



**PATENTES TALGO, S.L.U.**

**GENERAL TERMS AND CONDITIONS**  
**FOR SUPPLIES**  
**(EDITION - [01/2019])**

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## 1. DEFINITIONS AND INTERPRETATIONS.

### 1.1 Definitions:

For the purposes of these General Terms and Conditions for Supplies, the following expressions shall have the following meanings:

"**Applicable Laws**" means any relevant law, decree, legislation, regulation, standard, code, order, rules, ordinance, treaty or other requirement of general application in respect of the GTC including all the environmental legislation applicable to the supply of the Goods under the relevant Contract/Purchase Order.

"**Bank Account**" means the Supplier's bank account specified by the Supplier in accordance these GTC and the Contract/Purchase Order.

"**Bank Guarantee**" shall have the meaning as ascribed in Clause 8 below.

"**Business Day**" means any day other than Saturdays, Sundays and bank holidays pursuant to the work schedule of Madrid city (Spain).

"**Change**" means any change, modification or amendment on the terms and conditions of the Contract/Purchase Order after its signing and/or any improvements in the Supplies.

"**Change Order**" shall have the meaning as described in Clause 13.

"**Commencement Date**" means the date of the signature of these GTC.

"**Contract**" means the contract concluded between the Parties upon the acceptance of the Supplier's Quotation.

"**Delivery Date**" means the date for the delivery each shipment of Goods in accordance with the Schedule provided by Talgo.

"**Delivery Point**" means the destination for each shipment of Goods in accordance with the Schedule provided by Talgo.

"**GTC**" means these General Terms and Conditions for Supplies and any annexure or amendments thereto which are applied to contracts and/or purchase orders for supplying certain Goods to Talgo.

"**Insurance Policy**" means each of the insurance policies specified under these GTC and the Contract/Purchase Order.

"**Intellectual Property Rights**" means all copyright, database rights, topography rights, design rights, trademarks, trade names, utility models, patents, domain names and any other intellectual or industrial property rights of a similar nature (whether or not registered) subsisting anywhere in the world in or associated with the Goods.

"**Invoice**" means an official demand for payment issued by the Supplier in accordance with the provisions of these GTC, lists, describes and quantifies the Goods sold to Talgo. The Invoice becomes a document of title when paid in full by Talgo.

"**Goods**" means any goods to be supplied by the Supplier pursuant to and in accordance with the terms of the GTC and the Contract/Purchase Order.

"**Party**" means a Party to the GTC.

"**Parties**" means Talgo jointly with the Supplier.

"**Price**" means the value that will purchase a finite quantity, weight or other measure of Goods in exchange for transfer of their ownership, which will be fixed in the Contract/Purchase Order.

"**Purchase Order**" means an official written or electronic purchase order for the purchase of Goods issued by Talgo to the Supplier.

"**Schedule**" means a timetable for the delivery of the Goods, as may be specified in writing by Talgo and forming part of the GTC and the Contract/Purchase Order.

"**RFQ**" means a request for quotation issued by Talgo for the purpose of inviting suppliers into a bidding process to bid on specific Goods.

"**Specification**" means the quality standard, requirement or specification of the Goods as set out in these GTC and the Contract/Purchase Order thereto or any other quality, standard, requirement or specification of the Goods agreed in writing between the Parties from time to time.

"**Supplier**" means any person, firm or company who accepts these GTC and the Contract/Purchase Order.

"**Supplier's Quotation**" means a formal statement issued by the Supplier specifying the price of the Goods requested by Talgo under the RFQ.

"**Talgo**" means Patentes Talgo, S.L.U. a company with registered address in Las Matas, at Paseo del Tren Talgo nº 2, in Las Rozas, Madrid and recorded in the Commercial Registry of Madrid at Volume 20.063, Folio 84, Section 8ª, Page M-393.505, Inscription 3ª, with N.I.F. (Fiscal Identification Number) number B-84528553.

"**Warranty Period**" means the period of time in which the Goods may be returned or exchanged by Talgo to the Supplier.

## **2. APPLICABILITY.**

- 2.1 These GTC apply to all purchase of Goods made by Talgo or the companies controlled by it, unless specified otherwise in writing.
- 2.2 Signature and acceptance of these GTC is an essential Talgo's requirement in order to be registered as TALGO qualified Supplier.
- 2.3 This GTC shall be considered as an integral part of any Contract/Purchase Order that Talgo and the Supplier may conclude.

## **3. SUBMISSION AND ACCEPTANCE OF THE SUPPLIER'S QUOTATIONS.**

- 3.1 The Supplier shall submit its quotations in accordance with the RFQ issued by Talgo and Talgo reserves the right to accept or reject them. Under no circumstances, the Supplier will have the right to claim for any compensation if that Talgo rejects its Supplier's Quotation. The Supplier accepts that Talgo shall be entitled to request a RFQ to several suppliers for the same order and, finally, opts for (i) one of the different supplier's quotations; (ii) neither of them; or (iii) accepting only part the conditions offered under Supplier's conditions.
- 3.2 Those Supplier's Quotations which are accepted by Talgo shall be formalized and executed by means of a Contract/Purchase Order.
- 3.3 Should the Supplier enters into any transaction before signing this GTC, the terms of this GTC will automatically apply to the Supplier by signing the relevant Contract/Purchase Order, taking into account that the reference to the GTC shall be included therein and being the GTC at complete disposal of the Supplier for its signing at any time (either before or after the signing of the Contract/Purchase Order).

## **4. ACCEPTANCE OF CONTRACT/PURCHASE ORDER.**

- 4.1 The Supplier must sign and return the specific Contract/Purchase Order issued by Talgo within ten (10) Business Days from its receipt. Otherwise, and provided that it has not been rejected by the Supplier in this same period of time, the Contract/Purchase Order shall be considered entirely accepted, and so the terms and conditions defined therein.
- 4.2 Contract/Purchase Order (and also this GTC) shall have to be authorized by a dully authorized representative of each Party.

4.3 Any terms and conditions proposed in Supplier's acceptance or in any acknowledgment, invoice, or other form of Supplier that add to, vary from, or conflict with these GTC herein are hereby rejected. Therefore, should the Supplier issues any document incorporating any general terms and conditions or any contractual conditions on such documents, the Supplier expressly agrees, accepts and acknowledges that its general terms and conditions or any other conditions shall not apply to the transaction with Talgo and that this GTC shall always prevail any general term and condition or any other condition issued by the Supplier, even if those have been issued after signing this GTC.

## **5. NO MINIMUM ORDERS OR EXCLUSIVITY.**

5.1 Talgo shall not be obliged to any minimum purchase or any future purchase obligations by signing this GTC.

5.2 Nothing herein is intended nor shall be construed as creating any exclusive arrangement with Talgo. These GTC and the Contract/Purchase Order shall not restrict Talgo from acquiring similar or equal Goods from other entities or sources.

