KNORR-BREMSE

Donation and Sponsorship Policy

CORPORATE POLICY

Version 1.0 | September 2025

September 2025
Version 1.0

Knorr-Bremse AG
Moosacher Straße 80
80809 Munich

Contents

1. Purpose

This Policy regulates the guiding principles for donations and sponsorships within the Knorr-Bremse Group. Its purpose is to ensure coordinated activities, establish permissible objectives, standardize procedures, and guarantee compliance with applicable legal and tax regulations.

2. Scope

This Policy applies globally to all donations and sponsorships granted or approved by fully consolidated entities within the Knorr-Bremse Group.

3. Definitions

3.1. Donations

Donations are voluntary contributions, either in cash or in kind, made to support a specific purpose without any form of compensation or consideration received by Knorr-Bremse from the recipient.[1]

3.2. Sponsorship

Sponsorship refers to the support of external individuals or organizations through the provision of material or financial resources, in exchange for consideration that aligns with Knorr-Bremse's communication and marketing objectives.

4. Common guidelines for donations and sponsorship

4.1. Management responsibilities

Management is responsible for:

- Budgeting donation and sponsorship activities;
- Defining the intended purpose of each donation or sponsorship;
- Selecting and reviewing recipients and partners, including assessing potential reputational risks;
- Obtaining approvals and ensuring proper implementation of the measures;
- Ensuring accurate accounting and documentation of all activities;
- Managing appropriate taxation of donations and sponsorships;
- Ensuring compliance with applicable legal requirements and the provisions of this Policy.

These responsibilities may be delegated, provided that the four-eyes principle is upheld and all decisions are made jointly by at least two individuals.

[1] Contributions made to charitable causes in India, in compliance with applicable legal requirements, are considered donations within the scope of this Policy.

4.2. Budgeting

The budgeting of donations and sponsorship activities is carried out by management as part of the annual planning and budgeting process, in accordance with the four-eyes principle.

4.3. Handling conflicts of interest

Conflicts of interest must be disclosed immediately. Individuals affected by a conflict of interest are not permitted to participate in decisions or payments related to donations or sponsorships.

A conflict of interest exists when:

- The individual has a personal interest in the donation or sponsorship; or
- The individual or someone close to them benefits from the donation or sponsorship (e.g., donations to associations of which the person concerned or persons close to them are members).

Donations and sponsorships must not be granted if they could give rise to the appearance of a conflict of interest.

In all other respects, the provisions of the Conflicts of Interest Policy apply.

4.4. Risk assessment (Due Diligence)

Prior to granting a donation or entering into a sponsorship agreement, management must ensure that the measure complies with legal requirements and does not compromise the reputation of Knorr-Bremse or its brand. This includes:

- Assessment of reputational risks, such as controversial public statements, unlawful conduct by the recipient or partner, or the context in which the sponsorship occurs (Brand Safety);
- Sanctions screening, by searching the full name of the donation recipient or sponsorship partner in the Dashboard | EU sanctions tracker (EU) and Sanctions List Search (USA);
- Verification of bank details.

For donations, the following additional requirement applies:

- Proof of eligibility: Proof that the recipient is legally entitled to receive donations under applicable law (in Germany, for example, by presenting a valid exemption certificate issued by the competent tax authority).

Reputational risks must be assessed in accordance with the value of the measure, as follows:

Value of the measure[2]	Verification by
>0 EUR	Sanctions list check
<30,000 EUR	Internet search for negative media reports, e.g. via Google or Bing

[2] Value of the measure in EUR or local currency.

≥ 30,000 EUR	Conducting a business partner check by Corporate Compliance (P/CO)

The results of the due diligence must be properly documented:

- **For donations:** Relevant screenshots of internet searches or business partner checks must be uploaded to the corresponding ServiceNow ticket.
- **For sponsorship:** Screenshots of internet searches or business partner checks must be uploaded to the shopping cart in SAP.

4.5. Approvals

Donations and sponsorships require approval from the individuals or committees listed below once the specified value thresholds are reached:

Value p.a.[3]	MD	Regional Compliance Officer	1 member of the Regional Board	Full Regional Board	Chief Compliance Officer	Responsible Executive Board Member + Executive Board P	Full Executive Board
< 500 EUR	X	-	-	-	-	-	-
≥ 500 EUR	X	X	-	-	-	-	-
≥ 10,000 EUR	X	X	X	-	-	-	-
≥ 30,000 EUR	X	-	-	X	X	X	-
≥ 50,000 EUR	X	-	-	X	X	X	X

The regional management teams ("Regional Boards") are:

Region	Regional Board
APAC	APAC Board
EMEA Truck	Management of Knorr-Bremse Systeme für Nutzfahrzeuge GmbH
EMEA Rail	Management of Knorr-Bremse Systeme für Schienenfahrzeuge GmbH
North America Rail	President & CEO
North America Truck	Bendix Executive Board

4.6. Calculation of value thresholds

Donations and sponsorships must not be artificially split to circumvent approval thresholds. The total value of the measure within the respective financial year is decisive.

