



# Talgo

**TALGO GROUP'S INTERNAL ETHICAL CODE**

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## **CHAPTER I: INTRODUCTION**

### **Central tenets of the Talgo Group's Ethical Code**

#### **Art. 1. Definition of the Ethical Code**

The Ethical Code establishes the standards of responsible behaviour that all of the Talgo Group's professionals and collaborators must observe. It is designed to enable the Group as a whole to respond to the moral principles and ethics expected in today's society.

It is a key component of our internal control policy and forms part of the policy for the prevention of crime, which the new criminal legislation has imposed to ensure that appropriate mechanisms are in place to support professionals in their compliance with obligations and in their performance of commercial activities on behalf of the Group.

It contains the ethical values, commitments and good practices that must be applied during the management of the Group's activity, to ensure compliance with the most demanding regulatory compliance standards.

#### **Art. 2. Application of the Ethical Code**

The behavioural principles and guidelines contained in the Ethical Code apply to all of the professionals in the Group, regardless of their level in the organisational hierarchy, their geographical location, their functional responsibilities or for which company in the Group they render their services.

For the purposes of the Ethical Code, professionals in the Group shall be defined as members of the Board of Directors and employees of all of the companies and entities that comprise the Group, as well as any other persons whose activity is expressly subject to the Ethical Code.

Compliance with the Ethical Code is mandatory, notwithstanding strict compliance with the Company's corporate governance system, in particular, the Internal Code of Conduct for the Securities Market and its rules for implementation, corporate governance policies and regulatory compliance.

Professionals of the Group's companies to whom other ethical codes or rules of conduct apply, be they sector-specific or related to national legislation in the countries in which they undertake their activity, must also comply with this code. Such ethical codes or rules of conduct shall be inspired by the Mission, Vision and Values of the Talgo Group and are captured in the principles contained in the Ethical Code. In the case of subsidiaries of the Group that are required to adopt their own ethical codes or equivalent standards, either due to legal obligation or by resolution of their Board of Directors, then that code or those standards shall take preference in terms of application for those professionals.

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Professionals who act as representatives of the Group in companies and entities not belonging to it, shall observe the Ethical Code when performing such activities, to the extent that it is not incompatible with the standards of the company or entity in which they are working as representatives of the Group. In those companies and entities in which the Group is responsible for management, despite not holding a majority stake, the professionals who represent the Group shall promote compliance with the mission, as well as the application of the vision and values of the Group and of the standards of conduct established in the Ethical Code.

In addition, those professionals in the Group who, in the performance of their duties, manage or lead teams of people, must ensure that the professionals for which they are directly responsible are aware of and comply with the Ethical Code. They should also lead by example, as behavioural role models in the Group.

All of the professionals in the Group must commit to applying the code and their acceptance and collaboration is essential and indispensable. Thus, in the event that any of the Group's professionals or collaborators, acting honestly and in good faith, reports any behaviour that contravenes the Ethical Code, then he shall be supported by the Company. The Talgo Group shall ensure that there is no possibility of any kind of reprisal against any professionals who make the Compliance Committee aware of any possible violations of its rules.

All of the investigations launched shall be processed, in accordance with the Ethical Code and the Rules that complement and develop it, according to the local legal requirements and in accordance with the principles of privacy and respect for the presumption of innocence and of any employment rights that may apply.

Anyone that has grounds to suspect that there has been a violation of the rules or a breach of the Ethical Code is obliged to notify the Compliance Committee immediately about their concern through the ethics post box.

### Art. 3. Purpose

The purpose of the Ethical Code is to establish the values and vision that should guide the behaviour of the professionals of Talgo, S.A. and of the companies that comprise the Group, within the meaning established by law in the framework of a dynamic and complex global environment.

It reflects the Group's commitment to the principles of business ethics and transparency in the performance of its activity and it contains the essential guidelines and basic principles that ensure ethical and responsible behaviour from all of the professionals employed by the Group.

