowers can also contact the following offices at Knorr-Bremse AG:

- Report to Corporate Compliance,
- Anonymous report via an online portal, such as the Integrity Line,
- Report via the external ombudsperson.

3. Free choice of reporting channel

Whistleblowers can contact a reporting office of their choice.

4. Persons entitled to make reports

The reporting offices shall accept all kinds of tips and complaints – from employees, freelancers, interns, etc., as well as from external individuals, such as employees of customers or suppliers or from the public.

5. Reporting format

There are no formal requirements for submitting reports. If possible, they are received in writing and orally.



6. Principles for internal investigations

The following basic principles must be observed when handling complaints and tips, as well as during internal investigations.

6.1. Principle of legality

All investigations must be carried out in accordance with applicable law. Identified violations must be corrected promptly.

6.2. Confidentiality & anonymity

To protect the identity of whistleblowers, tips can be submitted anonymously.

All tips and complaints will be treated as confidential. All persons involved in the investigation or processing of complaints and tips must maintain secrecy towards third parties. If necessary, suitable non-disclosure agreements must be concluded.

The identities of whistleblowers and affected persons may be disclosed only with their express consent (at least in text form).

In deviation from this, the identities of whistleblowers may be disclosed in the following cases:

- in criminal proceedings at the request of prosecuting authorities,
- under an official order,
- under a court decision,
- under a statutory regulation and
- if the disclosure is necessary to implement subsequent measures.

The identities of persons who report incorrect information on violations either intentionally or through gross negligence will not be protected.

Otherwise, the identities of whistleblowers may be disclosed to others only with their express consent. This also applies to all other information from which the identity of the whistleblower could be derived either directly or indirectly.

If disclosure is permitted, the whistleblower will be informed in advance of the disclosure, as long as this does not endanger the purpose of investigation or the proceedings in question.

6.3. Prohibition against disadvantaging reporters

No one may be punished or suffer a disadvantage due to a tip they have submitted in good faith, even if the tip or complaint turns out to be unfounded.

The prohibition against disadvantaging reporters applies both to the company's own employees and to outsiders.

The prohibition against disadvantaging reporters shall not, however, apply if a tip or a complaint is submitted contrary to personal knowledge or in a grossly negligent manner with the goal of specifically discrediting other persons, exposing them to criminal prosecution, or otherwise harming them, or if the tip or complaint is submitted contrary to personal knowledge in order to defend against measures pending under labor law. In such cases, whistleblowers shall not be entitled to protection of their identity.

Furthermore, the prohibition against disadvantaging reporters does not protect against criminal prosecution.



6.4. Fair procedure

All tips and complaints shall be reviewed in an unbiased and objective manner. Both incriminating and exonerating circumstances shall be investigated in the proceedings. Only means and sources that are permitted by law may be used.

As long as a tip or complaint has not been confirmed, there is a presumption of innocence.

If this is not already specified by local law, affected persons have the right to a hearing before any measures are taken against them.

6.5. Conflicts of interest

No one may take part in the investigation or decisions on subsequent measures who has a separate interest in the outcome of the proceedings, or if there could be an external appearance of such a conflict, for instance due to a close relationship with the affected person or because the allegations relate to their own area of responsibility.

Potential conflicts of interest must be disclosed promptly.

If there is a fear of conflicts of interest, affected persons may not be informed of the progress of the proceedings if this would endanger their purpose.

6.6. Data economy

During the investigation, it must be ensured that only data necessary to process the tips and complaints and evaluate them from a legal standpoint is collected and processed.

6.7. Quick clarification

Tips and complaints should be clarified quickly and violations should be halted promptly.

6.8. Collaboration with state entities & safeguarding legitimate interests

Knorr-Bremse AG and its affiliated companies reserve the right

- to independently involve official agencies and courts in reaction to a tip or complaint, for instance by filing a criminal charge, an application under the Leniency Notice or a complaint;
- to cooperate with state agencies to clarify a matter in order to safeguard their legitimate interests and rights to defend themselves, to answer legitimate requests for information from state agencies and to defend themselves against civil complaints.

The affected company can decide at its own discretion, within the framework of actions permitted by law, whether to disclose the identity of a whistleblower which is known to it along with information provided to it by a whistleblower. Furthermore, other persons can be named as witnesses and documents can be transmitted.

The Group Data Protection Officer must be involved before data is transmitted to agencies outside of the European Union.