## **6. SPECIFICATIONS**

6.1 The Contract/Purchase Order shall include, at least but not limited to, the following information for its validity:

- (a) the quantity, quality and description of Goods requested by Talgo;
- (b) the supply of documentation and/or certification necessary to enable Talgo to use the Goods for their intended purposes ( ET compliance, HAC report or any other related document);

6.2 The Supplier shall have the sole responsibility for complying with the Applicable Law concerning the supply and utilization of the Goods and ensuring that Talgo can, fully utilize the Goods for their intended purposes.

6.3 The Supplier shall immediately and in writing notify Talgo of any failure of the Supplier or Goods to comply with the Specifications.

## **7. PRICE INVOICING AND PAYMENT.**

7.1 The Price shall be firm and binding, not subject to adjustment, established for the entire supply of Goods, and it shall include all fees, expenses, duties, tariffs, insurance, risks and taxes (except VAT or any other applicable tax that may replace it in the future) associated with scope of the supply of the Goods, unless otherwise agreed by the Parties in writing on the Contract/Purchase Order. Talgo shall not be required to pay any amount except for the Price.

7.2 The Supplier shall be entitled to invoice Talgo only after written acceptance of the Goods unless the Parties have agreed specific payment terms in the Contract/Purchase Order. Payment does not in any way imply acceptance by Talgo that the Goods comply with the terms and conditions of the Contract/Purchase Order and shall in no way imply a waiver of any right arising herein or in the relevant Contract/Purchase Order.

7.3 All Invoices shall be issued in accordance with the Applicable Laws and including the reference to the Contract/Purchase Order. In any case, the VAT (or other applicable sales tax) shall be indicated. Invoices which do not comply with these formalities may be rejected by Talgo and the Supplier under no circumstances may bring any claim or action for delay in its payments.. All the expenses in connection with the payments such as bank commissions shall be borne by the Supplier.

7.4 The Supplier shall send all original Invoices to the Talgo's address specified in the Contract/Purchase Order either hard copies or by electronic form, as Talgo may request.

- 7.5 The Supplier's undisputed Invoice will be paid within sixty (60) days from valid receipt of the Invoice by Talgo plus the number of days between the date of expiration of the above period of sixty (60) Business Days and the tenth day of the following month, unless otherwise agreed in the Contract/Purchase Order.
- 7.6 All the amounts shall be realized by the Customer by means of a confirming bank system.
- 7.7. The Supplier shall under no circumstances be able to transfer the credits (e.g. invoices), if any, against the Customer without the express prior written consent of the latter. Should the Supplier fail to comply with this obligation, the Customer shall be entitled to apply to the Supplier a penalty equal to five (5%) percent of amount corresponding to the credit/invoice assigned/transfer by the Supplier to a third party in default of the commitments acquired herein.
- 7.8. The Customer shall be entitled to set-off any amount, claim, damage or penalty of the Supplier under this Contract/Purchase Order against the invoices or any other amounts that the Customer shall have to pay to the Supplier.
- 7.9. Payment by the Customer of any amount under this Contract/Purchase Order shall not relieve the Supplier of its responsibilities, obligations or commitments assumed herein, nor shall it imply the acceptance of the Goods.

## **8. BANK GUARANTEE.**

- 8.1 Talgo shall have the right to require to the Supplier a Bank Guarantee to ensure the fulfillment of the Supplier's obligations or advance payments under the relevant Contract/Purchase Order, pursuant to the conditions set forth in this clause 8.
- 8.2. The Bank Guarantee shall be granted by the Supplier as an unconditionally, irrevocable, jointly an several and on first demand guarantee, with express waiver of the "divisio", "orden" and "excusio" benefits ("*beneficios de orden, division y excusión*") issued by a major bank with developed operations in Spain and a minimum rating of BBB+ and upon a satisfactory terms for Talgo..
- 8.3. Should Talgo enforces, in whole or in part, the Bank Guarantee, the Supplier shall be obliged to provide to Talgo another Bank Guarantee in order to replace the Bank Guarantee enforced or to increase the Bank Guarantee up to the amount initially guaranteed. The Supplier shall comply with the obligations of this section 8.4 within five (5) days from the date of the enforcement of Talgo (in whole or in part) the relevant Bank Guarantee.
- 8.4. Talgo shall return the Bank Guarantees set out herein after a minimum deadline of two (2) months on which the guaranteed period has eventually expired.
- 8.5. The Supplier shall be obliged to extend the bank guarantees when such extension is required under the relevant Contract and, in any case, according to the terms and conditions agreed by the Parties in such Contract.
- 8.6. If the Supplier does not deliver to the Customer an enforceable evidence of the extension of the bank guarantee/s or a new bank guarantee under the same terms and conditions within ten (10) days before their expiration dates or the subsequent extensions of the expiration dates (as the case may be), the Customer shall be entitled to execute the bank guarantees.
- 8.7. Notwithstanding the provisions of section 8.6 above, if:
- (a) the Supplier delivers to the Customer a new bank guarantee/s under the same terms, conditions and amounts of the executed bank guarantee/s, or;

- (b) the Supplier has complied with its obligations secured by the bank guarantees under the Contract,

the Customer shall return to the Supplier the amounts corresponding to the executed bank guarantees, within the following ten (10) days from any of the events set forth under items (a) or (b) above, but, in any case, deducting the amounts corresponding to the relevant damages, penalties or compensations caused by the Supplier.

- 8.5. Notwithstanding Talgo's right to early terminate the relevant Contract/Purchase Order, if the Supplier does not grant the Bank Guarantee, Talgo shall be entitled to withdraw amounts from the invoice to be paid in an amount equal up to reach the amount which would have been guaranteed with the Bank Guarantees. If Supplier furnishes Talgo the said Bank Guarantees, Talgo shall pay to the Supplier the amounts withdrawn within the following five (5) days after the furnish of the Bank Guarantees in conformity with the terms and conditions set out herein.

## **9. MAIN SUPPLY CONDITIONS.**

- 9.1. The Goods shall be supplied, in any case, considering the following essential conditions:

- 9.1.1 The Supplier shall be liable to obtain all the licenses, authorizations and permits required by the Applicable Laws to supply the Goods in conformity with the conditions agreed upon by the Parties under this GTC and the Contract/Purchase Order.

- 9.1.2 The Goods shall be supplied in conformity with the design, technical specifications and any other information, documentation and instruction provided under the Contract/Purchase Order.

- 9.1.3 The Goods shall be supplied in conformity with the environmental requisites demanded in conformity with the Applicable Laws and the conditions agreed upon by the Parties in the Contract/Purchase Order. In any case, the package shall be performed in accordance with the procedure PA 07-07 which shall be attached to the Contract/Purchase Order.

