

COMPLIANCE MANUAL OF THE SCHWIHAG-GROUP

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Dear colleagues,

Since we started systematically dealing with the issue of compliance in 2012, not only the geopolitical and legal framework and our markets have changed. The SCHWIHAG Group has also become larger and has changed and developed. Our confidence in the quality of our products and our pricing as a competitive advantage that eliminates any thought of unlawful or unethical support for the distribution of our products has proven to be justified.

However, the past has also shown that we can no longer manage internally without established rules, guidelines and sanctions to ensure compliance with our principles and values; on the other hand, our group of companies needs to protect itself from illegal attacks from outside protect. Ultimately, the regulatory requirements that need to be met in all areas of our economic activity have increased to such an extent that we can hardly meet them without considerable effort and solid structures.

One instrument for coping with this challenge is this compliance manual that shall help you in your daily work to meet the requirements compliance sets for each of us.

The guidelines, rules and processes described in this compliance manual apply to all managers, employees and representatives of the SCHWIHAG-GROUP irrespective of what group member they are working for.

Tägerwilen, September 2023

A handwritten signature in blue ink, appearing to read "K. Schwiede", written in a cursive style.

Karl-H. Schwiede
Chairman of the Board of Directors

A. SCHWIHAG-GROUP'S PHILOSOPHY

As one of the global leading global suppliers of track and switch technology, as a developer, producer and supplier SCHWIHAG-GROUP has a particular responsibility for the functionality, security and quality of its product range.

SCHWIHAG-GROUP considers itself as a reliable partner of the railway industry all over the world for all questions concerning track and switch technology. The scale of SCHWIHAG-GROUP's activities is based on their customers' expectations.

SCHWIHAG-GROUP's customers are provided access to the comprehensive know-how of track and switch technology, in order to jointly develop technical-economical solutions to existing issues related to superstructure.

SCHWIHAG-GROUP operates as an independent and neutral company on the market and can thus offer its product range in a competitively neutral way.

SCHWIHAG-GROUP considers itself as a company that emphasizes on innovative improvement of its products and processes through on-going development.

SCHWIHAG-GROUP is aware of its environmental responsibility and is in line with it for all corporate processes and strategies, particularly in product development, in the selection of reusable materials, in recycling processes and in logistics.

All SCHWIHAG-GROUP employees receive information and trainings to adopt awareness of their actions in terms of quality, safety and environment. All employees are annually granted a one-week educational leave.

The SCHWIHAG-GROUP employees consider themselves as a self-confident team that likes to take on and successfully meet the challenges of the market to our customers' full satisfaction.

B. VALUES AND THEIR SIGNIFICANCE FOR US

Innovative capacity, quality, autonomy, customer orientation and sustainability are the values that have made SCHWIHAG-GROUP what it is: one of the global leaders in creating, producing and supplying of rail and track switch technology. Based on these values we constantly optimize the functionality, safety and quality of our products and further expand our market position.

The management of SCHWIHAG-GROUP was always and is still aware of its social responsibility. We are convinced that a value-based corporate management is an indispensable requirement for economic success in the long term.

These values include integrity, fairness and conscientiousness for all operations committed by SCHWIHAG-GROUP's management and its employees, above all the compliance with applicable law. These include mainly but not only the full respect of human rights in any form, the observance of all applicable antitrust rules, as well as the compliance with applicable anti-corruption law, competition regulations, law on the protection of the environment and data protection law.

When it comes to our interactions with one another and our external behavior, friendliness, respect and appreciation, integrity, transparency, loyalty and solidarity are the values on which we base our behavior.

Compliance with our ethic principles, the laws and our internal set of rules are mandatory. A violation can result in unpredictable consequences for SCHWIHAG-GROUP. All employees are therefore expected to absolutely comply with the rules. Infringements will be sanctioned respectively.

Not only our employees are expected to comply with these rules, but also our business partners. They commit themselves to align their operations on consistent values and, by undertaking the respective organizational provisions they make sure that their staff will observe them, too.

C. OUR COMPLIANCE-MANAGEMENT-SYSTEM

With the introduction of our Compliance Management System we have created the organizational prerequisites to ensure the application of SCHWIHAG-GROUP's values and standards of conduct in all fields we operate in.