Any publicity or reporting obligations remain unaffected, for instance under Art. 17 of the EU Market Abuse Directive or Sec. 43 of the Money Laundering Act or corresponding international regulations.

6.9. Appropriate sanctions & corrective measures

Legal violations must be halted immediately.

Furthermore, reasonable measures shall be taken to rectify confirmed complaints and tips and to sanction violations appropriately.



The type and scope of the sanction shall be determined based on reasonable discretion and after weighing the circumstances of the individual case, in particular the severity and duration of the violation, the degree of culpability, the risk that it will be repeated and the role of the affected person in the company and their behavior after the infringement.

Knorr-Bremse AG and its affiliated companies reserve the right to exhaust all options permitted by law.

6.10. Error culture & determining causes

Tips and complaints should be taken as an opportunity to learn from mistakes, to question the corporate culture and existing risk assessments, processes, and controls, and adjust them where needed.

7. Responsibilities

7.1. Principle of local responsibility

Tips and complaints should generally be processed by the company that receives the tip or complaint or about which the tip or complaint is submitted.

The respective general management or persons identified by them are responsible for processing the tip or complaint, or the Local Compliance Officer in case of doubt.

Further details are set forth in the RACI Matrix (**Annex 1**).

7.2. Cases with group-wide relevance

If proceedings are significant for the entire group, then they will be handled under the leadership of the responsible Knorr-Bremse AG department. Proceedings are significant for the entire group in the following cases:

- The allegations relate to members of the Management Board, a Regional Board or general management
- The allegations relate to more than one company or country.
- Due to violations on the local or regional level, information in consolidated financial statements, a stock exchange prospectus or other disclosures of Knorr-Bremse AG towards capital markets, banks, or investors could be incorrect.
- The allegations relate to:
 - product safety or integrity;
 - modern slavery and human rights violations, such as child or forced labor;
 - bribing office holders or business partners;
 - antitrust violations;
 - money laundering;
 - violations of embargoes or sanctions.
- Fines or penalties could be calculated for the allegations based on group revenues.
- Knorr-Bremse AG or a subsidiary could be considered jointly liable for fines or claims for damages.
- The allegations could result in reputation damage for the entire group, for instance due to national reporting.



7.3. Responsible departments

In cases with group-wide relevance, the following departments shall be functionally responsible for processing tips, complaints and other suspected cases, as well as for any subsequent measures:

| Topic | Responsible departments |
|--|-------------------------|
| Product safety & product integrity | QM (Truck or Rail) |
| Financial reporting, accounting & taxes | F/B |
| Capital market manipulation, insider trading, capital market communication, Corporate Governance | L/RGC |
| Antitrust violations & abuse of market power | L/RM |
| Fraud, bribery & money laundering | L/CO |
| Embargoes & sanctions | L/CO |
| Modern slavery & human right violations | L/CO |

In general, in cases with group-wide relevance, the actual investigation should be carried out by Internal Audit (V/A) following coordination.

Further details are set forth in the RACI Matrix in **Annex 1**.

Depending on the circumstances of the matter at hand, this processing work may be transferred to another group entity or suitable service providers, such as attorneys or auditors.

7.4. Evocation right

In the following cases, the responsible departments of Knorr-Bremse AG can also take charge of local cases, for instance based on the instructions of the Management Board to the local general management:

- Allegations relate to the local general management.
- There is reason to believe that an objective and independent investigation of the allegations cannot be conducted locally, or it would not be possible to appropriately protect the whistleblower against reprisals.
- The company does not have the resources necessary to clarify the matter.

8. Investigation process

8.1. Initial control

The person or entity that receives the tip or complaint reviews

- whether the tip or complaint seems plausible prima facie;
- whether the case appears, prima facie, to be a cases with group-wide relevance (see clause 7.2);
- the category the tip appears to fall under prima facie, and
- whether any direct corrective measures can be taken.



Information which is not plausible should be clarified by further questions if possible. If possible, the tip or complaint should be discussed with the whistleblower.

8.2. Direct corrective measures

If the complaint can be corrected directly, the person or entity that received the tip initiates the necessary steps. The proceedings can then be closed.

8.3. Passing on the tip

If the tip or complaint is plausible and direct corrective measures are not possible, the reporting office passes on the tip or complaint to the department responsible according to clause 7.3 (if the reporting office is not itself responsible).

