

**GUIDELINES FOR BACKGROUND CHECKING, ONSITE DRUG TESTING, AND ADDITIONAL LABOR & EMPLOYMENT REQUIREMENTS
FOR SUPPLIER AND SUPPLIER PERSONNEL.**

20210413

Supplier, at its sole cost and expense, shall conduct all pre-employment screening on Supplier Personnel, including but not limited to physical examination (determine by site), drug and alcohol testing, and background checks (as described more fully below). Supplier hereby represents and warrants that all such screening and testing contemplated by this Appendix will be conducted and administered in full compliance with all applicable federal, state, and local laws and regulations, whether conducted directly by Supplier or at its direction. Supplier shall defend, indemnify, and hold Wabtec harmless against any and all claims, costs and damages of any type or kind whatsoever arising from and/or related to any pre-employment screening or testing conducted by Supplier or at Supplier's request. Nothing in this provision is intended to limit or diminish the indemnification and defense obligations of Supplier as stated in Section 5 of this Agreement.

DRUG & ALCOHOL SCREENING

Pre-employment Screening/Training. By virtue of this Agreement, Supplier represents and warrants that all Supplier Personnel have passed a drug and alcohol test and that each Supplier Personnel will comply with the Company's drug and alcohol testing requirements during any period during which Services are performed to the extent permitted by law.

Drug Screening – Onsite Supplier Personnel. Unless prohibited under applicable laws, Supplier will advise any Supplier Personnel who provide Services under this MSA on Wabtec's premises of Wabtec's right to require an initial drug screen prior to the commencement of the Services and, further, to require a drug screen at any time during the provision of the Services, whether: (i) if Wabtec believes in good faith that the Supplier Personnel is under the influence of an illegal substance, (ii) as a consequence of an accident caused by or involving the Supplier Personnel on Wabtec's premises during the performance of this MSA and likely to have been related to the Supplier Personnel's use of an illegal substance, or (iii) mandated by applicable regulations in connection with the Service being provided. Any drug screen shall be performed by Supplier at Supplier's expense and Supplier will address any positive results and handle accordingly. Supplier Personnel will not be permitted to perform the Services if a positive result of said drug screen is determined.

BACKGROUND CHECKING

A. Background Checking – Onsite Presence and/or Access to Wabtec Systems. To the extent permissible by applicable law, Supplier shall perform the background checks listed below on Supplier Personnel, through the utilization of an authorized background checking agency. Supplier agrees to cooperate with Wabtec, in good faith, to establish and implement any background checking process that Wabtec may propose to verify that any or all of the applicable checks have been satisfied. Upon Supplier's request, and with Wabtec's approval, Wabtec shall provide to Supplier the names of its background checking suppliers, in order to utilize them to conduct the background checks.

1. **Identity Verification.** Verify the Supplier Personnel's identity (e.g., using social security numbers and credit reporting databases to verify identity gaps).
2. **Watchlists.** Perform a watchlist screen to ensure that no Supplier Personnel to be placed are included on the following government or organization lists: (a) United Nations Consolidated List; (b) European Union Consolidated List; (c) US Department of Treasury Office of Foreign Assets Control ("OFAC") list of Specially Designated Nationals ("SDN") and Blocked Persons; (d) US Department of Treasury OFAC Non-SDN Iranian Sanctions List; (e) US Department of Treasury OFAC Foreign Sanctions Evaders ("FSE") List (f) US Department of Treasury OFAC Sanctions Programs (list of sanctioned countries); (g) US Department of State Non-Proliferation Sanctions Lists; (h) US Department of Commerce BIS Denied Persons List, (i) US FBI Most Wanted Terrorists; (j) US FBI Seeking Information list; (k) US FBI Top Ten Most Wanted; (l) US FBI Most Wanted.
3. **Criminal and Employment Screening.** Conduct a background screen as follows: (i) perform a criminal record check through an authorized background-reporting agency (including in-person searches of county courthouse records, where such records are available (e.g. United States, Mexico, etc.) covering at least the last seven (7) years, including all locations of residence and locations of employment, as stated on his or her resume, which the Supplier Personnel resided and worked during that period; (ii) verify the past seven (7) years of employment (e.g., position or job title held, dates of employment and duties); and (iii) not place any Supplier Personnel with Wabtec if such Supplier Personnel lied or failed to disclose any relevant information, including but not limited to any prior criminal conviction on his or her pre-placement or employment application. In instances where the entire prior employment record for the past seven (7) years is not able to be verified based on due diligence (e.g. former employer is no longer in business or not responding), the prior employment portion of the background check will be considered complete when the most relevant experience and at least half of his/her prior employment history for the past seven (7) years is verified. The Supplier is encouraged to ask Supplier Personnel for proof of prior employment where the Supplier Personnel's previous employer is not responding to requests for confirmation of employment. Proof of prior employment could include pay stubs or tax records confirming employment at the company noted.