This chapter explains the general significance of compliance, the specific meaning of compliance for SCHWIHAG-GROUP, the objective of the Compliance Management System as well as its organization and functioning.

The Compliance Management System of SCHWIHAG-GROUP is based on the value system and the company culture and the "Tone at the Top" of the management that has been included in this manual.

1. What is the meaning of compliance?

The meaning of „Compliance“ in a literal sense is among other things "observance, adherence, fulfilment". In the context of the Compliance Management System, it means to comply with legal and corporate rules.

There is no legal obligation for the introduction of a Compliance Management System, but there are a number of infringements, facts and criminal offences at national and international level that call for the introduction of a Compliance Management System.

2. What is the importance of compliance for SCHWIHAG-GROUP?

The market environment in which SCHWIHAG-GROUP operates is extremely "compliance-relevant". This has been recently demonstrated, in particular by the "Railway Friends Cartel", the allegations of corruption against the employees of DBI or the case of Schenker. The financial loss caused by such violations of law and compliance is tremendous, often running into the billions.

3. What is the objective of our Compliance Management System?

The objective of our Compliance Management System is to ensure the pursuit of our corporate goals and to meet our corporate philosophy considering the shared values to which SCHWIHAG-GROUP committed itself. This can only be achieved if everyone, that is management, employees, representatives and suppliers strictly comply with the laws and rules in force.

Our Compliance Management System shall not only allow to detect compliance violations afterwards but shall also allow by its integration into the processes of SCHWIHAG-GROUP'S companies to ensure compliance of our values, corporate rules and laws with respect to all actions carried out by the management, the employees and the representatives, and also to prevent any violations.

In detail the direct objectives of our Compliance Management System are as follows:

- **PREVENTION**

of violations of SCHWIHAG-GROUP'S internal rules and of all possible damages arising as a result;

of law and contract violations and of all ensuing civil damage claims;

of violations of regulations concerning prudential rules, industrial and trade law as well as its resulting sanctions;

of reputational damages and exclusion of tender procedures.

- **IDENTIFICATION**

of violations of rules and laws at the earliest possible date in order to keep down possible consequences.

- **REACTION**

by assessing compliance violations in order to prevent them in the future;

by analyzing compliance violations;

by closing the gaps in the Compliance Management System;

by imposing appropriate sanctions ensuring that only those staff members and representatives will work for SCHWIHAG-GROUP, who fully identify with SCHWIHAG-GROUP'S philosophy, its values and objectives.

4. What is the structure of our Compliance Management System?

This section explains the structure of our Compliance Management System. Here you will find information regarding responsibilities, reporting channels, structures and functionality.

The SCHWIHAG-GROUP Compliance Management System is subject to a dynamic process meaning that the effectiveness of our Compliance Management System is constantly being assessed and reviewed.

We will be very grateful to receive your suggestions for improvement. The instructions and guidelines developed by the Compliance Officer and distributed by the management will be extended and completed when required.

a) Scope of the CMS

The rules and guidelines in this manual and its attachments shall apply to the management, to all employees and representatives and as well to the suppliers of all companies of the SCHWIHAG-GROUP, who are bound by contract.

b) Responsibility of the Board of Directors

The Board of Directors of NBT AG is responsible for compliance within the overall NBT group.

c) Compliance Officer

The Compliance Officer is responsible for managing and developing the SCHWIHAG-GROUP's Compliance Management System and for all compliance matters within the SCHWIHAG-GROUP.

His tasks include in particular:

- Support of the Board of Directors of NBT AG and the management regarding maintenance, updating and optimization of the compliance manual and rules;
- Comprehensive instruction of all employees of the company regarding the compliance rules and the manual;
- Planning and conduction of the basic trainings in compliance and of the trainings in antitrust, competition and corruption regulations for the employees affected;

- Ad-hoc advice of compliance-related issues to all managers, staff members and representatives, in particular with regard to corruption and antitrust law;
- Planning, coordination und implementation of internal control to ensure compliance with the values and guidelines of SCHWIHAG-GROUP as well as with the law;
- Coordination of regular reviews of the compliance program;
- Documentation, evaluation and reporting regarding the functionality of the Compliance Management System;

d) Compliance Committee

A Compliance Committee has been established at group level, which is composed of the Board of Directors, the Compliance Officer. If necessary, further members of the group's management are called in for the meetings.

