

# **Summary of Anti-Bribery and Anti-Corruption System of CRRC Corporation Limited**

## **I. General Principles and Requirements**

CRRC Corporation Limited (hereinafter referred to as “the Company”) hereby formulates this policy in accordance with relevant national laws and regulations in order to regulate the Company's commercial operations, strengthen the standardization and institutionalization of the internal control mechanism, establish a long-term early warning mechanism for the Company governance of commercial bribery and corruption, and protect the interests of the Company.

The policy applies to all employees of the Company (including full-time employees, part-time employees, interns, and other forms of employment).

The policy covers all of the Company's main businesses. The main businesses of CRRC Corporation Limited cover the R&D, design, manufacture, repair, sale, lease and technical services for rolling stock, urban rail transit vehicles, engineering machinery, all types of electrical equipment, electronic equipment and parts, electric products and environmental protection equipment, as well as consulting services, industrial investment and management, asset management, and import

and export.

These policy covers all divisions of the Company and subsidiaries at all levels and grades. The management of preventing and controlling commercial bribery follows the principles of unified leadership, hierarchical responsibility, tight organization, and comprehensive governance.

## **II. Policy Focus and Requirements**

### **(I) Appointment and Removal of Personnel**

The Company has made clear requirements of relatives' recusal and work recusal, and strengthens internal supervision and clean governance. Any use of authority or position of influence for personal gain in personnel arrangements for family members or close relevant persons is strictly prohibited. Employees are subject to rigorous review and assessment in the promotion and merit assessment process to ensure equal opportunities and prevent any form of nepotism and interests transmission.

### **(II) Business Activities of the Company**

Any of the following behaviors are prohibited in any of the Company's external business activities:

1. Violating regulations by giving or requesting cash or items in the form of gifts to the other party's unit or its related personnel;
2. Obtaining transactions, service opportunities, favourable terms or

other financial benefits by giving property in the name of donation;

3. Offering commercial sponsorships or tours and other activities that violate the principle of fair competition;

4. Providing various membership cards, consumption cards (coupons), shopping cards (coupons) and other negotiable securities;

5. Providing or using items such as houses and cars;

6. Offering stock or dividends;

7. Giving or receiving property or other benefits through gambling, as well as under the guise of promotional, publicity, advertising, training, consultancy, advisory, technical service, scientific research and clinical fees, etc;

8. Other violations of laws and regulations.

### **III. Regulatory Mechanism**

#### **(I) Organizational Guarantee**

The Company regularly conducts anti-corruption risk assessments to identify and assess possible corruption risks in the Company's business activities. The Company takes appropriate regulatory and supervisory measures to mitigate these risks. These measures may include but are not limited to:

1. Conduct due diligence on new business partners and markets;

2. Implement additional review and supervision of high-risk business activities;

3. Regularly review and update the Company's internal controls and compliance procedures;

### **(II) Integrity Culture Education**

The Company has formulated a comprehensive compliance training program, covering all anti-corruption related laws and regulations, company policies and procedures, to ensure that employees are well informed and aware of the latest compliance requirements. New employees receive anti-corruption and compliance education during their induction training.

### **(III) Employees Behavior Management**

The Company will take appropriate measures against employees who violate the anti-corruption and anti-bribery policy according to the severity and impact of the violation. Measures may include verbal or written warnings, suspension, demotion, dismissal, or suspension of business relationships.

### **(IV) Impeach and Accuse**

The Company protects prosecutors. The Company expressly prohibits any form of retaliation and takes severe disciplinary action against retaliation against individuals who report concerns. In response to reasonable concerns raised by the prosecutor, the Company conducts timely investigations and, where possible, provides feedback to the prosecutor on the findings.

#### **IV. Record and Document Management**

The Company ensures the completeness, accuracy, and timeliness of all relevant records and documents related to business transactions and activities. Records are regularly reviewed to ensure compliance with internal control requirements and external regulatory standards.

The Company establishes and maintains a document management system for storing all important records and documents. The documents shall be kept according to the retention period stipulated by relevant laws and regulations and the Company policies. When necessary, the Company is able to quickly retrieve and provide relevant documents to support internal audits, regulatory inspections, and legal litigation.

#### **V. Policy Updates and Communication**

The Company regularly reviews its anti-corruption policy, at least once a year, to ensure it is consistent with the latest laws, regulations and best practices. The Company considers the findings and recommendations of internal audits, compliance assessments and external regulatory changes during the review process. Employees and interested parties are encouraged to provide feedback to help identify potential shortcomings and areas for improvement in policies and procedures.