- 9.1.4 If Talgo had to provide materials, components, data or any other element ("*Talgo Materials*") for the manufacturing of the Goods by the Supplier, the Supplier expressly acknowledge and accept that: (i) it will be absolutely liable for the maintenance and use of the Talgo Materials; (ii) Talgo is and will be the sole owner of the Talgo Materials; (iii) Supplier shall have to bear all the costs and expenses of the Talgo Materials whilst is using them; (iv) Talgo Materials shall be exclusively used for the purpose of delivering the Goods to Talgo; (v) the Supplier shall be the sole liable to manage the using and operation of Talgo Materials in order to get the delivery of the Goods upon the conditions agreed by the Parties in this GTC and/or the Contract/Purchase Order; and (vi) Supplier shall return Talgo Materials to Talgo within five (days) from its request.

- 9.2. The Supplier acknowledges that these main supply conditions are absolutely essential to supply the Goods pursuant to this GTC. Therefore, should the Supplier fails to comply with any of these obligations Talgo shall be entitled to early terminate the Contract and claim for the damages sustained.

## **10. MONITORING.**

- 10.1 Talgo shall have the right to receive information related to the Goods and the Supplier's manufacturing processes, records and further and shall have the right to inspect the Supplier's facilities directly or by a third party designated by Talgo, giving a prior written notice to the Supplier of, at least, two (2) Business Days.

- 10.2. Talgo may involve in these inspections to representatives of its final client or any other third party which holds an interest in the Goods and if necessary or convenient its presence in the inspection for the benefit of the Goods to be supplied, at Talgo's sole criteria

- 10.3. These inspections and the information received under this clause shall under no circumstances mean the acceptance (in whole or in part) of the Goods.

10.4 Talgo may terminate the GTC or/and the Contract/Purchase Order, at its sole discretion, in the event that it does not agree with the manufacturing processes, or the Supplier does not allow Talgo to inspect the Supplier facilities in accordance with the terms agreed upon herein.

## **11. DELIVERY.**

11.1 The Supplier shall deliver the Goods to Talgo on the Delivery Date specified under the Schedule or agreed upon by the Parties in the Contract/Purchase Order. Both Parties expressly accept that the Delivery Date is of the essence for any Contract/Purchase Order.

11.2 The Supplier shall deliver the Goods at the Delivery Point in conformity with the Incoterms conditions (Incoterms Paris 2010) set out in the Contract/Purchase Order Delivered at Place (DAP) will apply by default in case the Contract/Purchase Order does not include the specific delivery condition.

11.3 The Supplier shall deliver the Goods together with the relevant information of the Goods delivered, information regarding its transport and its proper identification and control in the Destination Point. In this regard, it is expressly accepted that the Goods to be supplied shall be accompanied with the documents referred in the HAC attached to each Purchase Order.

11.4 The Supplier shall be obliged to notify, and to keep Talgo informed about any potential delay and remedy to minimize the impact of such delay.

## **12. PROVISIONAL ACCEPTANCE.**

12.1 Parties shall agree in the Contract/Purchase Order on the type and/or serial tests that will be necessary to be carried out on the Goods. Talgo shall determine if the tests have been successfully passed by the Supplier following the Good's Specification.

12.2 Upon delivery of the Goods at the Delivery Point, the Supplier shall provide, free of charge, all documentation relative to the Goods which are required by the Applicable Laws, under this GTC and/or the relevant Contract/Purchase Order.

12.3 Talgo shall have a period of ten (10) Business Days from the signature of the corresponding delivery order to accept or reject the delivered Goods. Talgo shall not be obliged to pay any amount or compensation to the Supplier in case of rejection of the Goods.

12.4 Talgo may reject any Goods on justified grounds, specially, if the Goods have not passed the relevant tests. Such rejected Goods shall be understood as Goods not delivered by the Supplier. Notwithstanding the above mentioned, Talgo shall be entitled to accept the defective Goods reducing the price, in a reasonable amount determined by Talgo.

12.5 If the Goods are rejected, in whole or in part, the Supplier shall, at Talgo's sole discretion, remedy the deficiency in order to ensure full conformity to Talgo and/or deliver substitute Goods that fully comply with the requirements of this GTC and the Contract/Purchase Order and/or shall to take back the Goods delivered, in whole or in part, with the corresponding repayment of the monies already paid and without prejudice to Talgo other rights under this GTC and/or the Contract/Purchase Order.

12.6 If the Goods are rejected, Talgo may also, at its sole discretion, procure replacement of the Goods from a third party and claim back the extra costs to the Supplier. The rejected Goods shall remain at Supplier's whole risk and may be stored by Talgo but at Supplier's risk and costs who shall collect the said rejected Goods within the following five (5) Business Day after rejection.

12.7 Talgo failure to inspect the Goods or to notify or properly notify and/or give timely notification to the Supplier of any defects shall not relieve the Supplier of any obligations hereunder or under the Applicable Laws.

- 12.8 The Supplier shall be entitled to invoice Talgo only after having the Goods expressly accepted in writing by Talgo in accordance with these GTC and the Contract/Purchase Order.
- 12.9 Until the modification or redelivery referred to above has been made, Talgo shall be entitled to suspend its payments.
- 12.10 A Contract/Purchase Order will not be considered completely executed by the Supplier until all Goods included in such Contract/Purchase Order are finally accepted by Talgo. Under a scenario of partial acceptance, the Supplier shall not be entitled to issue any invoice for the partially delivered Goods, unless agreed upon within the Contract/Purchase Order.
- 12.11 Any costs arising from delivery at the wrong address shall be solely borne by the Supplier, even if the Goods are delivered and accepted by Talgo.
- 12.12 Title, risk of loss or damage to the Goods shall pass from the Supplier to Talgo upon acceptance by the Talgo.
- 12.13 The Warranty Period will start after Talgo's written and explicit acceptance of the Goods.
- 12.14 Once the Warranty Period has elapsed (as may be extended), the Goods shall be final handed-over to Talgo, provided, however, that the Supplier has complied with all its obligations under this GTC and the Contract/Purchase Order, specially, warranty provisions and the delivery of all the documentation needed to use and operate correctly the Goods.

