

Corporate Governance Guidelines

WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION

CORPORATE GOVERNANCE GUIDELINES

(As Amended February, 2009)

- 1 Statement of Governance.** The business and affairs of the Company occur under the direction of the Board of Directors. The Board of Directors has delegated to management the responsibility to manage the day-to-day operations of the Company. The primary focus of the Board of Directors is on policy and strategic direction. The Board selects, advises and monitors the Company's management team to ensure that the Company's business is conducted so as to promote the growth and profitability of the Company. The Board has adopted the following guidelines which ensure that Directors at all times act in the best interests of the Company and its shareholders.
- 2 Responsibilities of the Board.** In addition to the duties of care and loyalty imposed by law, each Director has the following responsibilities:

 - (a) Each Director will make every effort to attend each Board and applicable Committee meeting, except in unavoidable circumstances. Each Director will ensure that other existing and planned future commitments do not materially interfere with the Director's service as a director.
 - (b) A meeting agenda and materials related to agenda items will be provided prior to all meetings, and each Director will carefully review these materials in advance of the relevant meeting.
 - (c) Each Director will rigorously participate in each meeting of the Board and each applicable Committee.
 - (d) Each Director will hold in confidence non-public information obtained as a director.
 - (e) The Board believes that management speaks for the Company. Individual Board members may, from time to time, meet or otherwise communicate with various constituencies that are involved with the Company, but it is expected that Board members would do this with the knowledge of management and, in most instances, at the request of management.
 - (f) Each Director shall abide by the Company's Code of Business Conduct and Ethics, including without limitation the provisions relating to conflicts of interest.
- 3 Orientation and Continuing Education for Directors.** Significant strategic thought and consideration is given to the identity of individuals nominated to serve as members of the Company's Board. Historically, Board nominees have had prior experience serving on boards of public companies. The Company anticipates that such historical pattern will be reflected in future nominees. With that in mind, the Company is committed to providing an initial orientation to board service with the Company and a continuing education covering such operational, financial and legal issues as may be appropriate given each Board member's background, experience and education. Without limiting the

foregoing, each Board member is encouraged to (i) propose and attend at least one supplemental educational program per year as he or she thinks appropriate for him or herself (ii) make one annual visit to a Company facility of his or her choice and (iii) propose such other supplemental activities such as, meetings with Company officers, and obtaining supplemental information regarding operational, financial and legal matters affecting the Company that he or she determines necessary or desirable to carry out his or her role as a Director. Management is committed to ensuring that supplemental activities are effected in a timely manner, either for the individual Director or, if management determines appropriate, for the full Board. Expenses for such activities will be reimbursed by the Company consistent with other expenses related to serving as a director of the Company.

4 Board Composition.

- (a) Director Selection and Qualification. The Nominating and Corporate Governance Committee will establish, and from time to time review with the Board, the requisite skills and characteristics for new Board members. This assessment will include consideration of background, skill needs, personal characteristics, diversity and business experience.

Nominees for directorship will be selected by the Nominating and Corporate Governance Committee in accordance with the policies and principles in its charter. The invitation to join the Board should be extended by the Chief Executive Officer and the Chairman of the Nominating and Corporate Governance Committee.

In evaluating participation on the Board, consideration shall be given to the individual's participation on other boards (including the number of audit committees on which an individual participates, if it is anticipated that the individual will at any time serve on the Audit Committee of the Company).

Any Director who is considering accepting an invitation to join the board of directors of any other corporation (whether publicly or privately held and whether for profit or not-for-profit) shall notify the Chief Executive Officer and the Chair of the Nominating and Corporate Governance Committee in advance of accepting such invitation so as to enable the Nominating and Corporate Governance Committee to make, in a timely manner, a determination as to whether there is an 'interlocking directorate' issue or other conflict and to communicate such determination, and any related recommendation, to such Director and to the Board.

- (b) Majority Independence. The majority of the Directors on the Board at any time will be Independent Directors. The definition of an Independent Director is set forth below at paragraph 6.
- (c) Size of Board. The by-laws of the Company mandate that the Board consist of such number of Directors as may be determined from time to time by the affirmative vote of a majority of the Directors then in office. The Board currently has ten (10) members with two (2) vacant seats. The number of Directors on the Board shall not be so great as to prevent the Board from functioning effectively as a body. It is the sense of the Board that it is appropriately sized.