[3] Value in EUR or the equivalent value in local currency.

4.7. Involvement of the Executive Events & Content Department in sponsorship activities

Sponsorship activities must be coordinated in advance with the Executive Events & Content Department (V/OE). Integration into the process is ensured by creating a shopping cart in SAP.

4.8. Involvement of Compliance in cases of sanctions list hits

Regardless of the value of the measure, the responsible Regional Compliance Officer must be involved if the sanctions list check returns a hit.

4.9. Tax

Donations and sponsorships must be correctly taxed. For example, donations in kind are generally subject to value-added tax. Compliance with applicable tax requirements must be clarified in advance with the locally responsible tax department.

The following applies to companies based in Germany:

The involvement of the Tax Department (F/BT) is not required if the sponsorship is based on the model contract provided in **Annex 1**. Otherwise, the sponsorship agreement must be approved in advance by the Tax Department and the Legal Department. Please use the following contact address: DLTeamTax@knorr-bremse.com.

When planning and implementing sponsorship activities, the Policy on Hospitality, Gifts and Events (CITAX) must also be observed.

For companies based outside Germany:

Review and approval must be conducted either by the local Legal and Tax Departments, or by a lawyer or tax advisor.

4.10. Form of *approvals*

Donations and sponsorships must be requested as follows:

4.10.1. Donations: ServiceNow ticket

For donations, approval must be obtained by opening a ticket in the ServiceNow tool. Each donation request requires a separate ticket.

The system can be accessed via the Support Portal on the intranet homepage:

Support Portal > Non-IT Requests > Donations

4.10.2. Sponsorship: Shopping cart in SAP

For sponsorship activities, approval must be obtained by creating a shopping cart in SAP:

System	Product category
SRM	6060
SAP	070600

The approvers must be added as "Special Approvers" in the SAP shopping cart.

The application form in **Annex 2** must be signed by two managing directors or other authorized representatives of the company intending to carry out the measure and must be attached to the shopping cart.

Furthermore, the draft Sponsorship Agreement (**Annex 1**) must also be uploaded. It must be signed by at least two managing directors or other authorized representatives. The agreement may only be sent to the sponsorship partner for signature after formal approval has been granted.

If access to the system is not available (e.g., due to lack of SAP connectivity), the approval process must be documented in writing, and all required evidence of approval must be submitted in that format.

4.11. Booking

Donations and sponsorships must be booked to the following **accounts**:

Measure	Account name	Account no.
Donations	"sbA Spenden"	72 62 03 70
Sponsorship	"Sponsoring"	72 62 03 50

The purpose of the donation and the corresponding ServiceNow ticket number must be specified in the subject line when booking. For sponsorships, allocation is handled automatically via the shopping cart in SAP.

4.12. Retention periods

The applicable statutory documentation and retention periods must be observed. Archiving must ensure that documents are retrievable and reproducible at any time.

This requirement is considered fulfilled when donations and sponsorships are processed via the ServiceNow tool or the SAP shopping cart.

5. Additional requirements for donations

The following special requirements apply to donations:

5.1. Charitable status and tax deductibility

Donations must benefit an organization recognized as charitable under applicable law or a project recognized as charitable and tax-deductible.

KNORR-BREMSE

5.2. Permissible funding priorities

Only the following purposes may be supported:

5.2.1. Education

Creating opportunities: We support educational projects throughout all stages of personal development to enable individuals to pursue a successful life and career path – from pre-school and school years to career orientation, entry into the workforce and, where applicable, higher education.

5.2.2. Health

Protecting and preserving: We support projects and organizations that promote healthy living conditions in the regions surrounding our locations, engage in preventive health efforts and improve healthcare, including through sports.

5.2.3. Environment

Preserving nature and improving quality of life: We support projects and organizations that promote climate protection, improve ecological knowledge and strengthen biodiversity at our locations.

5.2.4. Social

Participation for all: We support projects and organizations that improve social living conditions, strengthen social cohesion in our society and give people prospects for a better future.

5.3. Proximity to the funding purpose

Organizations or projects receiving funding must also be located in close proximity to a site of the donating company. Exceptions require prior approval from the Corporate Sustainability F/CR Department: Contact.