This Ethical Code has been prepared taking into consideration the recommendations of good governance both domestically and internationally, as well as bearing in mind the new prevention obligations, recently imposed in the field of criminal liability, for legal entities under the legislation in force.

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#### Art. 4. Mission, Vision and Values of the Talgo Group

**Mission:** To be the leading company in the Spanish railway sector, with an international industrial presence, recognised around the world for our capacity to innovate, as well as for our technology, quality, reliability and the added value of our products and services.

**Vision:** To be a supplier of products and services that is capable of implementing comprehensive and innovative solutions in new segments and markets.

**Values:**

**Technological innovation:** We foster an open working environment that promotes personal initiative and creativity. Technological development and the contribution of originality and added value to our products and services constitute the essential features of our corporate personality.

**Customer service:** We strive to provide our customers with innovative products and services of the highest quality that meet their needs and expectations. We establish long-lasting partnerships with our customers, characterised by cooperation, helping them to achieve corporate success. We take on our customers' objectives as our own and seek to address their needs promptly and effectively.

**Identification and commitment:** We are proud to belong to a world-class company. We share its accomplishments and achievements, which we all contribute to through our personal dedication and commitment.

**Professional development:** We focus constantly on the development and improvement of our professionals, on work well done and on continuous improvement.

**Integrity:** We combine our economic, social and environmental objectives and we find a balance between the aims of the Company and those of society and households. We fulfil our commitments to society by undertaking our business activities under the framework of the strictest honesty. Our employees behave in a trustworthy and loyal manner, which promotes mutual trust and personal esteem.

**Health and Safety of Our Employees:** We take care of the well-being and health of our workers, by integrating aspects of safety, prevention and occupational health into the overall management of the Company. Our commitment focuses on ensuring that all of our workers undertake their activities in safe conditions and in healthy working environments.

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## **Chapter II: The Compliance Committee**

### **Art. 5. The Compliance Committee**

The Compliance Committee is a collegial body that has the material and human resources necessary to undertake its functions. It has a permanent and internal nature and is linked to the Board of Directors. The Compliance Committee has a set of Statutes, which govern its composition and operation in detail, in accordance with the principles of this Code. It has the powers to ensure and enforce the Ethical Code along with any other Corporate Governance rules adopted by the Talgo Group and included in the Code of Conduct for the Securities Market.

The Compliance Committee comprises the:

Director of Human Resources.  
Legal Counsel of Talgo,S.A.  
Director of Internal Audit.

This Committee reports into the Audit Committee, from a hierarchical and functional perspective, and holds regular meetings. In all cases, the Committee shall meet whenever at least two of its members so request it or a whistleblowing report or other situation arises to justify it.

Provided the applicable legislation so permits it, the Compliance Committee shall have access to the information, documents and offices of the companies, administrators, directors and employees of the Group deemed necessary for the proper performance of its duties, including the minutes of meetings held by the administration, and other supervisory and control bodies. In this regard, all of the employees, directors and administrators of those companies must collaborate with the Compliance Committee when so required for the proper performance of its duties.

### **Art. 6. Duties of the Compliance Committee**

In addition to the functions described in its own set of Statutes, the Compliance Committee shall also have the following duties:

- Prepare and submit the Ethical Code, its interpretations and any proposals for its improvement or modification to the Audit Committee and Board of Directors.
- Ensure and coordinate compliance with the Ethical Code.
- Communication of this Code, as well as of its interpretation and the resolution of interpretive questions about it and any other corporate governance rules imposed by the Group.
- Prepare an annual report to assess the degree of compliance with the Ethical Code and the corporate governance rules.

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- Develop and promote preventative and complementary measures to the Group's corporate governance rules and this Ethical Code.
  - Evaluate and propose disciplinary measures, in the case of breaches, to the Corporate HR Director and/or the Audit Committee and/or, ultimately, to the Board of Directors.