If the report was received locally, the reporting office also informs the responsible department of Knorr-Bremse AG according to the RACI matrix in **Annex 1**.

In contrast, reports that affect local processes, but that are received by Knorr-Bremse AG, are forwarded to the responsible Local Compliance Officer.

8.4. Reviewing the tip and internal communication

After it is contacted, the department reviews the tip to determine if it is plausible and completes an initial assessment. If possible, it discusses the tip with the whistleblower. The data protection department responsible for the company in question must be involved in the review of plausibility.

If it believes that not it, but rather another office within the group is responsible, then it must pass the proceedings onto this office. It should coordinate with the office in question to do so.

The responsible department furthermore decides on the next steps and on which offices should be informed regarding the tip. Further details are regulated in the RACI matrix in **Annex 1**.

Furthermore, it reviews whether the proceedings must be reported to an insurance company (such as D&O, liability or credit default insurance), or whether a suspicious activity report is required under money laundering law.

In case of a suspicious activity report under money laundering law, the statutory regulations on confidentiality must be observed (prohibition against "tipping off"); in such cases, it may be prohibited to forward the tip internally.

The Supervisory Board and Audit Committee are informed by the Management Board according to the specifications of its rules of procedure, unless the allegations affect the Management Board itself.



8.5. Involving official agencies

If not otherwise regulated under local law, the responsible general management, or the Management Board for proceedings handled centrally, decides whether official agencies should be notified of the proceedings, for instance through a criminal charge or an application under the Leniency Notice.

8.6. Initiating an investigation

An investigation is initiated if

- there is actual, conclusive evidence indicating it is possible that a violation of human rights, the law or internal guidelines has been committed (initial suspicion) and furthermore
- it is possible that the matter can be clarified with the available means in a legally permissible manner and with work and expense reasonable for the alleged severity of the allegation.

Otherwise, the proceedings will be closed. Furthermore, an investigation is not necessary if the violation is not ongoing and if no corrective measures or sanctions are possible, for instance because the persons involved have left the company or because the statute of limitations under criminal law has expired.

The reasons for initiating an investigation or making the decision not to initiate an investigation must be documented.

8.7. Decision on access to communication systems

If communication systems need to be accessed during the investigation, the decision to access such systems requires the approval of the Chief Compliance Officer and the Head of Group HR, who must coordinate for this purpose with the Group Data Protection Officer.

In cases handled locally, the responsible general management makes this decision in accordance with locally valid legal regulations and the Group data privacy guidelines.

9. Investigation authorities

Within the framework permitted by law, the responsible department or the office commissioned to complete the investigation takes the measures necessary and reasonable to clarify the matter.

9.1. Independence and freedom from instructions

Only persons who have sufficient professional expertise and can guarantee they will act in an unbiased manner may be commissioned to carry out the investigation.

Persons commissioned to carry out the investigation are functionally independent while doing so. They are not subject to any general or specific specialist instructions that could exclude or interfere with their independent investigation and analysis of the matter. They independently determine the goal of the investigation and the process.

9.2. Securing evidence (“legal hold”)

The office responsible for the investigation must promptly take the steps necessary to secure evidence, for instance by involving IT to prevent data from being deleted.

9.3. Interviews

Unless otherwise specified under local applicable law, all employees are obligated to appear for an interview during work hours and to provide truthful and complete information in said interview.



If the allegations are made against the interview partner, they can deny to provide information for questions that could expose them or one of their close family members to potential criminal prosecution if they were to answer them. The affected persons must be informed of this right before the interview. They must also be informed that their statements may be included in the files of investigating authorities or courts in some circumstances.

Minutes must be prepared of the interview.

9.4. Access to company facilities

Persons commissioned to carry out the investigation shall have access to all company properties and facilities of Knorr-Bremse Group companies.

9.5. Access to documents

Upon request, all available documents must be presented in full to persons commissioned to carry out the investigation. Explanations must be provided if necessary, and documents must be provided upon request. This shall not apply to private documents and objects.

The right to review and provision shall not apply to minutes of Management Board meetings and Management Board presentations. With respect to these documents, approval must be obtained in advance from the Management Board member responsible for law and integrity, as long as they are not themselves the subject of the investigation.

The securing and handover of documents must be documented (date of the request, reason for the request). Original copies must be protected against unauthorized access and modification.