The Compliance Committee's function is in particular,

- to plan and discuss principal questions relating to the orientation of the Compliance Management System;
- to agree upon new rules of conduct and to integrate them into the Compliance Management System;
- to discuss the reporting carried out by the Compliance Officer and the Ombudsman;
- to agree upon measures for improvement and development of the Compliance Management System;
- coordination and planning of investigations in case of presumed or confirmed serious compliance violations;

The Compliance Committee shall meet at the Compliance Officer's invitation when recent events require it, but at least on a quarterly basis.

e) Online-Whistleblowersystem

SCHWIHAG-GROUP has created an Online-Whistleblowersystem under www.schwihag.interne-meldestelle.ch in order to provide in order to provide the opportunity to staff members, business partners and third parties to reveal compliance-related issues to the management and third parties without having to reveal their own identity. Thus, in the event of contacting the Online-Whistleblowingsystem. NBT-Holding / SCHWIHAG-GROUP ensures anonymity for the contact-seeker.

f) Communication of compliance-relevant cases

As already pointed out, compliance violations create risks and dangers which may end in existential problems for SCHWIHAG-GROUP. Thus, these violations affect the interests of all persons whose base of life is SCHWIHAG-GROUP.

The early detection of compliance violations and their prevention are of essential importance for SCHWIHAG-GROUP. In order to allow the early detection and prevention of violations, there are several ways to inform the management accordingly:

- The main contact person for all compliance-related questions is the Compliance Officer (Tel. +41 71 666 8855). He will examine your information and take action against possible compliance violations.
- If you want to express a suspicion of compliance violations, presumptions or concerns without having to reveal your identity to the Compliance Officer or to the management, you can refer to the Online-Whistleblowersystem at www.schwihag.interne-meldestelle.ch. It will forward your information provided and then contact the Compliance Officer and the management. In doing so, it is impossible that your identity is revealed.
- If you are uncertain how to behave correctly in specific situations, you can contact the Compliance Officer at any time. If you consider it necessary to keep your identity internally confidential, you can also refer to the Ombudsman of the SCHWIHAG-GROUP.

5. What are the consequences of a violation of the Compliance Management Systems rules?

As already mentioned, several times in this manual, violations against our values, against the internal rules set by the management and, in particular, against domestic and foreign law may have dramatic consequences with view to criminal, administrative and civil law as well as to the Administrative Offences Act, its economic impact could hit SCHWIHAG-GROUP particularly hard.

A violation of rules might not only be subject to severe civil and criminal liability of the employee concerned, as far as it was a violation of the respective laws, hence it will result without exception in appropriate measures that range from disciplinary warning to instant dismissal and claim for damages.

D. CODE OF CONDUCT

In its role of Compliance Officer, the Board of Directors of NBT-Holding has published a Code of Conduct that you will find in the following chapter. This Code of Conduct serves as an operation guide on how to behave accordingly in certain situations or with regard to certain fields of law.

Please note that it only provides basic guidance which, due to the complexity of the legal requirements, cannot be exhaustive.

If the Code of Conduct does not help you to solve specific situations, please contact immediately your supervisor or the Compliance Officer.

The Code of Conduct is binding and must be observed.

1. Our responsibility towards SCHWIHAG-GROUP

- **Corporate Property**

SCHWIHAG-GROUP provides for all employees an adequate basis of life. It is therefore in the interest of all employees and of the management to carefully treat and preserve the properties and assets of SCHWIHAG-GROUP. Thus, we use the work tools and the corporate property only for the intended purpose. It is not allowed to sell or to lend SCHWIHAG-GROUP's property despite of its condition without any instructions given by the management.

- **Conflicts of interest**

Our responsibility towards SCHWIHAG-GROUP obliges us to take business decisions exclusively in the interest of SCHWIHAG-GROUP. Conflicts of interests that occur when any kind of private interests of employees, of their relatives or of their friends will influence business decisions are absolutely to be avoided. Therefore, we will inform the supervisor about personal interests that affect our professional work. We won't place any private orders to companies that already operate for the SCHWIHAG-GROUP. We do not acquire participations in companies or work for those which are competitors of SCHWIHAG-GROUP.

