



TALGO GROUP

ANTI FRAUD AND ANTI CORRUPTION POLICY

MARCH 2018



In accordance with the provisions set out in the *Mission, Vision and Values of the Group*, TALGO assumes responsibility for actively participating in the challenge that constitutes the fight against corruption and fraud in all of its areas of activity by developing the principles set out in the Ethical Code and by spreading their application and compliance not only to all of the employees of the companies over which the Group exercises direct or indirect control, but also to its suppliers, partners, contractors, agents and other collaborating companies.

1. Purpose

The *Policy against corruption and fraud* aims to project a resounding message of opposition to corruption and fraud, in all of its manifestations, to all of the groups affected by it, as well as the desire by the Group to eradicate corruption and fraud from all of its activities.

This *Policy against corruption and fraud* constitutes a commitment to the permanent vigilance and punishment of fraudulent acts and behaviours, as well as of any that encourage corruption in any of its manifestations, of the maintenance of effective mechanisms of communication and awareness for all employees and the development of a business culture characterised by ethics and honesty.

The principles contained in this *Policy against corruption and fraud* are specified, in the field of the prevention of crime, in the *Policy for the prevention of crime*.

2. Area of application

This *Policy against corruption and fraud* shall be applicable to all of Talgo's directors and employees, to the companies over which the Group exercises control, directly or indirectly, and to other companies that form part of the Group, as well as to its suppliers, agents, partners, contractors and in general, any related parties.

On the other hand, the people who serve as representatives of the Group in companies and entities not belonging to it, shall also observe the provisions set out in this *Policy against corruption and fraud* and shall promote, to the extent possible, the application of its principles in those companies and entities in which they represent the Group.

The directors and employees of the Group, to whom other policies and rules also apply, of a sector nature or resulting from local legislation in the countries in which they undertake their activity, shall also comply. Appropriate coordination shall be established to ensure that such policies and rules are coherent with the principles established in this *Policy against corruption and fraud*.

(1) **Corruption:** to offer, promise, grant, receive, request or accept an unjustified benefit, for oneself or for a third party, to unduly favour another in the acquisition or sale of goods, the contracting of services or commercial relationships.

3. Principles of action

The principles that govern the *Policy against corruption and fraud* are as follows:

a) The Group does not tolerate, permit or engage in any type of corruption, extortion or bribery in the performance of its business activity, in either the public or private sectors.

b) Talgo promotes a preventative culture, based on the principle of “zero tolerance” towards corruption in business, in all its forms, as well as towards the commission of other unlawful acts and situations of fraud and in the application of ethical principles and responsible behaviour by all of the professionals in the Group, regardless of their hierarchical level and the country in which they work.

c) That principle of “zero tolerance” towards corruption in business is absolute in its nature and takes precedent over the eventual achievement of any kind of economic benefit for the Group or for its professionals, when that is based on an illegal business or transaction or contravenes the ethical principles reflected in the *Mission, Vision and Values of the Talgo Group* and specified in its *Ethical Code*.

d) The relationships between the professionals of the Group and any public administration, authorities, civil servants and other people who participate in the exercise of public duties, as well as with political parties and analogous entities shall be governed, in all cases, by the principles of cooperation, transparency and honesty.

e) The professionals of the Group participate in appropriate training programs both in person and online, as well as by any other method that is deemed appropriate, with sufficient frequency to guarantee the updating of their knowledge in this regard.

f) The companies in the Group promote an environment of transparency, ensuring that the appropriate internal channels are in place to favour the communication of possible irregularities, including the communication channel with the Director of Internal Audit to report any irregularities affecting the system of internal control over financial and accounting information and the Ethical Mailbox. This allows the Group’s professionals, as well as the suppliers and shareholders of the Company, to report any conduct that may imply a breach of the Company’s corporate governance System or the commission by one of the Group’s professionals of an act that contravenes the law or the rules of action of the *Ethical Code*.

g) The Group’s relationship with its suppliers is based on legality, efficiency and transparency. Ethical and responsible behaviour is one of the pillars of the Group’s operations, and its suppliers must comply with the Group’s policies, rules and procedures relating to the prevention of corruption, bribery and extortion. None of the Group’s suppliers may offer or grant presents, gifts or any other unauthorised benefits to civil servants, third parties or any employee of the Group, either directly or indirectly, in the context of the business activity carried out for or in its name, either in cash form or in the form of any other benefits, with the aim of obtaining favourable treatment in the concession or conservation of contracts or for personal gain or to benefit the supplier company. To this end, the Group has developed specific ethical code for suppliers.

If employees have evidence, questions or suspicions regarding any form of corruption, they must report it immediately to their immediate superior and to the Compliance Unit. Employees as well as any third party may also express their questions and concerns through the Whistleblower Channel.

Talgo shall not tolerate any reprisal against anyone who, acting in good faith, reports facts that could constitute a breach of this policy.

Employees who infringe these provisions shall be subject to the corresponding disciplinary measures, as well as to other possible actions and/or legal sanctions. Similarly, Talgo reserves the right to adopt the measures that it considers appropriate against any of its suppliers, agents, contractors or partners that breach them.

4. Commitments

- To not influence the will or objectivity of persons outside the Company to obtain any benefit or advantage through the use of unethical practices and/or practices that contravene the applicable law.
- To not give, promise or offer, directly or indirectly, any valuable goods to any person, physical or legal, in order to obtain improper advantages for the Company.
- To not allow any facilitation payments to be made to public sector employees.
- To not finance or express support or advocate in any way, directly or indirectly, for any political party, its representatives or candidates.
- To not use donation money to conceal improper payments.
- To not unduly request or receive, directly or indirectly, commission, payments or benefits from third parties on the occasion of or because of any investment, divestment, financing or expense operations carried out by the Company.
- To pay special attention in those cases where there are indications of a lack of integrity amongst the people or entities with which business is being conducted, in order to ensure that commercial relationships are established only with qualified people and entities with an appropriate reputation.
- To reflect faithfully and properly all of the Company's actions, operations and transactions in its books and records.
- To encourage internal training on the prevention of and fight against corruption.

5. Review

The Audit Committee, through the Compliance Unit, reviews the contents of the *Policy against corruption and fraud* on a regular basis, to ensure that it reflects the recommendations and international best practices in force at any given time. It proposes amendments and updates that contribute to the policy's development and on going improvement to the Board of Directors. Where appropriate, it responds to the suggestions and proposals put forward by the Compliance Unit or the professionals of the Policy against corruption and fraud.