5.4. Ineligible purposes

The following purposes are not eligible for funding:

- Individuals, as well as public officials and persons closely associated with them, organizations or companies. Public officials also include employees of state-owned or state-controlled companies (e.g. state railway or public transport companies);
- Politicians, political parties or political organizations;
- Religious communities not recognized by the state or organizations affiliated with them;
- Organizations that discriminate against individuals based on race, belief, gender, gender identity, sexual orientation, age, religion or origin;
- Professional sports;
- Advertising material for external raffles;
- Any donation purpose prohibited by local law.

Regardless of the purpose, donations are also not permitted if:

- A consideration is granted, demanded, expected, offered or otherwise promised in return for the donation;
- The donation is made under pressure,
- The donation is to be made in cash. Donations must be made via bank transfer.

5.5. Donations to Knorr-Bremse Global Care

Knorr-Bremse Global Care, comprising:

- Knorr-Bremse Global Care e.V.,
- Knorr-Bremse Global Care North America Inc.,
- Knorr-Bremse Global Care Asia Pacific Ltd.,
- Knorr-Bremse Global Care India (Section 8 Company),
- Associação Knorr-Bremse Global Care Brazil (collectively “KB Global Care”),

is not part of the Knorr-Bremse Group and operates under its own funding policy.

The provisions of this Policy regarding risk assessment, eligible funding purposes, and geographical proximity to the funding purpose do not apply to donations made to KB Global Care.

However, value limits for donations apply equally to donations made to KB Global Care. Additionally, a ServiceNow ticket must be opened for each donation to KB Global Care. Unlike the standard process, the ticket may be opened retrospectively. The approval decisions of the relevant Regional Boards or the Executive Board must then be attached to the ticket as supporting documentation.

5.6. Donation receipt

Once a donation has been granted, a donation receipt – or the documentation required for tax deductibility under applicable local law – must be obtained immediately and forwarded to the local Tax Department or tax advisor. This also applies to donations made to KB Global Care.

6. Additional requirements for sponsorship

The following special requirements apply to sponsorship:

6.1. Criteria for the allocation of sponsorship funds

Management must ensure that all sponsorship activities comply with:

- the brand strategy of Knorr-Bremse;
- the compliance requirements outlined in this Policy;
- the applicable laws;
- the requirements defined in **Annex 2**.

Additionally, management teams must ensure that:

- sponsorship takes place in an appropriate environment;
- any risks to the Knorr-Bremse brand have been assessed in advance and appropriately addressed (Brand Safety).

The following sponsorship activities are not permitted:

- Sponsorship of public officials, persons closely associated with them or political parties. Public officials also include employees of state-owned or state-controlled companies (e.g. state railway or public transport companies);
- Advertising and marketing measures that are prohibited by local law.

The following is permitted only with the approval of the responsible Regional Compliance Officer or, in the case of sponsorship activities by Knorr-Bremse AG, the Chief Compliance Officer:

- Sponsorship of state-owned or state-controlled companies, as well as state-sponsored events and causes.

6.2. Sponsorship agreement; obligation to maintain the four-eyes principle

Sponsorship funds may only be granted on the basis of a sponsorship agreement concluded in advance, at least in text form.

The agreement shall be concluded based on the template provided in **Annex 1**, and must include the following elements in all cases:

- Name of all sponsorship recipients;
- Description of the sponsorship measure, including a precise specification of the consideration and the responsible persons (specification of how and in what form the Knorr-Bremse brand is to be presented as part of the sponsorship);
- Specification of the sponsorship amount and payment terms;
- Compliance clause (right of audit and extraordinary right of termination in the event of unforeseen events, e.g. if continuation of the sponsorship becomes unreasonable due to legal violations or inappropriate behavior by the sponsorship recipient).

The agreement must be signed by the responsible management or their authorized signatories in accordance with the four-eyes principle.

6.3. Evaluation of sponsorship measures

Management shall ensure that sponsorship measures are evaluated after their conclusion, to decide on their continuation or to gain insights for future marketing strategy.

Sponsorships with a total value below EUR 30,000 may be evaluated *en bloc*.

The evaluation form provided in **Annex 3** must be used and submitted to Corporate Communication (V/OE) at sponsoring@knorr-bremse.com.

7. Violations of the Policy

In the event of violations of the provisions of this Policy, Knorr-Bremse will immediately take appropriate remedial measures within the scope of applicable law to terminate and/or sanction such violations and minimize their consequences. This may include measures up to and including termination of employment.

Employees who tolerate, encourage or otherwise participate in violations of the provisions, principles or standards of this Policy – once these come to their attention – may also be subject to disciplinary action in accordance with applicable law, up to and including termination of employment.

This Policy does not affect Knorr-Bremse's right to take disciplinary and/or legal action against misconduct in the workplace and violations of laws or regulations, regardless of whether such conduct constitutes a violation of this Policy.