B. Wabtec Policy on Personnel with Criminal History. Supplier may not exclude a candidate solely on the basis of a prior criminal conviction unless the conviction relates to dishonesty or breach of trust or a matter that directly relates to the Supplier Personnel's suitability for assignment to the position for which he or she is intended. In reaching a placement decision based on criminal background checks, consideration should be given to the following factors that may mitigate the doubts and/or risks that may be indicated by the Supplier Personnel's criminal record: (i) whether the criminal record is correct; (ii) the amount of time that has elapsed since the conviction(s); (iii) the facts and circumstances surrounding the act(s) or event(s); (iv) the number of and type/severity of the offenses for which the individual was convicted; (v) age at time of the conviction or release from prison; (vi) evidence that the individual has successfully performed similar work post-conviction; Length and consistency of employment history before and after the conviction(s); (vii) rehabilitation efforts, education and training (ix) employment or character references and other information regarding fitness for the particular position; and (x) whether the individual is bonded under a federal, state or local bonding program.

C. Background Checking – Security Sensitive Services. Wabtec, in its sole discretion, may determine certain Services the Supplier Personnel will be performing to be security sensitive in nature, in which case Wabtec may mandate, to the extent permitted by applicable law, the foregoing screenings/verifications be conducted regardless of whether or not the Supplier Personnel are performing the Services on Wabtec premises or having network access to Wabtec's networks. Additionally, Wabtec may require further verifications and/or searches as may be deemed necessary, to the extent permitted by applicable law, such as, for example, verifying the Supplier Personnel's highest level of education and conducting a department of motor vehicle search.

D. Recordkeeping. Supplier shall maintain, as records, all of the foregoing screenings/verifications for the duration of the Term, and for three (3) years thereafter.

E. Rechecking. If any screened/verified Supplier Personnel providing the Services to Wabtec or any Wabtec Affiliate leaves the employ of Supplier for a period of twelve (12) months or more, and such Supplier Personnel are then rehired by Supplier and reassigned to servicing Wabtec, or any Wabtec Affiliate, a new screening/verification must be ordered.

WABTEC POLICY ACKNOWLEDGMENTS

Prior to (1) stationing Supplier Personnel to perform Services at any Company location, facility, or work site, (2) granting access to Company networks to Supplier Personnel to provide the services, (3) assigning Supplier Personnel to duties that are directly related to the safe operation or security of a Company facility or piece of equipment and which, if not performed properly, could cause a serious environmental, health or safety hazard to employees or in the general public, or (4) assigning Supplier Personnel to a Company worksite that is designated in its entirety as "security sensitive" even though the work responsibilities, if performed in another context, would not be security sensitive, Supplier shall cause Supplier Personnel to adhere to all of the Company's policies and procedures (e.g., those dealing with workplace safety) to which all Company vendors and third-party contractors must adhere under similar circumstances. Those requirements include but are not limited to: Supplier Personnel's receipt, review, and acknowledgment of the Company's Code of Conduct and receipt, review, and acknowledgment of the Company's Environment, Health and Safety Policy, Smoke-Tobacco Free Environment Policy, and all other site-specific safety procedures and protocols related to the Services provided by Supplier Personnel.