### **CHAPTER III: THE GENERAL RULES OF PROFESSIONAL CONDUCT**

#### **Art. 7. Compliance with the law**

The Group's professionals shall strictly comply with the legislation in force in the place in which they undertake their activity, being ever mindful of the spirit and purpose of the rules.

The Talgo Group shall respect the commitments and obligations that it contracts with third parties under the terms agreed in the documents that support them and under the principle of good contractual faith and the principles and uses applicable in the countries in which it undertakes its activity.

The Directors of the Talgo Group must be aware of the specifics of the laws and regulations, including those of an internal nature, that affect their respective areas of activity, whilst at the same time ensuring that the professionals who report to them receive adequate information and training to allow them to understand and comply with the legal requirements applicable to their function.

The Talgo Group shall respect and observe any legal and administrative decisions that are issued and the terms established therein, without limiting or preventing the using up of resources afforded to it by the law or applicable rules in each case.

Similarly, it will collaborate with the Chief Justice or with the Government, when so required, in relation to investigations or responses to official investigations required of it, whilst always respecting the rules and rights applicable in each circumstance and agreement.

For these purposes, the Group has established some rules for the receipt of notifications from official bodies, which all of the professionals involved in that process must follow and respect.

#### **Art. 8. Commitment to human and employment rights**

The Group expresses its commitment to and involvement with Human and Employment Rights recognised in domestic and international legislation and with the principles on which the following agreements are based: the Universal Declaration of Human Rights, the International Labour Organisation (ILO) and the United Nation's Global Compact.

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The Group has the means to ensure compliance with the provisions of the International Labour Organisation, especially those relating to underage workers; it does not accept any practices that contravene that or any of the ILO's other principles, either within its own companies or within those that collaborate with the Group.

Similarly, the Group expresses its total rejection of forced labour and commits to respecting freedom of association and collective bargaining.

#### **Art. 9. Integrity in professional conduct**

Professionalism and integrity are the pillars upon which the conduct of all of the professionals that comprise the Talgo Group should be based.

Professionalism involves diligent, serious, responsible and efficient action, focused on excellence, quality and innovation.

Integrity involves loyal, honest action, performed in good faith and in line with the values summarised in this Code and in conjunction with the Group's overall vision.

If any professional of the Talgo Grupo is involved in court proceedings that may result in the imposition of penalties that may affect him in the performance of his duties or harm the interests of the Group, then he should notify the Compliance Committee so that it can assess how to act, with respect to the general principles and presumption of innocence.

#### **Art. 10. Protection of the environment**

The Group undertakes its activity with respect for the environment, complying with and exceeding the standards established in the applicable environmental legislation and minimising the impact of its activities on the environment.

The Talgo Group conducts regular independent external audits to confirm its regulatory compliance with environmental protection legislation and the effectiveness of the tasks of the professionals that comprise the Group.

#### **Art. 11. Principles of non-discrimination and equal opportunities**

The Talgo Group promotes non-discrimination on the grounds of race, colour, nationality, social origin, age, sex, marital status, sexual orientation, ideology, political opinions, religion and any other personal, physical or social condition of its professionals, as well as equality of opportunities for all of them.

In particular, the different companies that comprise the group promote equal treatment of men and women as regards to access to employment, training, the promotion of professionals and working conditions, as well as access to goods and services and their supply.

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Likewise, it promotes people's right to dignity, the free development of their personalities and the protection of their physical and moral integrity, and as such, under no circumstances, does it accept situations involving discrimination on the grounds of sex, marital status, familial status, birth, ethnic origin, age, religious beliefs, sexual orientation, opinion, disability, membership of syndicates or any other condition or personal or social circumstance.

#### **Art. 12. Health and safety at work**

The Group promotes and dedicates the means necessary for the implementation and monitoring of health and safety programs in the workplace, adopting the preventative measures established in this regard in the governing legislation, as well as any others that may be established in the future.

The professionals of the Group observe and receive appropriate training for the performance of their specific functions concerning health and safety in the workplace, with the aim of preventing and minimising occupational risks. The Group guarantees that the health status of its professionals is monitored regularly, on the basis of the risks inherent to their respective roles.