9.6. Access to and evaluation of communications

For the purpose of the investigation, letters, emails, chats or other forms of correspondence that are conducted using equipment and/or addresses provided by Knorr-Bremse Group companies may be accessed and evaluated if

- there is reason to believe that useful information can be obtained in this manner, and
- the measures seem reasonable in light of the allegations that have been made and any other information that may be gained.

Forensic software may also be used in such cases in consideration of all data protection law regulations.

The principles of data economy must be observed during the access. Suitable filters and search terms must be used to ensure that the review remains restricted to the purpose of the investigation and the affected persons.

The search criteria and search steps, as well as the affected accounts and time periods must be described for documentation purposes.

The Data Privacy Officers responsible for the locations in question, or their deputies, must be involved.

9.7. Involving other departments and external personnel

Depending on the matter at hand, the investigation can also be transferred to another department or can be conducted by suitable external personnel, such as by an auditor, attorney, or IT service provider. Other departments can also be involved to provide support in the same manner. The principles of data protection law must be observed, for instance by concluding non-disclosure and contract processing agreements.

Likewise, the rights of employee representatives to be involved in the proceedings must be observed.



9.8. Transmission of personal data

If necessary and reasonable to process tips and complaints and to carry out the investigation, personal data may be transmitted to other group companies or to attorneys, auditors or similar persons involved in the investigation and processed by them, even without the express consent of the data subject. Data protection law regulations must be observed.

10. Conclusion of the investigation

The investigation is ended with an investigation report or closing statement. The report or statement summarizes the significant details of the matter, provides an overview of the investigation process and related actions, as well as the results found and a legal assessment of them.

Based on the report, the responsible department prepares a suggested decision regarding sanctions and any corrective measures.

11. Sanctions & corrective measures

The respective general management, or the Management Board in the case of investigations carried out by Knorr-Bremse AG, makes a decision on disciplinary measures and necessary corrective measures.

In serious cases, the Sanctioning Committee should be consulted to prepare the decision, which is called at the suggestion of the Management Board member responsible for law and integrity.

The severity of the allegations is evaluated based on the criteria in **Annex 2**. These are considered a guideline, and other or additional criteria can be taken into account at any time.

Further details are provided in the "Rules of Procedure" of the Sanctioning Committee (**Annex 3**).

12. Root cause analysis

If the investigation has confirmed the tip or complaint, the responsible department must review the causes of the violation, in particular whether the violation resulted from systematic causes, and whether the previous assessment of compliance risks needs to be adjusted.

13. Deadlines & informing the whistleblower and affected persons

13.1. Confirmation of receipt

Whistleblowers must receive a confirmation of receipt within seven calendar days after their report is received.

It contains information on the next steps of the process and data protection information required regarding the scope and type of processing, and the process applicable for reports to official agencies or other external complaint channels.



13.2. Initial status report (3-month report)

Whistleblowers must receive a status report within three months after their report is received, containing the following information:

- whether the case has already been concluded or is still open;
- whether the tip or complaint was confirmed;
- whether, and if applicable why subsequent measures were taken or are planned and, if so, what subsequent measures were or will be taken (such as reference to other dispute resolution mechanisms, disciplinary measures, involving official agencies, changing processes and controls or similar).

However, no information that could endanger internal inquiries or the investigation itself, or that could negatively impact the rights of persons affected by the notification may be shared. Furthermore, no company secrets or personal data may be disclosed.

13.3. Other status reports

If the case was still open during the first status report, the whistleblower must receive another status report at the latest within six months after the tip is received.

Further status reports shall be provided every six months if the proceedings are still ongoing.

13.4. Final notification to the whistleblower

After the end of the investigation and after the decision is made on any subsequent measures, the whistleblower will receive a final notification.

The specifications for the status report also apply to its content.

13.5. Information regarding the disclosure of identity

If the identity of a whistleblower is to be disclosed in a legally permissible manner, the whistleblower shall be informed of this disclosure in advance.

This shall not apply if the information would endanger the investigation or court proceedings.

13.6. Information to affected persons

Affected persons must be informed of investigations against them, and in particular if their personal data is specifically accessed. This information must include

- the purpose of data processing,
- the categories of personal data that are processed,
- the recipients of the data in question,
- the expected term of storage and
- the rights of data subjects under the law.

This shall not apply if informing the affected persons could negatively impact the assertion, exercise, or defense against legal claims or the purpose of the investigation. Affected persons must then be informed within two weeks after the negative impact no longer applies.