- (d) Tenure. The Board does not believe it should establish term limits. While term limits could help ensure that fresh ideas and viewpoints are available to the Board, they hold the disadvantage of losing the contribution of directors who over time have developed increasing insight into the Company and its operations and therefore provide an increasing contribution to the Board as a whole. As an alternative to term limits, the Nominating and Corporate Governance Committee, in consultation with the Chief Executive Officer, will review each Director's continuation on the Board every three (3) years. This will also allow each Director the opportunity to conveniently confirm his/her desire to continue as a member of the Board.
- (e) Retirement. No person shall be nominated to stand for election to, nor be elected to, fill a vacancy in the Board of Directors if such election would take place after such person has attained age 72.
- (f) Leadership. The Company's by-laws provide that the Directors may elect a Chairman and one or more Vice Chairman from time to time from among the Directors. William E. Kassling is currently the Chairman and Emilio A. Fernandez is currently a Vice Chairman.

5 Director Compensation Guidelines.

- (a) The Compensation Committee shall produce an annual report on director compensation. This report shall be included in the Company's annual proxy statement.
- (b) The following guidelines are to be followed in determining the amount and form of director compensation:
- Time Commitment of Directors
 - Company Profitability
 - Board Effectiveness
 - Comparable Company Standards
- (c) Compensation may consist of a mix of cash and equity, in the form of stock grants or options.
- (d) Audit Committee members may not receive any remuneration from the Company other than compensation for Board service. Board compensation for Audit Committee members may reflect the greater time commitment involved in Audit Committee membership.
- (e) Payments to a Director (or his or her immediate family members) or to organizations with which a Director (or his or her immediate family members) is affiliated, including contributions to organizations affiliated with that Director (or his or her immediate family members), may actually or by appearance compromise his/her independent status.
- (f) Management will report once a year to the Board the status of the Board's compensation in relation to comparable U.S. companies.

- (g) Changes in Board compensation should come at the suggestion of the Compensation Committee but with full discussion and approval by the Board.

6 Independent Directors.

For a Director to be considered an “Independent Director”, the Board must annually determine that he or she has no material relationship with the Company (either directly or as a partner, shareholder or officer of an organization which has such a relationship with the Company).

The basis for the Company’s determination of independence shall be based on the applicable New York Stock Exchange and Securities and Exchange Commission rules and shall be set forth in the Company’s annual proxy statement; provided, however that no Director shall be an Independent Director if he or she:

- has in the last three years been employed by the Company;
- has in the last three years been affiliated with or employed by a (present or former) auditor of the Company or of an affiliate of the Company;
- has in the last three years been part of an interlocking directorate in which an executive officer of the Company sits on the compensation committee of another company which concurrently employs the director;
- has in the last three years received more than \$120,000 in direct compensation from the Company, other than director fees and deferred compensation;
- is currently employed by a company that in any of the last three years has received payments from or made payments to the Company in an amount that exceeds the greater of \$1 million or 2% of such company’s gross revenue; or
- has an immediate family member who falls within any of the above categories, except that an immediate family member may be an employee of, but not a partner of, the auditor of the Company and not impair the director’s independence if such immediate family member does not personally work on the Company’s audit.

The ownership of stock in the Company by Directors is encouraged and the ownership of a substantial amount of stock is not in itself a basis for a Director to be considered as not independent, provided that it may preclude participation on the Audit Committee of the Company under applicable law.

7 **Committees.** The by-laws mandate that the Board of Directors maintain a nominating committee. Applicable law and the listing standards of NYSE require that the Board maintain the following committees: a nominating and corporate governance committee, an audit committee and a compensation committee. The Board currently maintains the following committees: a nominating and corporate governance committee, an audit committee and a compensation committee. The by-laws allow the Board to appoint additional committees by resolution passed by a majority of the Board of Directors and to disband any Committee not specifically required, and the Board may do so at any time. The following is a summary description of the committees of the Board:

- (a) Audit Committee. The Audit Committee shall consist of at least three Directors. All members of the Audit Committee must be Independent Directors and must

comply with all qualification requirements for audit committee members under any rules of the SEC and the NYSE from time to time in force.

The duties of the Audit Committee are set forth in the Audit Committee Charter.

- (b) Nominating and Corporate Governance Committee. The duties of the Nominating and Corporate Governance committee, and the qualifications for membership on the committee, are set forth in the Nominating and Corporate Governance Committee Charter.

The Nominating and Corporate Governance Committee shall conduct an annual evaluation of the effectiveness of the Board and its Committees. As part of the review process, the Nominating and Corporate Governance Committee will solicit comments from all Directors. The performance assessment will be discussed with the full Board on an annual basis after the end of the fiscal year.