In all of the relationships that the Group maintains with third parties, it requires compliance with its policies and programs relating to health and safety in the workplace, without exception.

#### **Art. 13. Work-life balance**

The Talgo Group ensures that the exercise of rights relating to a work-life balance does not undermine the employment relationships of its professionals and it seeks to reconcile the Group's own aims with those of society and households, encouraging the balanced sharing of family responsibilities.

The Group operates a private health care program for all of its workers.

The Group is committed to offering its employees permanent contracts, which helps them achieve a balance between their work and personal lives, given that stability in the workplace, and the security that that affords, facilitates personal decision-making.

#### **Art. 14. Confidentiality of data**

The Group respects the right to privacy of its professionals, collaborators and third parties, particularly with regards to data of a personal, medical and economic nature.

Professionals in the different companies that comprise the Talgo Group undertake to make responsible use of means of communication, IT systems and, in general, all other means placed at their disposal, in accordance with the policies and criteria established for that purpose. Such means are not provided for personal, non-professional use and therefore, they are not suitable for private communication. As such, they should not generate any expectation of privacy in the event that they have to be supervised to ensure their proper use.

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The Group undertakes to not disclose data of a personal nature about its professionals, without the consent of those concerned, or in those cases where it is under a legal obligation to do so or in order to comply with legal or administrative decisions. Under no circumstances may data of a personal nature about professionals be used for purposes other than those legally or contractually provided.

The professionals of the Group who, due to their activity, have access to personal data about other professionals in the Group, shall undertake, in writing, to maintain the confidentiality of that data.

The Compliance Committee, compliance units and departments and other related directors and bodies shall comply with the requirements established in the legislation governing the protection of data of a personal nature regarding any communication sent to them by any professionals in accordance with the provisions of the Ethical Code.

#### **Art. 15. Recruitment and evaluation**

The Group operates the most rigorous and objective recruitment program, based exclusively on the academic, personal and professional merits of candidates and the requirements of the Group. It regularly assesses its professionals in a rigorous and objective way, on the basis of their individual and collective performances. The professionals of the Group participate in this process to define their objectives and are aware of the assessments performed about them.

#### **Art. 16. Training**

As part of its culture to foster permanent improvement, the Group promotes the ongoing training of its professionals, paying particular attention to the acquisition of knowledge and skills that ensure the best performance of their duties in the workplace.

Similarly, the professionals that comprise the Talgo Group and each person in their respective departments, undertakes to take advantage of the opportunities provided to them by the Group and to thereby update their knowledge and aptitudes.

#### **Art. 17. Behaviour in the market, respect for free competition**

All of the professionals of the Talgo Group are committed to free competition and to complying with the laws established in this regard in the different countries in which they undertake their activity, as well as to avoiding incurring any action that involves an abuse or illicit restriction of the competition.

#### **Art. 18. Conflicts of interest**

A conflict of interest is considered to exist in those situations in which the personal interests of a professional in the Group enters into conflict, either directly or indirectly, with the interests of any of the Talgo Group's companies. A professional shall be

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understood to have a personal interest when an issue affects him or a person related to him.

Professional relationships with family members should be avoided, whenever they may affect the objectivity of professional judgement. Any questions in this regard should be sent to the Compliance Committee, which will assess whether or not a conflict of interest exists.

The following people shall be considered to be related to the professional for this purpose:

The spouse of the professional or any person with a similar relationship of affective cohabitation.

The ancestors, descendants and siblings of the professional or his spouse (or any person with a similar relationship of affective cohabitation).

The spouses of the ancestors, descendants and siblings of the professional.

Entities in which the professional, or persons related to him, either directly or through an intermediary, find themselves in one of the situations of control established by the law.

Companies or entities in which the professional, or any of the people related to him, either directly or through an intermediary, exercise an administrative or management role or receive compensation for any reason, provided that, in addition, they exercise significant influence, directly or indirectly, over the financial and operating decisions of those companies or entities.