RULES OF PROCEDURE FOR INTERNAL INVESTIGATIONS



They shall likewise not be informed if this would endanger the confidential transmission of data to public agencies, for instance in case of an application under the Leniency Notice with an antitrust authority or before submitting a report of suspected money laundering.

If state investigations or court proceedings are pending, the disclosure must be coordinated in advance with the responsible offices.

Information is not required if and insofar as the affected person already has the information. Furthermore, affected persons do not need to be informed if only data already available within the company is reviewed by persons entitled to do so as part of a plausibility check, meaning that no new data collection, processing, or transmission to third parties is taking place.

13.7. Responsibility for the status reports

The department responsible for the overall process is responsible for the status reports and for informing affected persons.

13.8. Rectification, deletion, rights to object and submit complaints

Rights to rectification and deletion under data protection law, as well as statutory rights to submit objections and complaints shall remain unaffected. Collected data shall be stored and deleted in accordance with the deletion concept described below.

14. Documentation

14.1. Documentation requirements

Tips and complaints, the investigation report and evidence collected during the investigation must be documented in a permanent and access-protected manner. Furthermore, the sanctions and corrective measures that were taken and implemented must be documented.

14.2. Storage location

Proceedings with group-wide relevance must be documented in the Integrity Line tool or in any successor solution which is implemented.

14.3. Storage term & deletion concept

Documentation must be stored as follows for the duration of the investigation and thereafter:

| Results of the investigation | Retention period |
|------------------------------|------------------|
| Confirmed tips | 24 months |
| Tips that are not confirmed | 6 months |

Terms shall begin in all cases on New Year's Day after the end of the year in which the case was concluded.

Example (confirmed tip):

Conclusion of the case on: 01 March 2022.

→ Start of term: 01/01/2023, 12 AM.

→ End of term: 12/31/2025, 12 AM.



After the end of the term, documentation must be deleted promptly.

This shall not apply if court or official proceedings are still pending regarding the object of the case, or if a review is still being conducted whether the documents are required for further legal prosecution, such as to file a claim. In this case, documents must be stored until the legal proceedings have been completed. Then they must be deleted promptly.

The deletion must be logged.

General information on the proceedings without personal references, such as the description of processes in external reporting or for internal statistics, does not need to be deleted.

15. Internal reporting

Internal reporting is conducted along the reporting lines of the participating offices, safeguarding the rights of data subjects and data protection (need to know principle).

The following also applies for the purposes of group-wide risk management and sustainability reporting:

15.1. Local cases

The Local Compliance Officer must report the following information to Corporate Compliance (L/CO):

- Number of locally processed complaints and tips
- Number of confirmed complaints and tips
- Type of corrective measures, incl. notification of the reasons for the violation.

Personal data may not be transmitted in this respect.

Corporate Compliance (L/CO) shall establish the reporting format separately.

15.2. Cases with group-wide relevance

Corporate Compliance reports cases with group-wide relevance as well as statistics on local cases to the Management Board, the Compliance Committee and the Audit Committee.

16. Data protection (privacy policy)

When receiving tips and complaints and reviewing and investigating the case, personal data of the whistleblower, affected persons and potentially other third parties will be processed.

16.1. Legal obligation (Art. 6 para. 1 c GDPR)

Data collection and processing under these rules of procedure are carried out in order to implement statutory regulations, namely the following:

- Sec. 10 HinwSchG (Whistleblower Protection Act),
- EU Whistleblower Directive 2019/1937 or applicable national acts of transposition in EU member states,
- Sec. 8 Supply Chain Due Diligence Act (LkSG),
- Sec. 6 para. 5 Money Laundering Act (GwG),
- Sec. 13 General Equal Treatment Act (AGG),

- Sections 289 to 289f of the German Commercial Code (HGB) and
- the general legality obligation of the general management and Management Board, and
- duty of care of the employer under labor law.

16.2. Legitimate interest (Art. 6 para. 1 f GDPR)

Regardless of this, the general management and company owner are obligated to halt legal violations within their company, to safeguard the rights of defense of the company and its bodies, and to prevent damage caused by external entities. In addition, the protection of (internal) whistleblowers results from the employer's duty of care.

To carry out this duty, it is necessary to clarify allegations and collect evidence in order to take any necessary legal steps and implement corrective measures. In order to avoid or limit liability, the company and general management must furthermore be able to prove that they have taken the necessary measures, for instance to exonerate themselves with respect to supervisory boards, criminal prosecution authorities or insurance companies.