### **13. CHANGE ORDER PROCEDURE.**

- 13.1. Any changes shall exclusively be subject to the procedure defined in this Clause, irrespective of whether such Change is:
- (a) necessary due to a change in the Applicable Laws, rules or regulations after signing this GTC and/or Contract/Purchase Order or
  - (b) requested in writing by either the Talgo.
- 13.2. Any Changes shall only become binding on the Parties following due execution by the Parties of a Change Order. Therefore, Supplier shall not make any alteration and/or modification of the Supplies, unless and until Talgo instructs or approves such modification or alteration as a Change.
- 13.3. The Change Order procedure shall have the following steps:
- (a) submission of a written request for a Change by Talgo to the Supplier;
  - (b) Change Order Proposal and submission thereof to Talgo within 10 business days after receipt of the Change Order request by the Supplier, stating, inter alia, the potential effects on the performance of the Contract/Purchase Order, especially the effect on the total Contract/Purchase Order Price, delivery plan and characteristics of the Goods;
  - (c) agreement on the Change by the Parties within 10 Business Days after receipt of the Change Order Proposal by Talgo;
  - (d) signing of the Change Order by the Parties;
  - (e) signing of an additional amendment to the Contract/Purchase Order (as the case may be);
  - (f) implementation of Change Order.
- 13.4. Each Party bears its own costs relating to the Change Order procedure;

#### **14. PENALTIES FOR DELAYS**

- 14.1. Talgo shall be entitled to apply a penalty of 1% of the total value of the delayed Goods for each week of delay with respect to the corresponding Delivery Date or the penalties set forth in the Contract, as the case may be. For the purposes of this Clause, the Supplies shall be considered as delivered, the date on which the corresponding Goods have been accepted by Talgo. If the delay does not amount to a full week, the weekly amount applicable as a penalty shall be prorated according to the number of complete days of delay in that partial week.
- 14.2. The maximum amount of penalties to be applied by Talgo under this Contract/Purchase Order, shall not exceed 10% of the Contract/Purchase Order price.
- 14.3. The application of any penalty by Talgo shall not preclude the Customer's right to claim for the relevant damages that may be sustained as a result of the delay event.
- 14.4. If penalties exceed the ten percent (10%) of the Price under the specific Contract/Purchase Order (which is considered as a material breach of these GTC and/or the Contract/Purchase Order), Talgo may terminate these GTC, the Contract/Purchase Order or any other document signed regarding such Goods. In such case, Talgo will not be obliged to compensate or indemnify Supplier for this early termination.
- 14.5. The Supplier shall be obliged to inform Talgo about the status of the works to be carried out by the Supplier to comply with its obligations under the Contract/Purchase Order and, in particular, if a potential delay arises, to endeavour themselves to avoid or mitigate its consequences on the schedule of the delivery of the Goods under a Contract/Purchase Order.

#### **15. WARRANTY.**

- 15.1 The Supplier represents and warrants that the Goods shall be (i) of good and consistent quality at all times, (ii) suitable for the purpose they are acquired, (iii) free from any and all liens, encumbrances and rights of third parties and in compliance with the agreed specification and Applicable Law.
- 15.2 Warranty Period is given for three (3) years following the acceptance of the Goods by Talgo, unless a longer period is agreed upon in writing.
- 15.3 The Supplier shall immediately deliver all the parts, materials and works necessary for the repair of any defects of the Goods or replace any of them, in both cases free of charge, within the time period requested by Talgo by written notice addressed to the Supplier, unless otherwise specified by the Parties in the Contract/Purchase Order.
- 15.4 If Supplier fails to provide the work or the goods, materials, components to repair or replace within the deadline mentioned in section 15.3. above, then, Talgo shall be entitled to carry out the repair or replacement works in lieu of Supplier and charges all these costs and expenses to the Supplier and to apply the penalties set out in clause 14.
- 15.5 In addition to the established in section 15.4 above, Talgo shall be entitled to repair and maintain the Goods without any limitation. To this end, the Supplier will provide all technical data needed in order to carry out those repairs and/or maintenance work, if required by Talgo.

#### **16. SYSTEMATIC FAILURE.**

- 16.1. The consideration of systemic failure will apply when the same equipment/component of the Supplies fails during the Warranty Period (or any warranty extension), and whenever the percentage of defective components is at least 10% of the total quantity of the delivered equipment/component of the Supplies (hereinafter, "**Systematic Failure**").
- 16.2. When a Systemic Failure arises, Talgo has the right to require from the Supplier a design modification and the replacement without any cost of all defective parts or similar components. The Supplier shall also pay for the cost of dismantling the original parts and mounting of the new parts, and for the cost of dismantling the devices where these defective parts were installed in.

- 16.3. During the Warranty Period, if a joint study carried out by Talgo and the Supplier demonstrates that a design error, a defective Good or component, or a bad execution of a mounting can lead to a Systemic Failure, Talgo may require the Supplier to correct these errors, defects or bad executions, even before the appearance of any failure, being these necessary modifications and replacements without any cost for the Customer and for all the Goods.
- 16.4 The situation of the Supplies regarding this matter shall be verified monthly, considering the total number of failures recorded by the Customer. The Customer will declare the Systemic Failure of the Supplies, equipment or component when the allowed limit is exceeded.
- 16.5 The Supplier shall carry out the following actions when the Supplies or component is declared to be in Systemic Failure by Talgo:
- (i) To analyze in cooperation with Talgo the causes of the Systemic Failure within seven (7) calendar days.
  - (ii) To present, within seven (7) calendar days, an action plan to solve the Systemic Failure, to be approved by Talgo.
  - (iii) To implement the action plan agreed without any costs for Talgo and without any incidence in commercial service of the train sets for which the goods have been manufactured and supplied.
  - (iv) Additionally, Supplier shall provide to Talgo the information requested by its client, regarding Systemic Failures.
- 16.6. In case of Systemic Failure declaration, the Warranty Period of the equipment or component shall be interrupted while this declaration remains active, and shall restart once the Systemic Failure situation has ended.
- 16.7. The replaced equipment/components or Supplies due to a Systemic Failure will be granted with a new Warranty Period identical to the period of the original Supplies.
- 16.8. This new Warranty Period will start counting whenever the Systemic Failure declaration is no longer valid.
- 16.9. Talgo will lift the Systemic Failure declaration once the modifications performed by the Supplier have led during the following six (6) months to increase the reliability of the parts/components or Supplies up to the specified levels.
- 16.10. The lifting period will change to twelve (12) months if the Systemic Failure is related with some running conditions which depend on seasonality in order to prove the effectiveness of the modifications made by the Supplier.

## **17. TAXES.**

- 17.1 The Supplier shall be liable for all taxes, levies and charges rates arising from or needed to supply the Goods, except for those mandatory taxes that shall have to be paid by Talgo in accordance with the Applicable Law.
- 17.2 Any agreement made between the Parties contrary to the terms and conditions of the clause 18.1 shall have to be made in writing.