- (c) Compensation Committee. The duties of the Compensation Committee, and the qualifications for membership on the Committee, are set forth in the Compensation Committee Charter.

The Nominating and Corporate Governance Committee shall make all recommendations to the Board for committee membership, except for the Nominating and Corporate Governance Committee, and all recommendations for chair-personship of all committees. The Board shall select the members of the Nominating and Corporate Governance Committee. After consideration of such recommendations, the Board will designate the members of and chairs the Committees, taking into account the desires of the individual Board members and the suggestions of the Chief Executive Officer. It is expected that each Committee Chairperson will have had previous service on the applicable Committee.

Each Committee of the Board is responsible to report annually to the Board an assessment of the Committee's performance during the preceding year.

8 Executive Sessions of Non-Management Directors.

- (a) The non-management Directors will hold regular executive sessions without management in order to promote open discussion among the non-management Directors. If any non-management Directors are not independent under NYSE standards, at least once each year there will be an executive session of only Independent Directors.
- (b) The Board has an Independent Director designated as the Lead Independent Director, who is responsible to coordinate the activities of the non-management Directors and to perform various other duties. Service as Lead Independent Director shall not exceed three consecutive years.
- (c) The non-management Directors can be contacted via confidential email addressed to nonmanagementdirectors@wabtec.com.

9 Board Access to Management and Professional Advisors.

- (a) Directors shall have full access to executive officers of the Company. While essential in order for Directors to keep abreast of Company affairs, Directors will use their discretion to ensure that access is not disruptive to the business

operations of the Company. So far as appropriate any such contact will be coordinated with the Chief Executive Officer.

- (b) The Board welcomes regular attendance at each Board meeting of executive officers and other members of senior management of the Company. The Board encourages management to schedule presentations at Board meetings by managers who can provide additional insight into the items being discussed because of personal involvement in these areas or who have future potential that management believes should be given exposure to the Board.
- (c) The Company's primary outside attorneys and registered public accountants shall make periodic presentations to, and be available to consult with, the full Board.
- (d) The Directors may, where appropriate, retain independent professional advisors.

10 CEO Selection, Evaluation and Succession.

- (a) When selecting a Chief Executive Officer the following criteria shall be considered:
 - deep knowledge of the markets in which the Company operates,
 - keen knowledge of, and clarity of vision for, the Company,
 - demonstration of exemplary leadership skills and ethical conduct,
 - ability to lead and develop a corporate culture committed to excellence, and
 - such other criteria as the Board may deem appropriate.
- (b) The performance of the Chief Executive Officer will be reviewed by the Compensation Committee at least annually. Such review will follow recommendations from the Compensation Committee with respect to long and short term corporate goals and performance of the Chief Executive Officer.
- (c) The Chief Executive Officer will report annually to the Board on the Company's program for succession and management development. The Chief Executive Officer should make available to the Board his or her recommendations and evaluations of potential successors at all senior management positions, including Chief Executive Officer.

11 Board and Committee Meetings.

- (a) The Chairman of the Board, and the Committee Chairpersons, as appropriate, determine the frequency and length of meetings of the Board, and Committees, respectively, subject to the following guidelines: the Board of Directors meets at least four (4) times annually; the Audit Committee meets at least four (4) times annually; the Compensation Committees meet at least two (2) times annually; and the Nominating and Corporate Governance Committee meets at least two (2) annually; each in regularly scheduled sessions. Telephonic attendance at regular Board and Committee meetings is strongly discouraged except for special or extenuating circumstances as authorized by the Chairperson of the Board, in the case of Board meetings, and the Chairperson of the relevant Committee, in the case of Committee meetings.

- (b) At the beginning of the year, the Chief Executive Officer will prepare and the Board will receive a schedule of agenda subjects to be considered during the year. The Chairman will establish the agenda for each Board meeting. Each Board member is free to suggest the inclusion of items on the agenda. Each Board member is free to raise at any Board meeting subjects that are not on the agenda for that meeting.
- (c) The chair of each Committee, in consultation with the appropriate members of management and staff, will develop the Committee's agenda. At the beginning of the year, each Committee will establish a schedule of agenda subjects to be discussed during the year. The schedule for each Committee will be furnished to all Directors. Each Committee member is free to suggest the inclusion of items on the agenda. Each Committee member is free to raise at any Committee meeting subjects that are not on the agenda for that meeting.

12 Annual Performance Evaluation.

The Board shall perform an evaluation of its performance at least annually, to determine whether the Board and its committees are functioning effectively, through the oversight of the Nominating and Corporate Governance Committee. orate Governance Committee.