

# **Regulations on Production Safety Management of Related Parties of CRRC Corporation Limited (Summary)**

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

(I) In order to strengthen and standardize the production safety management of the relevant parties of CRRC Corporation Limited (hereinafter referred to as the Joint-Stock Company) and strictly control the production safety accidents of the relevant parties, these Provisions are formulated in accordance with the Production Safety Law of the People's Republic of China, the Interim Provisions on Labor Dispatch and other laws and regulations and relevant provisions.

(II) These Provisions shall apply to the production safety management of relevant parties of the Joint-Stock Company and its wholly-owned, majority-owned and practically controlled subsidiaries at all levels (hereinafter referred to as the Company).

(III) Relevant parties for the purpose of these Provisions are individuals or groups outside the organization that are related to or have an impact on the Company's occupational health and safety performance. Mainly include labor dispatchers, process outsourcing parties, internal logistics transportation providers, equipment maintenance party, equipment engineering operation party, infrastructure construction party, external transportation party, commuter service providers, leasing providers, service outsourcing parties, and other related parties.

(IV) The production safety management of the relevant parties shall follow

the principles of "management of the industry must control the safety, management of the business must manage safety, management of production and operation must be concerned with safety", "who issues contracts, who manages and takes responsibilities" and "territorial management", and implement integrated management and supervision management of the relevant parties in accordance with the management authority.

(V)The relevant parties of the implementation of integrated management (hereinafter referred to as Relevant Parties Class A) refer to the relevant parties that have long-term cooperation within the Company and are strongly related to the production and operation activities of the Company and have greater production safety risks. Mainly includes:

- 1.Labor dispatch party
- 2.Process outsourcing party
- 3.Internal logistics transportation providers
- 4.Equipment maintenance party
- 5.Relevant personnel responsible for the unified management of the Company's after-sales service.
- 6.Temporary employees, interns, and personnel for vacancy adjustment in the Company.

(VI)The implementation supervision and management related parties (hereinafter referred to as Relevant Parties Class B) refer to other related parties besides Relevant Parties Class A. These mainly include: Equipment engineering operation party, infrastructure construction party, external transportation party,

commuter service providers, leasing providers and other service providers.

## **II. Integrated Production Safety Management Requirements for Relevant Parties Class A**

(I)The Company shall incorporate the safety management of Relevant Parties Class A into its production safety management system and implement integrated production safety management. The Company's implementation of integrated safety management does not exempt or reduce the statutory production safety responsibilities of both parties.

(II)The contracting unit of the Company shall review the qualifications and conditions of the Relevant Parties Class A.

(III)The Company shall enter into a safety management agreement with the Relevant Parties Class A or agree on safety clauses in the contract, specifying the responsibilities of both parties for the management of production safety and the safety measures to be taken.

(IV)The Company shall organize three-level safety education for the operators of Relevant Parties Class A, who shall be put on duty after passing the examination, and establish safety training and education files for Relevant Parties Class A operators. At the same time, the skills training of the operators of Relevant Parties Class A should be incorporated into the Company's training system.

(V)The labor protection articles issued to the operators of Relevant Parties Class A shall comply with the Company's standard for equipping labor

protective articles and shall be distinguished on the label.

(VI)The Company shall implement access control, attendance clock in, and entry and exit with credentials for Relevant Parties Class A operators.

(VII)The Company shall incorporate unified management of the production operation plans of Relevant Parties Class A, so as to plan, arrange, inspect, summarize and evaluate production work while planning, arranging, inspecting, summarizing and evaluating safety work.

(VIII)The Company shall provide process documents to Relevant Parties Class A, identify and control risks during the process, and strengthen on-site process guidance.

(IX)Equipment and facilities used by Relevant Parties Class A shall be included in the Company's equipment and facilities management, and equipment repair, maintenance, spot inspection and other work shall be carried out in accordance with the Company's standards.

(X)The Company shall conduct unified shift management for Relevant Parties Class A operators.

(XI)Relevant Parties Class A operators shall comply with the Company's work production safety regulations and operating procedures. Dangerous operations shall be approved according to the requirements of the Company. It is necessary to strictly abide by the basic norms of the Company's production safety behavior and must not violate the ban of the production safety of the group company.

(XII)The contracting units, territorial units and business supervisory

departments of the Company shall strengthen the supervision and inspection of production safety of Relevant Parties Class A, and organize rectification in time when hidden dangers are found. Relevant Parties Class A shall conduct daily safety spot inspections and routing inspections.

(XIII) Production safety liability accidents of Relevant Parties Class A are included in the Company's internal control indicators and assessed according to the Company's standards.

(XIV) The Company shall annually evaluate the production safety performance of Relevant Parties Class A, establish Negative List and Exit Mechanism for Relevant Parties Class A, and give priority to cooperate with the high credibility and excellent safety performance related parties.

### **III. Requirements for Safety Supervision and Management of Relevant Parties Class B**

(I) The Company shall implement work safety supervision and management for Relevant Parties Class B and strictly prohibit the use of unincorporated related parties to engage in the Company's production and business activities.

(II) The Company shall enter into a production safety management agreement with the Relevant Parties Class B or agree on safety clauses in the contract. The rights, obligations and responsibilities agreed upon by both parties in the production safety management agreement shall not violate these Provisions and the provisions of relevant laws and regulations.

(III) The Company shall strengthen production safety supervision of

Relevant Parties Class B.

(IV) Relevant Parties Class B shall organize production and business activities in accordance with relevant national laws, regulations, standards and production safety management agreements to ensure production safety.

(V) The Company shall strengthen the safety supervision and inspection of the Relevant Parties Class B. For those who fail to implement relevant national laws and regulations on production safety and company production safety regulations, fail to fulfill safety management responsibilities, have chaotic safety management, fail to effectively manage hidden dangers, and cause casualties and property losses due to production safety accidents, the Company shall have the right to pursue their economic and legal responsibilities in accordance with relevant clauses of the contract or safety agreement.

(VI) The Company shall comply with Article 22, annually evaluate the production safety performance of Relevant Parties Class B, establish Negative List and Exit Mechanism for Relevant Parties Class B, and give priority to cooperate with the high credibility and excellent safety performance related parties.

(VII) Visitors and learners, product supervision personnel, on-site service personnel, suppliers, consultants, evaluators, certification and other relevant personnel entering the Company should complete the entry procedures and be well informed of safety.

#### **IV. Emergency Response and Accident Management**

(I) Relevant Parties Class A and Relevant Parties Class B shall develop a Contingency Plan that is connected with the Company's Contingency Plan and submit it to the Company for review and filling. When a production safety accident occurs in a related party, the unit in which the accident occurs shall promptly activate the Contingency Plan, organize rescue, protect the scene of the accident and immediately report to the Company's competent department of production safety.

(II) In the event of a production safety accident, the Company shall, in accordance with the labor contract relations, actively assist in handling work-related injury insurance compensation, after-treatment and other matters.