## **18. INSURANCE.**

- 18.1. The Supplier assumes the responsibility for any damages, attributable to it, to its subcontractors, vehicles, equipment, machinery, etc., caused to the Talgo or to third parties regarding its scope under this document, a Contract or a Purchase Agreement.
- 18.2. To fulfill this obligation, the Supplier and its subcontractors if any, shall contract, at its sole costs and expense, the following insurance policies and coverage as may be required by the Law, Good Industry Practice and this insurance section, provided that:

- 18.2.1. Such coverage may be changed from time to time, always with the prior written consent of Talgo, which shall not be unreasonably withheld or delayed;
- 18.2.2. The policies will not contain any material exclusion, endorsement or alteration, unless it is first approved by Talgo (such approval not to be unreasonably withheld or delayed).
- 18.3. The Supplier represents and warrants to Talgo that the insurance policies shall include the following:
- 18.3.1. Liability insurance for personal and / or Goods damages, and / or for the economic damages and the consequences thereof;
- The Liability insurance must include at least, the following guarantees: General Liability, Employers Liability, Professional indemnity, Cross Liability, Product liability and/or finished works, Outdoor work Liability, Tests for business activities and Defense/Legal costs.
- The indemnity limit of the liability insurance shall be at least one (1) million Euros per occurrence.
- 18.3.2. Property damages Insurance, covering its own goods, designs, installations, equipment, machinery and Goods, etc.;
- 18.3.3. Marine Cargo insurance;
- 18.3.4. Environmental liability insurance, if applicable, including the damage to facilities of the Talgo;
- 18.3.5. Compulsory Autos insurance policy, if applicable;
- 18.3.6. Workers' Compensation insurance policy, if applicable;
- 18.3.7. Any other insurance required by law or in accordance with Good Industry Practice;
- 18.3.8. The Supplier may conclude supplementary insurance policies as it deems necessary for full coverage of its responsibilities under a Contract/Purchase Order, or in addition to those required under this clause, provided that any additional insurance cover does not duplicate or affect in any way the insurance which is required under this clause.
- 18.4. The Supplier represents and warrants that the insurance policies shall have at least the following conditions:
- 18.4.1. These Policies will act as "Primary Policies" and always in the first instance against any other insurance that could be applicable and shall include Talgo, its staff, customers and contractors as additional insured therein, without losing their status as third party. The Supplier shall cause its insurers to waive all rights of subrogation against Talgo, its staff, customers and contractors.
- 18.4.2. The insurance listed shall be contracted with reputable insurers of recognized standing and prestige, which shall meet at least a rating of Aa2, AA, or AA as published by risk agencies Moody's, Standard & Poors or Fitch, respectively
- 18.4.3. In case of a claim, any dispute arising in the payment of compensation, both by application of deductions or any other reason, shall be responsibility of the Supplier and will not prejudice Talgo.
- 18.4.4. The Supplier, on his own responsibility, shall require its subcontractors or suppliers to sign the necessary insurance for the same items detailed in this clause, regarding the outsourced jobs or Goods. This does not relieve the Supplier of his responsibility towards Talgo.
- 18.5. The Parties agree that the Supplier shall have to comply with the following obligation regarding the evidences of cover:

- 18.5.1. The Supplier shall maintain the insurance policies until completion of the Guarantee period provided under the Contract/Purchase Order. The policies can be contracted on an annual basis and one month before the completion of the annual policy period, the Supplier must prove to Talgo with a copy of the documentation supporting the renewal of the insurance policies.
- 18.5.2. In any case, the Supplier shall have to deliver to Talgo at the time of signing the Contract/Purchase Order a copy of its insurance policies and a certificate in English, issued by the corresponding insurance companies, which reflects, at the very least: (i) the existence and validity of the insurance policies referred to, (ii) the total amount insured for, (iii) the identity of the policyholders and the additional insured parties and beneficiaries, and (iv) the risks covered under the policies, (v) the deductibles and exclusion of the policies.
- 18.5.3. Talgo shall receive thirty (30) days prior notice of any cancellation of the insurance Policies except in the event of non-payment of premium, in which case the prior notice cancellation period shall be 10 days.

18.6. The Supplier shall comply with the following insurance obligations:

- 18.6.1. Failure by the Supplier to obtain the insurance coverage or the certificates required under this clause shall not relieve or limit the Supplier of its obligations under this clause or in any way relieve or limit the Supplier obligations and liabilities under any other provision of the Contract/Purchase Order.
  - 18.6.2. The limits of indemnity and the guarantees required under this clause in any way imply a limitation of liability of the Supplier.
  - 18.6.3. If the Supplier fails to procure or maintain any insurance required pursuant to this clause, then Talgo shall have the right to procure such policy at the Supplier's expense, provided that Talgo shall have given twenty (20) days' prior notice of its intention to exercise such right, unless such intention arises from the Supplier's non-payment of premiums for existing insurance, in which case Talgo shall provide at least five (5) days' prior notice of such intention. Without prejudice of any other rights, Talgo may have against the Supplier, the costs and expenses incurred in exercising its rights under this paragraph and will recover them from the Supplier as a debt immediately due and payable to Talgo.
- 18.7. Supplier acknowledges that this insurance clause is an essential clause under which Talgo agrees to enter into contractual relationship with the Supplier, reason why in case of the Supplier fail to comply with its commitments, in whole or in part, Talgo shall have the right to early terminate this GTC and/or the relevant Contract/Purchase Order.

## **19. LIABILITY.**

- 19.1. The Supplier shall fully and unreservedly indemnify and hold Talgo harmless from and against any and all losses, costs, damages, expenses (including reasonable lawyer's fees), harmful effects which Talgo may incur as well as claims by third parties in respect of any loss or injury occurring as a result of (i) any defects in the Materials supplied, (ii) delay in deliveries, (iii) breach of any representations and warranties provided by the Supplier under this document, specially, those set out in clause 26 below or those provided in the relevant Contract/Purchase Order, (iv) negligence or wilfull misconduct; (v) the infringement of third party's rights (e.g. intellectual property rights), (vi) infringement of any applicable law, regulation or order, or (vii) any other fault or ommssion by the Supplier in performing this GTC or the Contract/Purchase Order.
- 19.2. The remedies set forth herein are cumulative and shall not preclude any other remedy available to Talgo at law or in this GTC or the Contract/Purchase Order.

## **20. TERMINATION.**

- 20.1 Talgo reserves the right, at any time, to terminate these GTC and the Contract/Purchase Order for the convenience of Talgo.
- 20.2 In case of termination for Talgo's convenience, Supplier shall submit a final invoice within ten (10) Business Days of the early termination notice as submitted by Talgo. Talgo shall pay the Supplier a percentage of the total Price of the Contract/Purchase Order as agreed by the Parties according to the Goods already supplied prior to the early termination effective date.
- 20.3 Notwithstanding the abovementioned, Talgo shall notify the early termination for the convenience of Talgo to the Supplier with a prior written notice of, at least, five (5) Business Days.
- 20.4 Talgo will be entitled to terminate these GTC and the Contract/Purchase Order for default in the following circumstances:
- (a) If the Supplier fails to comply with any of its employment, confidentiality, intellectual and industrial property, tax, social security, environmental, safety regulations, social security obligations, and any other obligations required by the Applicable Law.
  - (b) If the Supplier fails to provide to Talgo with the Bank Guarantee set forth on Clause 8 hereinabove within the following five (5) Business Days from the Talgo's request.
  - (c) If Supplier fails to deliver the Goods that meet safety standards and industry practices.
  - (d) If Supplier reaches the cap on penalties set forth in clause 14 above.
  - (e) Any other material breach of the Supplier's obligations under these GTC and/or the Contract/Order.
- 20.5 In the event that the Supplier incur in any Supplier's event of default of these GTC, the Customer shall be entitled to (i) collect any outstanding debt, (ii) claim for reimbursement of any payments realized under the Contract/Purchase Order, and (iii) claim for any damages sustained to the Customer as a result of the Supplier's breach, provided, however, that the Supplier does not remedy the Supplier's event of default within thirty (30) from the receipt of the Customer Termination Notice.