Professional decisions must be based on the best defence of the interests of the Talgo Group, in such a way that they are not influenced by any personal or family relationships or by any other personal interests of the professionals of the Group.

In terms of possible conflicts of interest, the following general principles of conduct shall be observed:

**Independence:** acting with loyalty to the Group and its shareholders at all times, refraining therefore from prioritising their own interests or those of third parties at the expense of those of the Group.

**Abstention:** refrain from investing, co-investing and in any way participating or influencing the decisions that may be taken by entities of the Group with which a conflict of interest exists.

**Communication:** report conflicts of interest in which they may be involved. To this end, the existence or possible existence of a conflict of interest must be communicated in writing.

Any members of the Compliance Committee involved in a potential conflict of interest must inform the Committee about their situation, which shall have the jurisdiction to resolve any queries and conflicts that may arise in this regard.

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## Art. 19. Business opportunities

Business opportunities shall be considered to be those investments and operations linked to the Group's goods or contracts about which the professional was aware, as a result of the performance of his professional activity, when an investment or operation was offered to the Group and he held an interest in it.

Professionals may not take advantage of business opportunities for their own benefit or for the benefit of persons related to them, except when:

they have been invited to do so by the Group in advance; and

the Group has stopped exploring the opportunity, without the influence of the professional; or

the Compliance Committee authorises the professional to take advantage of the business opportunity.

Professionals may not use the name of any of the companies that form part of the Group, nor invoke their professional status in them to perform operations on their own behalf or on behalf of any persons related to them.

## Art. 20. Resources and means for the development of professional activity

The Group undertakes to make available the resources and means necessary and appropriate to its professionals for the performance of their professional activity. Improper use of these assets, for example, such as, but not limited to, the gifting, lending or appropriating of resources to third parties, shall constitute fraud.

Without prejudice to the Group's mandatory compliance with the specific rules and procedures regarding resources and means, the professionals of the Group undertake to make responsible use of the resources and the means placed at their disposal, employing them exclusively to perform professional activities on behalf of the Group, in such a way that those resources and means shall not be used or applied for personal purposes. All of the professionals in the Group must protect and make good use of the Group's resources and use them responsibly. They must protect them and preserve them from any loss, harm, theft or improper use that may be harmful to the interests of the Group.

The Group owns the property and operating rights of the IT programs and systems, equipment, manuals, videos, projects, studios, reports and other works and rights created, developed, improved and used by its professionals, under the framework of their employment activity and based on the Group's IT systems.

Professionals shall respect the principle of confidentiality with respect to the characteristics of the rights, patents, inventions, licences, programs, systems and technological knowledge in general, whose ownership or operating rights and use corresponds to the Group. Any information or disclosures about the IT systems or development of the Group's patents or innovations shall require prior authorisation from the Director responsible for IT and systems.

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Any equipment, systems and IT programs that the Group places at the disposal of its professionals for the performance of their work, including ease of access to and operation of the internet, must comply with criteria of safety and efficiency, excluding any use, action or IT function that is unlawful or contravenes the Group's rules or instructions.

Professionals shall not exploit, reproduce, replicate or relinquish the systems, IT applications, patents, inventions or developments of the Group for purposes other than those intended. Similarly, professionals shall not install or use programs or applications on the IT equipment provided by the Group when such use is illegal or may damage the systems or harm the image or interests of the Group, its customers or third parties.

In order to protect the integrity of each one of the companies that forms the Group and of the professionals therein, the Talgo Group is authorised to implement controls to ensure the proper use of email, internet, other means of communication and IT equipment, as well as to monitor those tools. Improper, illegal or unreasonable personal use shall be subjected to the applicable disciplinary rules.

#### **Art. 21. Political neutrality**

The Group develops its business model without interfering or participating in the political processes of those countries and communities in which it undertakes its activity.

Any relationship between the Group and any governments, authorities, institutions and political parties shall be based on the principles of legality and political neutrality.

