

WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION

Statement of Policy with Respect to Related Party Transactions

A. Policy

The Board of Directors of Westinghouse Air Brake Technologies Corporation (the “Company”) recognizes that related party transactions present a heightened risk of conflicts of interest and improper valuation or can create the appearance that corporate decisions are based on considerations other than the best interests of the Company. Nevertheless, the Board of Directors recognizes that there may be situations where a Related Party Transaction may be in, or may not be inconsistent with, the best interests of the Company. Therefore, it is the policy of the Board of Directors that all Related Party Transactions (as defined below) shall be subject to approval or ratification in accordance with the procedures set forth below. This policy has been approved by the Nominating and Corporate Governance Committee and the Board of Directors of the Company.

B. Procedures

Under this policy, any “Related Party Transaction” shall be consummated or shall continue only if:

1. the Nominating and Corporate Governance Committee shall approve or ratify such transaction in accordance with the guidelines set forth in this Policy and if the transaction is on terms comparable to or no less favorable than those that could be obtained in arm’s-length dealings with an unrelated third-party under the same or similar circumstances; or
2. the transaction is approved by the disinterested members of the Board of Directors and if the transaction is on terms comparable to those that could be obtained in arm’s length dealings with an unrelated third party; or
3. the transaction involves compensation approved by the Company’s Compensation Committee.

For these purposes, a “Related Party” is:

1. any person who is, or at any time since the beginning of the Company’s last fiscal year was, an executive officer (which shall include at a minimum all Section 16 officers), director or nominee for election as a director of the Company;
2. any person who is an immediate family member (as defined in Item 404(a) (“Item 404(a)”) of Regulation S-K under the Securities Exchange Act of 1934, as amended) of any of the foregoing persons; or
3. an entity which is owned or controlled by any of the foregoing persons, or an entity in which any of the foregoing persons has a substantial (greater than ten percent (10%)) ownership interest or control of such entity.

For these purposes, a “Related Party Transaction” is a transaction or arrangement (or a series of transactions or arrangements) between the Company and any Related Party

(including any transactions requiring disclosure under Item 404 of Regulation S-K under the Securities Exchange Act or the NYSE rules of director independence), other than:

1. transactions available to all employees generally; or
2. transactions involving less than \$10,000 when aggregated with all similar transactions.

C. Committee Approval

The Board of Directors has determined that the Nominating and Corporate Governance Committee of the Board is best suited to review and approve Related Party Transactions. Accordingly, at each calendar year's first regularly scheduled Nominating and Corporate Governance Committee meeting, management shall disclose the facts and circumstances of any Related Party Transaction to be entered into by the Company for that calendar year. If any director or executive officer knows of a Related Party Transaction that management has not brought to the attention of the Nominating and Corporate Governance Committee, the director or executive officer shall disclose the facts and circumstances of such Related Party Transaction to the Nominating and Corporate Governance Committee. After reviewing all of the material facts and circumstances of each Related Party Transaction, including but not limited to (i) the Related Party's relationship to the Company and interest in the Related Party Transaction; (ii) the material facts of the proposed Related Party Transaction, including the amount involved; (iii) the benefits to the Company of the proposed Related Party Transaction; (iv) the availability of other sources of comparable products or services; (v) an assessment of whether the Related Party Transaction is on terms comparable to or no less favorable than those that could be obtained in arm's-length dealings with an unrelated third-party under the same or similar circumstances; and (vi) if a director of the Company is involved in the Related Party Transaction, the impact of the Related Party Transaction on such director's independence; the Nominating and Corporate Governance Committee shall approve or disapprove each Related Party Transaction. At each subsequently scheduled meeting of the Nominating and Corporate Governance Committee, management shall update the Nominating and Corporate Governance Committee as to any material changes to those transactions.

In the event management, any executive officer or any director becomes aware of or recommends any further Related Party Transactions or management determines to amend any Related Party Transaction subsequent to the first calendar year meeting of the Nominating and Corporate Governance Committee, such transactions shall be presented to the Nominating and Corporate Governance Committee for approval at its next scheduled meeting or, if appropriate under the circumstances, preliminarily entered into by management subject to ratification by the Nominating and Corporate Governance Committee.

No director shall participate in any discussion or approval of a Related Party Transaction for which he or she or a member of his or her immediate family is a Related Party, except that the director shall provide all material information concerning the Related Party Transaction to the Nominating and Corporate Governance Committee.

If a Related Party Transaction will be ongoing, the Nominating and Corporate Governance Committee, on at least an annual basis, shall review and assess ongoing relationships with the Related Party to see that they are in compliance with the Nominating and Corporate Governance Committee's guidelines and that the Related Party Transaction remains appropriate.

D. Standing Pre-Approval for Certain Related Party Transactions

The Nominating and Corporate Governance Committee has reviewed the types of Related Party Transactions described below and has determined that each of the following Related Party Transactions shall be deemed to be pre-approved by the Nominating and Corporate Governance Committee:

1. Executive Officer Compensation. Any compensation paid to the Company's executive officers that is approved by the Company's Compensation Committee.
2. Director Compensation. Any compensation paid to the Company's directors that is approved by the Company's Compensation Committee.
3. Transactions where all shareholders receive proportional benefits. Any transaction where the Related Party's interest arises solely from the ownership of the Company's common stock and all holders of the Company's common stock would receive the same benefit on a pro rata basis (e.g., dividends).
4. Transactions involving competitive bids. Any transaction involving a Related Party where the rates or charges involved are determined by competitive bids.

E. Corporate Opportunity

The Board of Directors recognizes that situations exist where a significant opportunity may be presented to management or a director that may equally be available to the Company, either directly or via referral. Before such opportunity may be consummated by a Related Party, such opportunity shall be presented to the Nominating and Corporate Governance Committee for consideration.

F. Disclosure

All Related Party Transactions are to be disclosed in the Company's securities filings to the extent required by the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended, and related rules, or by the director independence rules of the NYSE.

G. Other Agreements

The Company's management shall ensure that all Related Party Transactions are approved in accordance with any requirements of the Company's financing agreements.