## **21. INTELLECTUAL AND INDUSTRIAL PROPERTY**

- 21.1 The Supplier hereby represents and warrants that (i) is the owner or has the right and will maintain the right on any the Intellectual Property Rights of the Goods to be supplied under this GTC and/or any Contract/Purchase Order, (ii) the Supplier will have on the Goods all the Intellectual Property Rights to license or transfer them to Talgo worldwide or for an infinitive period of time, unless a specific country or period of time is determined in writing in the relevant Contract/Purchase Order and (iii) Talgo may use without any problem or inconvenient the Intellectual Property Rights for the project in which they shall have to be applied.
- 21.2 The Supplier shall deliver to Talgo all the documents and/or information needed to use properly the Intellectual Property Rights and for the Purpose that such Intellectual Property Rights were acquired.
- 21.3 In the event of any claim, proceeding or suit by a third party against Talgo alleging an infringement of any Intellectual Property Right connected with the execution of its obligations under the GTC and/or the Contract/Purchase Order, the Supplier shall defend, indemnify and hold harmless Talgo in that matter against any and all claims of third parties. Therefore, it is understood and accepted that the Supplier shall reimburse Talgo with an amount equal to any cost, expense or legal fees incurred by Talgo, and shall indemnify Talgo against any liability in relation to a breach of Intellectual Property Rights.
- 21.4 The Supplier shall have to provide Talgo all documents and information (technical or not) required to allow Talgo to manufacture the Goods (or any of its components or elements), if: (i) Talgo early terminates this GTC and/or the Contract/Purchase Order as a result of Supplier's default of its obligations or (ii) Supplier

ceases, for any circumstance, to manufacture the Goods or the elements, Goods or components needed to manufacture the Goods. Parties acknowledge that the access to such Intellectual Property Rights are justified based on the necessity to allow Talgo to comply with its commitments with its final clients or in the frame of any project.

21.5. The Supplier shall under no circumstances use any Talgo's trademark, image, logo, symbol, brands, etc., in any manner not exclusively and absolutely necessary to comply with its supply obligations under this GTC and/or the Contract/Purchase Order.

## 22. CONFIDENTIALITY

22.1 The following information shall be considered as confidential information, unless otherwise agreed upon by the Parties in writing (hereinafter "**Confidential Information**"):

- a) This GTC and the Contract/Purchase Order, all information provided (whether in oral, written or any other form) to the Supplier by Talgo (or by a third party on behalf of Talgo) or information to which the Supplier has access or would become aware of during the course of meetings or conversations between the Parties or with respect to representatives or consultants, or in the course of research and negotiations, including by way of example only and not limited to, information related to business, clients, providers, operations, financial statements, estimates, forecasts, procedures, methods, transactions, business plans, "know how", assets, debts, commitments, contracts, computing programs, documents, data, plans, specifications, Goods, employees, executives or any other aspect related to TALGO, its subsidiaries, affiliates and persons associated with them.
- b) All the analyses, compilations, studies and other documents prepared or carried out in the execution of this GTC and/or the Contract/Purchase Order.

22.2. The Supplier agrees and undertakes to keep, with the strictest of confidentiality, the Confidential Information to which it has access or could gain access to in the future as a result of the execution of this GTC and/or the Contract/Purchase Order. Consequently, the Supplier undertakes not to disclose, wholly or partially, to any person (natural or legal), agency or entity any class of Confidential Information. In particular, it undertakes:

- a) To use the Confidential Information solely and exclusively for the purposes for which it was received and intended;
- b) To keep the Confidential Information in a secure manner, with the strictest of confidentiality, and ensure that it is only available to those employees who must use it to develop the related works and only under the circumstances for which they need to know it;
- c) Not to copy, reproduce or use the Confidential Information for purposes other than those undertaken for the fulfillment of the obligations assumed by the parties and in the event that the Confidential Information is submitted for review, no portion of it shall be withdrawn or removed from the location provided for its review;
- d) Not to transmit to third parties, professionals or other consultants and employees all or part of the Confidential Information that is not strictly necessary to carry out the work (if this entails revealing Confidential Information to other persons who have not been previously authorized by the parties, then they must obtain written consent before the Confidential Information is transmitted);
- e) To take all actions necessary to enable all persons to whom the Confidential Information is revealed pursuant to the previous paragraphs, so that they know and accept all of the terms and conditions of the present agreement, without prejudice to that which the Supplier shall respond to unlimited damages that for Talgo, its subsidiaries, affiliates and/or persons connected with them, may be generated as a consequence of breach of the commitments contained herein by any of the aforementioned persons. Written acknowledgement of the abovementioned terms must be obtained by all recipients and shall be available for review by Talgo;

- f) To immediately return Talgo, at its request, all Confidential Information provided to it and all copies of said Confidential Information which may have been made, as well as to immediately destroy and/or eliminate, at the request of Talgo, all Confidential Information stored/filed in manual, electronic, digital or any other form, confirmed in writing to Talgo that the required return and/or destruction has been carried out in a timely manner as well as identification of those individuals who have had access to such information.

22.3. These commitments obligations shall not apply to Confidential Information that:

- a) Is or has been made publicly known for any reason other than breach of the obligations set forth in this stipulation;
- b) Is independently received from a third party entitled to freely transmit such Confidential Information and without restrictions as to confidentiality or use;
- c) Was in the possession of the Parties prior to its receipt, with the right to freely transmit such Confidential Information and without restrictions as to confidentiality or use (such possession must be evidenced by prior written records already existing at the time the Confidential Information was disclosed); or
- d) Communications, if any, that the Supplier must make to the competent authorities, Courts and Tribunals as a result of compliance with legal obligation or in connection with any dispute between the parties. However, such communications (i) are limited to the extents necessary to fulfill said obligations, (ii) must have been previously notified to Talgo, and (iii) where possible, the Parties must have agreed with sufficient advance notice to the content of the disclosure.

22.4. The Supplier shall have to compensate Talgo for any legal damages that may arise as a result of failure to comply with any obligations and/or commitments assumed by the Supplier in this clause 22.

22.5. The Parties acknowledge that failure to comply with agreed upon confidentiality obligations may constitute a violation of Unfair Competition Law 3/1991, of January 10, 1991 (Ley 3/1991, de 10 de Enero, de Competencia Desleal).