- **Trade and company secrets**

SCHWIHAG-GROUP is a technology company focused on research and development. As technical and commercial knowledge are the basis of SCHWIHAG-GROUP's business success, they are of vital importance for the company. The protection of this knowledge by maintaining unconditional secrecy is therefore a central obligation for all employees towards the company. This obligation includes all information not open to the public such as information of and about customers and suppliers, employees, consultants and other third persons, the organizational structure of SCHWIHAG-GROUP, prices, turnover, profit, markets or customers.

- **Data protection**

Data protection as protection of the personality right is of high importance for SCHWIHAG-GROUP. Personal data are safely detained and are only used for purposes permitted by law.

2. Our dealings with each other

We are an international company which operates throughout the world. Our employees come from different countries and different cultures. It is a matter of course for all employees of any hierarchical level to treat each other like a good colleague, as well as fairly, politely and respectfully. We have a non-discriminatory interaction which is characterized by open-mindedness and trust. When dealing with one another, differences in background, nationality, origin, faith, gender, age, appearance are not important for us. They enrich our company and are a factor of success. These principles are not only the basis for our internal interactions, but also for our contacts with our business partners.

For our cooperation within the company, this means that we observe the principles of the cultural guidelines, which are part of the binding internal company rules of the SCHWIHAG GROUP, and help ensure that the corporate culture discussed together is lived.

In particular, however, this means that in our everyday dealings with one another, we do not discriminate, evaluate, devalue, discriminate, or exclude anyone in words or actions based on their origin or gender, or express negative or derogatory comments about colleagues or third parties.

3. Our social responsibility

- **UN Global Compact**

As a global company we are well aware of the different ethical standards throughout the world. We consider it as our duty to treat these diversities with responsibility and we therefore acknowledge the principles of the United Nations Global Compact. In our daily work we are committed to complying with the ten principles of the UN Global Compact. We attach particular importance to the protection of human rights, to the protection of employment rights according to the four principles of ILO, to the sustainable environmental protection and to the fight against corruption.

- **Money laundering**

SCHWIHAG-GROUP prevents money laundering by having business relationships only with reliable customers, suppliers and consultants who accept the same basic principles, who commit themselves to comply with them and whose funds are of legal origin. We observe all laws relating to the fight against money laundering.

- **Safety, health and environmental protection**

For SCHWIHAG-GROUP health and safety of their employees are top priority. In our own interest, out of a sense of responsibility for all employees and for the SCHWIHAG-GROUP we observe all regulations for work and plant safety and pay top attention to them; we protect one's own and others' health. We see that no accidents and work-related illness will occur.

Environmental protection and sustainability are of high importance for our company and are constantly considered in terms of production, storage and transport of our goods.

4. Our dealings with business partners and state agencies

We believe our products belong to the best in their market segments. Our assets are innovative strength, quality and customer focus. Unfair business practices of any type impede the competition on the merits and affect the sale of our products.

Every kind of corruption reduces the sales potential of our products. We therefore do not offer, promise or grant neither to public officials nor to persons of the private sector any advantages directly or indirectly justified which could be associated with any business activities.

- In case of business entertainments or other socially acceptable services that correspond to the usual business practices and manners we watch very closely that those never relate to a concrete business deal, and that even by a strict approach the manipulation of a decision taken on business or official level will be excluded. If there is even the slightest doubt, you must contact the Compliance Officer.
- One of our most important customer groups are public state agencies or state-owned enterprises throughout the world. When dealing with public officials these requirements are to be met even stricter. It is to refrain from offering business entertainment or allowances to officials, politicians or other representatives of public institutions. These principles also apply once intermediaries, agents or consultants will work for us. In any case, the compliance officer must be consulted before meetings with representatives of public institutions regarding entertainment, working lunches, etc.
- Certainly, we respect these principles with regard to the fight against corruption and the prevention of conflicts of interests towards SCHWIHAG-GROUP even when accepting business entertainments or similar donations ourselves.

5. Our dealings with competition / antitrust law

SCHWIHAG-GROUP is in strict compliance with the rules of fair competition. We do not make any arrangement about prices, price elements, quota restrictions, methods of distribution, division of sales and purchase markets, submission of sham bids, renouncing competition, and we do not try to affect the resale prices of our customers or to take similar antitrust influence on competition.