In light of this, companies have a legitimate interest in the sense of Art. 6 para. 1 letter f GDPR to obtain information on legal and regulatory violations that are committed in conjunction with or as a result of their business activities through a whistleblower system, and to clarify these as far as possible. Furthermore, companies have a legitimate interest in safeguarding their business interests and rights of defense, for instance through applications under the Leniency Notice or cooperating with criminal prosecution authorities.

The interests of the whistleblower and affected persons to not be involved in an investigation or held accountable are subordinate to these interests.

The investigation and review of tips and complaints may have significant consequences for the affected person, for instance including criminal prosecution, termination of the employment relationship, or claims for damages. However, these disadvantages are not a result of data collection, but rather the conduct of the data subject. There is no legitimate interest in not being held accountable for one's own conduct if this is done in accordance with the law and the principles of the rule of law. These rules of procedure ensure this is the case.

17 Adjustment to local legal regulations

These rules of procedure can be adjusted to local legal regulations by the responsible Regional Board in coordination with Corporate Compliance.

18. Regular review of the process

The effectiveness and appropriateness of the whistleblower and complaint process must be reviewed once each year and adjusted as needed.

Independent of this, the process will be reviewed whenever necessary, for instance if the risk situation changes significantly or is increased significantly, for instance due to the introduction of new products, projects or a new business area.

Corporate Compliance (L/CO) is responsible for the review.

RULES OF PROCEDURE FOR INTERNAL INVESTIGATIONS

Annex 1. Internal investigations & complaint management

Roles & responsibilities

| Task | MD/LCO (local) | Corporate functions * | L/CO | F/CR | Internal Audit V/A | Executive Board** |
|---|--|--|--|-----------------------------------|---|--|
| ■ Initial contact w/ whistle-blowers & complainants & 1st pre-screening of complaint & information | Responsible Local complaints | Informed | Responsible Speak-up platform | – | – | – |
| <ul style="list-style-type: none"> ■ Assessment of notice/complaint ■ Information of internal stakeholders ■ Proposals for next steps & investigation plan ■ Proposals for remedial action & sanctions. ■ Root cause analysis & monitoring of remediation. | Responsible local cases | Responsible cases w/ group-wide relevance ** | Consulted cases w/ group-wide relevance | – | Informed cases w/ group-wide relevance | Informed cases w/ group-wide relevance |
| ■ Conducting the investigation & investigation report. | Responsible local cases | Responsible group-wide relevance | Consulted | – | Supports | Informed |
| ■ Decision on remedies & sanctions and notifications to external authorities (e.g., leniency applications). | Responsible local cases | Consulted | Consulted group-wide relevance | Consulted group-wide relevance | Consulted group-wide relevance | Responsible group-wide relevance |
| ■ Implementation of remedies & sanctions. | Responsible all cases | Informed | Informed | Informed | Informed | Informed |
| ■ Reporting (e.g., # cases, type of incident etc.). | – | Responsible | Informed | Informed | Informed | Informed |
| ■ Annual evaluation of complaints mechanism – § 8(4) LkSG. | – | Consulted | Responsible | Consulted | Consulted | Informed |

RULES OF PROCEDURE FOR INTERNAL INVESTIGATIONS

Annex 2. Damage categories (Sanctioning Committee)

The seriousness of the tip must be evaluated using the following criteria:

| Risk | Serious | Moderate | Slight |
|---|------------------------|-----------------|--------------------|
| Risk of or harm to life & limb | Yes | No | Other cases |
| Potential damages for KB (without fines) | > € 1,000,000 | > € 500,000 | |
| Risk of fines | > € 500,000 | Yes | |
| Risk of criminal liability | Threat of imprisonment | No imprisonment | |
| Public | National reporting | Local reporting | |
| Involvement of top management levels (general management, Management Board) | Yes | No | |
| Breach of internal compliance regulations | Systematic, repeated | - | |



RULES OF PROCEDURE FOR INTERNAL INVESTIGATIONS

Annex 3. Rules of Procedure Sanctioning Committee

Note

The rules of procedure for the Sanctioning Committee have been enacted by the Management Board of Knorr-Bremse AG on 2/24/2022 (MB meeting no. 194) and are not enclosed here due to lack of space.