## **23. FORCE MAJEURE**

23.1 Neither Party shall be liable to the other Party, or be deemed to be in breach of the GTC and/or the Contract/Purchase Order, by reason of any delay in performing, or failure to perform, any of its obligations under the GTC and/or the Contract/Purchase Order if the delay or failure was beyond that Party's reasonable control as a result of a force majeure event as defined in article 1105 of Spanish Civil Code and the Court's criteria.

23.2 A Party claiming to be unable to perform its obligations under the GTC and/or the Contract/Purchase Order (either on time or at all) in any of the circumstances set out in Clause 24 of the GTC shall notify the other Party of the nature and extent of the circumstances in question as soon as practicable.

23.3 This Clause 23 of the GTC shall cease to apply when such circumstances have ceased to have effect on the performance of the GTC and the Party affected shall give notice to the other Party that the circumstances have ceased.

23.4 If any circumstance relied on by either Party for the purposes of this Clause 23 of the GTC continues for more than one (1) month, Talgo shall be exclusively entitled to terminate the GTC and the Contract/Purchase Order by giving one (1) month's notice, furthermore, Talgo will not be obliged to pay or satisfy any compensation to the Supplier as a result of such early termination.

## **24. REPRESENTATIONS AND WARRANTIES.**

### 24.1. Suppliers represents and warrants to Talgo that:

- 24.1.1. this GTC and any Contract Purchase/Contract has been (or shall be) duly authorized, executed and delivered by the Supplier and constitutes the legal, valid and binding obligation of it;
- 24.1.2. it has (and shall be) full capacity and authority to enter into and perform its obligations under the GTC or the Contract/Purchase Order;
- 24.1.3. in the shareholding of the Supplier is not either a public administration officer, or person having a position in a public company (state owned) or private company which manages public services;
- 24.1.4. in the shareholding or in any of the administration bodies of the Supplier, there are not neither any relative of a public administration officer, or any person that holds a position in a private company which manages public services;
- 24.1.5. the Supplier and its partners and directors and managers comply with the applicable tax regulations and do not violate in the development of its activity rule or any behaviour regulated by international law to prevent money-laundering and terrorism prevention.
- 24.1.6. the directors appointed in the Supplier exercise their duties according to the applicable legislation and act at any time following their own criteria, diligence and professional expertise;
- 24.1.7. none of the shareholders or partners, directors or managers of the Supplier have been convicted for crimes related to corruption in business, money laundering or bribery or would incurred in any contradiction or inconsistency with the representations and warranties herein;
- 24.1.8. the Supplier has sufficient human and technical resources for the development of its company purpose and to comply with the obligations assumed with Talgo in this GTC or a Contract/Purchase Order does not represent a different or anomalous activity in regard to its ordinary activity;
- 24.1.9. the Supplier does not develop different activities from those reflected in its By-laws and comply with the applicable tax legislation in all aspects, especially on the income derived in the ordinary course of its activity;
- 24.1.10. there are not any company belonging to the Supplier's group, or linked or related to it, which may represent an exception to the above representations and warranties;
- 24.1.11. the Supplier shall use all reasonable skill, care, diligence and good faith in the performance of its obligations under this GTC and/or Contract/Purchase Order;
- 24.1.12. there is no pending or threatened litigation or claim which would materially impair its ability to perform its obligations under the GTC or a Contract/Purchase Order;
- 24.1.13. the performance of its obligations under this GTC and/or a Contract/Purchase Order will not result in the breach of any term or provision of, or constitute a default under, any judgment, decree, indenture, mortgage or other agreement or instrument which the Supplier is party or by which the Supplier is bound, nor will such performance conflict with any charter, by-law or similar provision applicable to the Supplier, and there are no conflicts or violations of any applicable laws, which would in each case materially affect the Supplier's right or ability to comply with the terms of the GTC and/or a Contract/Purchase Order;
- 24.1.14. the Supplier represents and warrants to Talgo that it has all the licenses, authorizations, and permits needed and legally required to supply the Goods;
- 24.1.15. The Supplier warrants that, for entering into this GTC and for entering into any

Contract/Purchase Order, has not done offer, pay, promise or authorise the payment of any money, gift or other thing of value or undue advantage, whether directly or indirectly, to (i) any person or firm employed by or acting for or on behalf of Talgo, or (ii) any government official or any political party or candidate for political office, for the purpose of inducing or rewarding any action from Talgo or official favourable to Talgo in connection with the GTC and Contract/Purchase Order;

- 24.1.16. no proceedings or other steps have been taken and not discharged (nor, to the best of its knowledge, are threatened) for the winding up of the Supplier or for its dissolution or for the appointment of a receiver, administrative receiver, liquidator, manager, administrator or similar officer in relation to any of the Supplier's assets or revenue;
  - 24.1.17. at the signature of this GTC and at the signature of a Contract/Purchase Order, all information, statements and representations contained herein are or shall be true, accurate and not misleading, and Supplier shall promptly advise Talgo of any fact, matter, or circumstance of which it may become aware during the term of this GTC and/or Contract/Purchase Order that would render any such information, statement or representation to be false or misleading;
  - 24.1.18. It is aware about the impact of the Goods on the safety of the train sets;
  - 24.1.19. It shall comply with all safety requirements set out in the technical specifications agreed and included in the Contract/Purchase Order during the entire life cycle of the Supplies;
  - 24.1.20. It shall be liable for identifying and controlling the manufacturing process of the Goods, in particular, the risks of the manufacturing process, both internal and of its sub-suppliers, to guarantee the safety of its Goods, in particular of the identified safety components;
  - 24.1.21. It shall notify forthwith (in the shortest possible term) to Talgo, during all the life cycle of the Supplies, any defect or fault detected or found out affecting or likely to affect the safety of such Goods and shall (i) carry out all the actions and works necessary to repair the said defects or faults and (ii) bear all the costs and expenses related to the actions and works for repairing the Goods and ensure that the Goods meet all the safety and contractual condition set forth in the Contract/Purchase Order. All these actions and works shall be carried out by the Supplier in the shortest possible time being liable for any damages sustained to Talgo or the train sets;
  - 24.1.22. Commits itself to attend all the notifications that Talgo shall sent to the Supplier notifying any incidents related to safety due to anomalies in the Goods for its analysis and control of the detected risk. The Supplier shall (i) carry out all the actions and works necessary to repair the said defects or faults and (ii) bear all the costs and expenses related to the actions and works for repairing the Goods and ensure that the Goods meet all the safety and contractual condition set forth in this Contract/Purchase Order. All these actions and works shall be carried out by the Supplier in the shortest possible time being liable for any damages sustained to Talgo or the train sets.
- 24.2 If the Supplier, or anyone acting on its behalf, does any of the prohibited acts or commits any offence under Applicable Laws, in particular, regarding the GTC and/or the Contract/Purchase, Talgo shall be entitled to terminate this GTC and the Contracts/Purchases Order and recover from the Supplier any and all damages and loss sustained in consequence of any breach of the obligations assumed herein whether or not the Contract/Purchase Order has been terminated.