The Group recognises the rights of its workers to exercise their freedom of expression, political thought and, in general, to participate in public life, provided the form of that participation does not cause an outside observer to associate the Group with one or other political opinion, and provided that such participation is undertaken with respect for fundamental rights and differing opinions.

#### **Art. 22. Money laundering and irregularities in terms of payments**

The Talgo Group's professionals must pay special attention to any cases that show signs of a lack of integrity of the people or entities with which the company maintains relationships.

Before signing any contracts with an external commercial Agent, the Talgo Group's professionals must request that the Internal Audit team conduct the corresponding control process (due diligence) in accordance with the form and/or investigation that is deemed appropriate or necessary by that department in each case.

Fees recognised must be adequately justified on the basis of the tasks performed and the market practices applicable at any given time.

Special attention shall be paid to payments made to people, companies, entities and accounts held in tax havens and to those payments made to entities where it is not

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possible to identify the shareholder, owner or ultimate beneficiary of the entity.

Special attention shall also be given to extraordinary payments not provided for in the corresponding agreements or contracts, as well as to modifications in the terms already agreed.

The Group sends as much information as it has available and may be required about transactions carried out to the relevant bodies and entities as soon as possible.

All corresponding documentation shall be filed to ensure the maximum correctness, transparency and traceability of contractual relationships. In the event that it is identified that the conduct of any counterparties violates the rules of Money Laundering, then the Group shall apply the measures it deems appropriate, within the legal limits, including contractual termination.

### **Art. 23. Gifts and presents**

The professionals of the Group may not give or accept gifts or other presents during the performance of their professional activity. On an exceptional basis, the receipt and acceptance of gifts and presents shall be permitted when the following circumstances occur simultaneously:

- the gifts have an immaterial or symbolic economic value;
- they represent signs of courtesy or of customary business dealings; and
- they are not prohibited by law or by generally accepted business practices.

And, in general, under no circumstances may the Group's employees resort to illegal or unethical practices to influence the will of people outside the Group with the immediate or medium term aim of obtaining a benefit, present or future, for the Group, for themselves or for a third party. They should also remain alert in case other people or organisations make use of such practices in their relationships with the companies that comprise the Group.

Any professionals of the Group who receive unauthorised gifts or favours in the cases established above, must communicate this to their direct superior and/or to the Compliance Committee, which shall assess whether they are acceptable or not.

In particular, they may not give or receive any form of bribe or commission, proceeding from or performed by any other involved party, such as civil servants, Spanish or foreign, employees from other companies, political parties, authorities, customers, suppliers, vendors and shareholders. Acts of bribery, which are expressly prohibited, include the offer or promise, direct or indirect, of any kind of improper advantage, any instrument designed to conceal such an advantage, as well as the peddling of influences.

Moreover, professionals may not personally receive money from customers or suppliers, not even in the form of a loan or advanced payment. All of this applies independently of the loans and credits granted to professionals of the Group by the financial institutions that are

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customers or suppliers of the Group and that are not involved in the activities described above.

Similarly, workers shall refrain from making payments to facilitate or streamline procedures, involving the hand over of money or of other valuable items, regardless of the amount, in exchange for ensuring or expediting the performance of a procedure or action against any legal body, public administration or official organisation, anywhere in the world.

This rule, which allows no exceptions, not even in those countries in which offering valuable gifts to commercial partners is customary, is applicable both to gifts promised or offered, as well as those already received; it should be stated that a gift is understood to be any type of favour (free entry to events or conventions, the promise of a job offer, etc.). In any case, the Talgo Group refrains from engaging in any practices not permitted by the applicable legislation, commercial uses and ethical codes – if known – of the companies and entities with which it maintains relationships.

Gifts from the Talgo Group to third parties are characterised by the fact that they are intended to promote the image of the Talgo brand.

#### **Art. 24. Intellectual and Industrial Property**

The Group is constantly challenging itself to innovate and create new systems that allow it to be the market leader and to that end, it encourages and stimulates creation and investigation in order to be a role model in the market.