In detail this means the following:

a) Illegal price arrangements

It is not only prohibited to agree upon specific prices with competitors, but the ban on horizontal price fixing includes also as follows:

- to agree not to fall below current market or minimum prices;
- to charge certain costs in addition to the prices set;
- to agree to aim at a certain target price;
- to agree not to make attractive offers to the clients of the respective competitor;
- to adequately agree on conditions;
- to agree upon general terms and conditions, payment terms, discounts or delivery times;
- capacity arrangements, these are agreements on the volume of production and sales, future investments or their failures to invest;
- agreements in tender procedures, that is to submit certain bids for tenders both in the public and private sector are a severe breach of antitrust law, which is punishable also in Germany.

However, it is not prohibited under antitrust law when negotiating prices with the clients of a competitor whose prices become known or can be obtained from publicly available sources. However, you should mark the source of information on the received document to show that the information has not been obtained by the competitor.

- However, under no circumstances a competitor's price list or similar information should be requested from the client.
- All arrangements that are prohibited, if directly concluded between competitors, are also prohibited, if concluded within associations or other company associations.

b) Market segmentation

Agreements on the allocation of sales areas or of customers are also prohibited. In detail, the following arrangements are strictly prohibited:

- Agreements on allocation of customers
- Agreements on territorial segmentation
- Agreements on maximum sales volume or on targets set
- Agreements on market share thresholds or targets
- Agreements on the level of inventories

c) Exchange of information between competitors

Even the exchange of information between competitors may be prohibited, if it reduces or removes the level of uncertainty as to the operation of the market, with the result that competition between companies is restricted.

This is why it is prohibited to exchange information between competitors regarding:

- prices
- cost elements
- manufacturer margins
- current market data
- customer relationships
- Supplier relationships
- capacities and workload
- planned investments or research & development projects
- planned product launches
- organizational structure, if it is cost-relevant

Thus, information should not in any case be provided to competitors neither for antitrust reasons neither in the economic interest of SCHWIHAG-GROUP. Please do not ever provide price lists, delivery terms, corporate planning or strategy papers to competitors and do not talk about it with the competitor's employees.

- If a transmission of information should be necessary, please first clarify with the Compliance Officer.

d) Meeting with competitors

Particular risks of antitrust violations may arise from participating on events like trade association meetings, fairs etc. on which you may meet the employees of other competitors.

If in the course of such meetings discussions should come up between employees of competitors concerning competition-relevant information, you must leave immediately. If it is an association meeting, make sure that it is recorded in the minutes of the meeting and make your own record about your strong protest and your leaving of the meeting, handing it over to the Compliance Department for documentation.

- If you plan to attend an event where you might meet competitors, the Legal and Compliance Department is to be informed in advance. It will carry out a briefing and a debriefing concerning your conduct with view to antitrust laws.

e) Cooperation with competitors

Basically, any cooperation with a competitor might be problematic from an antitrust point of view. Often it depends on common market shares and on its specific structure. In case of a possible collaboration with competitors, you should from the start involve the Compliance Officer in its planning and implementation.

The following cases of cooperation with competitors are to be examined on a case-by-case basis:

- the supply of goods to competitors;
- license agreements with competitors;
- the joint production of goods or the supply of product components by one competitor to the other;
- to commission a competitor with the distribution of own goods;
- the joint research & development of products;
- the joint purchasing;
- specialization agreements, so that one competitor stops the production of one of his products and thus orders it from another competitor

The cooperation described above is not in principle prohibited, however it is when certain market shares have been achieved or certain conditions have been occurred. Thus, a possible cooperation with a competitor should be examined from an antitrust point of view.

f) Customers and suppliers

Arrangements with customers and suppliers made in the form of vertical agreements might be of relevance under antitrust law. The following agreements are prohibited:

- agreements, in which the supplier stipulates the customer a resale price for the goods
- exclusive purchasing agreements, in which the customer commits himself on expiry of the contract not to purchase certain goods from the supplier's competitors, not to produce or to sell them.

The following types of cooperation with customers and suppliers have to be examined from an antitrust point of view:

- exclusive distribution agreements
- exclusive purchasing agreements
- selective distribution systems

6. Expectations towards suppliers

We expect our suppliers to carry out their business activities on the basis of the same principles as we do, and to ensure it by implementing appropriate systematic control mechanisms and regulations.

We therefore expect our suppliers when concluding a contract to accept and to make use of our "Code of Conduct for the business partners of SCHWIHAG-GROUP AB", printed as Annex.