## **25. REQUIREMENTS AND PREVENTION OF OCCUPATIONAL HAZARDS.**

- 25.1. The Supplier, in its capacity as the sole employer with respect to its labor force, shall be obliged to fulfill all of the obligations imposed on it or its personnel by the Applicable Laws and the application of conventional norms, in every moment of the validity of a Contract/Purchase Order, on issues regarding labor relations, Social Security and Health and Safety in the workplace.
- 25.2. Talgo shall be entitled to obtain from the Supplier, in writing, an official certification from the Social

Security Administration or the relevant competent authority showing that it is up to date on its Social Security (or legal employment) contribution payments. Moreover, the Supplier shall furnish to Talgo, if requested on a monthly basis, evidence of the Supplier's compliance with its employer obligations regarding salary payments, taxes and Social Security contributions.

- 25.3. The Supplier is obliged to comply with its obligations under the applicable Prevention of Occupational Hazards rules and consistent standards according to the scope and obligations of the Contract/Purchase Order, providing the documentation required by the Prevention Service of Talgo, if any, with respect to the general and specific risks of the job.
- 25.4. Furthermore, the Supplier is required to attend any coordination meetings on the Prevention of Occupational Hazards convened by Talgo in compliance with the Applicable Laws on the Prevention of Occupational Hazard.
- 25.5. The Supplier shall exercise, in exclusive form, the management authority and control of all activities performed by its personnel, as the sole employer responsible.

## **26. DATA PROTECTION.**

- 26.1. In compliance with the provisions laid down in REGULATION (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016, on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and Organic Law n° 3/2018, of 5 December 2018 on Protection of Personal Data the Customer informs the Supplier that their personal data, as well as any other data of possible third parties -for example, his employees- that the Supplier provides as contact details will be processed by PATENTES TALGO as well as its subsidiaries or Fundacion Talgo, in order to facilitate management of the provision of the agreed services, as well as any other service contracted subsequently.
- 26.2. The Customer also informs the Supplier of the possibility of exercising the rights of access, rectification, cancellation, limitation and objection by sending a written request to the Data Protection Officer (DPO) of PATENTES TALGO SLU, by e-mail to [protecciondedatos@talgo.com](mailto:protecciondedatos@talgo.com), attaching copy of the personal ID.
- 26.3. Should the Supplier needs, at any time, to access personal data for which the Customer is responsible, a Processor Contract shall be signed in advance.
- 26.4. Should the Supplier not need to access, at any time, personal data for which the Customer is responsible, the Supplier undertakes to ensure that their personnel, placed at disposal by virtue of the contracted supply, will not access, at any time, personal data belonging to the Customer or process any type of personal data when performing their duties. Notwithstanding the foregoing, the Supplier will be obliged to maintain the secrecy of any data their personnel may have come to know in connection with the contracted supply.
- 26.5. In this respect, the Supplier shall be fully responsible for any access to and/or processing of personal data on the part of their personnel, undertaking to indemnify and hold the Customer harmless from any damage, loss, expense (including, but not limited to, lawyers' fees), civil liability, penalties or fines the latter may incur as a consequence of non-fulfilment of the obligations provided for in the previous paragraph.
- 26.6. The Supplier shall comply with Talgo's Information Security Policy, for which it will be provided the applicable documentation, being the Supplier responsible of notification of any incident that could affect the confidentiality, integrity or availability of information of Talgo.

**27. NOTICES.**

- 27.1 All notices related to this GTC and Contracts/Purchases Order shall be sent to addresses specified in each Contract/Purchase Order in or during the execution of the Purchase Order.
- 27.2 All notices and other communications under the specific Contract/Purchase Order shall be deemed to have been given the same day of each receipt, if sent by courier, postage prepaid, mail or fax/bureau fax (with electronic evidence of transmission) and the following day if received by email.

**28. EFFECTIVE DATE.**

- 28.1 These GTC shall be effective from the Supplier's signature date set forth below.

**29. MISCELLANEOUS.**

- 29.1 **Waiver.** No waiver of any provision of the GTC shall constitute a waiver or precedent in respect of that or any other provision at any other time or by any other Party.
- 29.2 **Entire agreement.** Without prejudice to the Contract/Purchase Order, these GTC contains the entire agreement between the Parties and supersedes any prior agreement whether written or oral.
- 29.3 **Subcontracting.** The Supplier does not have the right to subcontract, assign or transfer any or all of its rights or obligations under the GTC and/or Contract/Purchase Order to any third party without the prior written consent of Talgo.
- 29.4 **Transfer or assignment.** Talgo shall be entitled to transfer and/or assign the GTC to any of its affiliates as defined in article 42 of the Code of Commerce.
- 29.5 **Severability.** If any provision of the GTC is or becomes invalid that shall not affect the validity of any other provision of the GTC. The invalid provision shall be replaced by a lawful provision having a valid proximate economic effect.
- 29.6 **Amendments.** Any amendment to the GTC shall only be valid and binding upon the Parties if concluded in writing and signed by an authorized representative of each of the Parties and formally expressed as constituting an amendment hereto.
- 29.7 **Precedence.** In the event of any conflict between the GTC and the Contract/Purchase Order, the provisions of these GTC shall prevail, except where the provisions of the Contract/Purchase Order expressly state that it is to prevail over the GTC and is signed by the authorized representatives of the Parties.
- 29.8 **Code of Ethics and Conduct and Supplier's Manual.** The Supplier expressly acknowledge that it is familiar with the Code of Ethics and Conduct and Supplier's Manual of Talgo published on [www.talgo.com/es](http://www.talgo.com/es) and it assumes the firm and irrevocable commitment to comply with and respect its terms and conditions as an essential Supplier's obligation under this GTC and/or a Contract/Purchase Order. Talgo shall be entitled to early terminate the GTC and any Contract/Purchase Order should the Supplier breaches Talgo's Code of Ethic and Conduct and/or the Supplier's Manual.
- 29.9 **Announcements.** The Supplier shall not make any public announcement or communicate any information to third parties concerning the subject matter of the GTC without the prior approval of Talgo.

**30. APPLICABLE LAW & SETTLEMENT OF DISPUTES.**

- 30.1. This GTC shall be governed, interpreted and applied in accordance with Spanish Applicable Laws.
- 30.2. Any controversy which may arise between the parties with regard to validity, effectiveness, interpretation and enforcement of this GTC shall be submitted, with a waiver of any venue to which they may be entitled, to the jurisdiction of the competent courts of the city of Madrid.

**IN WITNESS WHEREOF**, the Parties have caused these GTC to be executed by their duly authorized representatives as a legally binding contract in 2 (two) originals on the day and year first written below, each Party receiving 1 (one) original.

**First Party:**  
**Patentes Talgo, S.L.U.**

**Second Party:**

CIF : \_\_\_\_\_

CIF : \_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_