The professionals of the Talgo Group recognise that the purpose of their work may be based on the creation of elements that are susceptible to being the subject of intellectual and/or industrial property. In this sense, the results of employees' work (in collaboration with third parties or otherwise) form part of a collective work whose ownership belongs solely and exclusively to the Talgo Group, in accordance with the provisions of Article 8 of the Law governing Intellectual Property, dated 1996. Therefore, workers expressly and exclusively assign the Group the power to transfer to third parties the operating rights, in any form and in their entirety, over the results of their work, be they intellectual or industrial property rights, including any original component of them, that they develop for the Group and, in particular, they assign the rights to reproduce, distribute, transform, publicly communicate and any other rights necessary for the sale and/or whole or partial operation, including the merchandising of all of their work.

By virtue of the transformation right granted, the workers authorise the Talgo Group to make the necessary modifications to the results of their work, directly or indirectly, and also grant the operating rights over the resulting work that is performed, by virtue of this paragraph, with the aforementioned scope. The rights granted also include those of an industrial nature and cover any requests for the protection of industrial property that the Talgo Group deems it appropriate to make, whereby committing the workers to collaborate with the Talgo Group for the effective realisation of them and to obtain the appropriate registrations.

These transfers are agreed for everyone, for the maximum period of time that the Law recognises the author for his creations and includes the transfer of workers' rights to the Talgo Group for any operational act, by any means, format, support or means of

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dissemination, disclosure or public communication.

The professional workers of the Group undertake to not claim industrial or intellectual property rights over the Know How and results of the projects in which they have collaborated as a result of their employment relationship with the Talgo Group, as well as about any information they have been aware of during their collaboration.

In the event that a professional creates a computer program during the exercise of the duties that have been entrusted to him or when following instructions issued by the Group, then the ownership of the rights to operate, reproduce, distribute, transform, publicly communicate and any other rights necessary for the sale and /or whole or partial operation of the computer program created, in terms of both the source code and the program itself, shall correspond exclusively to the Group, in accordance with Articles 51.1 and 97.4 of the Law governing Intellectual Property, dated 1996

The professionals undertake to not use for their own benefit, or for the benefit of the Group, any property or designs protected by the intellectual or industrial property registers that they were aware of before they signed this contract.

## **CHAPTER IV: THE GROUP'S ENVIRONMENT**

### **Art. 25. Customers**

The Group is committed to offering its customers innovative, high quality products and services that meet their needs and expectations.

Professionals may not receive any kind of remuneration from the Group's customers, nor, in general, may they accept any kind of other remuneration for the services resulting from their own activity in the Group.

The Group offers its customers safety programs and monitoring of material to offer and keep them informed about innovations developed by the Group in terms of safety and comfort.

The Talgo Group competes in the market on the basis of the merits of its products and services and the information communicated about its products in its marketing and sales activities are based on the constant innovation and superior quality of its products and services.

In its relationships with customers, the Group applies rules of transparency, information and protection, with the aim of promoting a long-lasting relationship. The Group always respects the rights granted to customers by the legislation regarding the protection of data of a personal nature, society's information services and other applicable provisions.

### **Art. 26. Suppliers**

The professionals of the Group undertake to comply with the internal procedures established for procurement processes, including, in particular, those relating to the approval of suppliers and vendors.

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The Group operates an on-going evaluation process over the processes for selecting suppliers and vendors, based on the criteria of objectivity and impartiality, as well as a set of ethical standards prepared by the Purchasing Department.

All of the Group's suppliers and vendors must comply with the ethical standards and principles set out in this Ethical Code.

Professionals may not receive any kind of remuneration from the Group's suppliers, nor, in general, may they accept any kind of other remuneration for the services resulting from their own activity in the Group.

The prices and information presented by suppliers and vendors in a selection process shall be treated confidentially and shall not be disclosed to third parties without the consent of the interested parties or by legal obligation, or to comply with legal or administrative resolutions.