SEXUAL HARASSMENT TRAINING AND OTHER STATE REQUIREMENTS

During the term of this Agreement, Supplier agrees to comply with all Federal, state, and local statutes, ordinances and regulations, including, but not limited to, those related to employee/employer sexual harassment and discrimination training requirements. By entering into this Agreement with the Company, Supplier affirms and agrees that for any state where new hire, annual, or bi-annual harassment, discrimination, or other employee training is required by statute, that Supplier agrees that it is Supplier's responsibility to ensure compliance with the provisions of those requirements, including but not limited to training all Supplier Personnel, where applicable. Supplier affirms and agrees that because Supplier Personnel are independent contractors, and not employees of the Company, that the Company has no legal obligation to ensure compliance with any employee-training requirements mandated by federal, state, and local statutes, ordinances, or regulations.

By virtue of this Agreement, Supplier represents and warrants that Supplier has provided Training to Supplier Personnel assigned to provide Services to the Company as required by applicable laws (including federal state and local laws), including discrimination, harassment, bullying and retaliation prevention and other similar employment training. Supplier shall defend, indemnify and hold the Company harmless against any and all claims, penalties, fines, costs and damages of any type or kind whatsoever arising from and/or related to the training or failure to provide training. Nothing in this provision is intended to limit or diminish the indemnification and defense obligations of Supplier as stated in Section 5 of this Agreement.

WORKERS' COMPENSATION AND SAFETY TRAINING

Supplier will provide workers' compensation insurance for all Supplier Personnel as required by applicable law and will immediately notify the Company in the event such insurance is modified, amended, cancelled or otherwise altered during the term of this Agreement. In addition to purchasing and maintaining workers' compensation insurance, Supplier shall file all necessary reports and administer claims and shall furnish a certificate of insurance when requested by the Company. The Company acknowledges that it is responsible for assuring a safe workplace for all Supplier Personnel performing Services and for providing the necessary training to maintain a safe workplace. Supplier acknowledges that it is responsible for cooperating with the Company and using best efforts to reduce Supplier Personnel's recordable and lost-time work related injuries. Supplier shall defend, indemnify and hold the Company harmless against any and all claims, costs, fines, penalties and damages of any type or kind whatsoever arising from and/or related to worker's compensation insurance and safety training including (1) individual claims brought by Supplier Personnel or third parties who allege they were injured because of the lack of required safety training and (2) administrative actions by Cal-OSHA or OSHA alleging safety training was not provided or was not compliant with legal requirements. Nothing in this provision is intended to limit or diminish the indemnification and defense obligations of Supplier as stated in Section 5 of this Agreement.

UNEMPLOYMENT COMPENSATION AND DISABILITY COMPLIANCE

Supplier will provide unemployment insurance for all Supplier Personnel as required by applicable law. In addition to providing unemployment insurance, Supplier shall file all necessary reports and administer claims and benefit payments at its sole cost and expense. Supplier further warrants that it shall post and maintain the appropriate corporate surety bond(s) as may be required under applicable state law for employee leasing organizations. Further, Supplier shall be responsible for conducting an interactive process discussion as required under disability laws with all Supplier Personnel who have worker's compensation claims and provide reasonable accommodations as required by law in consultation with the Company. This obligation to conduct interactive process discussions and to provide reasonable accommodations in consultation with the Company also applies to Supplier Personnel who do not have occupational injuries but do have disabilities and have requested accommodation. Supplier shall defend, indemnify and hold the Company harmless against any and all claims, costs, fines, penalties and damages of any type or kind whatsoever arising from and/or related to claims brought by Supplier Personnel alleging violations of federal, state, or local disability laws. Nothing in this provision is intended to limit or diminish the indemnification and defense obligations of Supplier as stated in Section 5 of this Agreement.