The professionals of the Group who have access to data of a personal nature about suppliers and vendors, must keep such data confidential, as well as comply with the provisions of the legislation regarding the protection of data of a personal nature, to the extent that it applies.

Information provided by the Group's professionals to suppliers and vendors must always be truthful and should not be facilitated with the intention of misleading them.

#### **Art. 27. Competitors**

The Talgo Group shall always act with respect for free competition and shall always behave in a way that is loyal to its competitors. Furthermore, it shall not engage in misleading or disparaging advertising campaigns against its competitors.

#### **Art. 28. Shareholders**

The aim of the Talgo Group is to create sustainable value for its shareholders and to this end, it maintains an on-going commitment with them to communicate, inform and consult with them through the various channels monitored by the Director of Investor Relations.

#### **Art. 29. Ethical Code for Suppliers of goods and services**

Suppliers participate directly in the Talgo Group's value chain and form a fundamental component of the company's development and international aims. The "win to win" culture with our suppliers must be embedded in the mutual respect and commitment of each one.

Therefore, the Talgo Group and its suppliers must accept and be governed by the same principles and rules contained in this Code, which the Talgo Group shares and communicates to them as the basis for collaboration between them.

The Talgo Group shall encourage the dissemination of its Ethical Code and Purchasing

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Conduct Rules and shall require its suppliers to adopt the behaviour guidelines, in accordance with those rules.

## **CHAPTER V: THE WHISTLEBLOWER CHANNEL**

The Talgo Group has an active Whistleblower Channel, which aims to establish a confidential channel of communication for the receipt of internal whistleblowing reports relating to behaviour that may involve the commission of acts that contravene the law, the Company's policies and procedures, or the behaviour guidelines set out in the Group's Ethical Code.

The Talgo Group regulates this Channel with Rules (the Rules of Talgo's Whistleblower Channel), which have been established to ensure that, if a whistleblowing report is filed about behaviour that is alleged to contravene the provisions of the Ethical Code, the governing legislation or the Company's policies and protocols, then it will be treated in a professional and confidential way. Furthermore, the Rules seek to ensure that appropriate measures are taken to protect the Group's interests, as well as to ensure effective compliance with the aforementioned code, the law and the Company's internal policies, whilst at all times ensuring the whistleblower's right to keep his identity confidential, and the defence and presumption of innocence of the persons under investigation.

The aforementioned Rules establish a procedure that ensures the effectiveness of the Whistleblower Channel, simultaneously ensuring the confidentiality of the whistleblower and the proper management of conflicts of interest, regardless of whether the whistleblowing reports are managed internally or are subcontracted to a specialist company for their management.

## **CHAPTER VI: DISCIPLINARY MEASURES**

The Talgo Group shall perform the measures necessary for the effective application of this Ethical Code. Thus, in order to develop these measures, a document has been created that contains the Disciplinary Measures applicable to the Group.

Failure to comply with the provisions of the Ethical Code shall be considered as an employment breach, in accordance with the ranking of offences and penalties established by the internal rules applicable to the Group.

The Talgo Group's professionals have the right and the duty to explain to the Compliance Committee any breach of the principles contained in this Code.

## **CHAPTER VII: ACCEPTANCE**

The members of the Board of Directors and the workers of the different companies that comprise the Talgo Group accept the inspiring principles, values and vision reflected in this Code and are aware of their obligation know and carry out their work in accordance with the rules set out herein.

All new joiners to the Group's team of professionals must expressly accept his knowledge of this Ethical Code.

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The Ethical Code has been approved by the Board of Directors of Talgo, S.A. as the parent company of the Group and comprises the Group's set of internal rules and principles that complements and develops the standards of another nature that govern the operation of the bodies and roles of the Group and establishes the parameters and general behavioural criteria for the company, its administrators, workers and collaborators.

Any modification to this Code must always be approved by the Board of Directors of Talgo, S.A..