



# GENERAL PURCHASE CONDITIONS OF GOODS AND/OR SERVICES (Standard Version Direct Domains)

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V1 – January 2023

having finalised the adjustment to the Change Order. In the absence of a notification by the Supplier in accordance with this Article 5.1, the Supplier shall be deemed to have waived its rights for an adjustment and shall carry out the change, and the Purchaser shall be entitled to assume that such change will not have any impact on any material term of the Contract, including time schedule, warranties and price.

**5.2** The Supplier shall not make any changes to the Goods and Services or any provision of the Contract without the Purchaser's prior written consent.

Once the Supplier's design of the Goods is frozen and final, the Supplier shall not be entitled to make any change to such design thereafter without having obtained prior written agreement by the Purchaser. The Supplier shall indemnify and hold harmless the Purchaser and the Purchaser's Customers from and against any and all claims, liabilities and expenses arising out of or in relation with any change made to the design of such Goods after the design thereof is frozen.

## 6. PURCHASER'S PROPERTY

**6.1.** Materials such as components, machinery, tools, models, moulds, jigs and fixtures, accessories or others which may be made available to the Supplier by the Purchaser for the purposes of the Contract shall be under the Supplier's responsibility, care and custody; the Supplier shall take out insurance against any damage that they might suffer and shall clearly mark them and record them as being the property of the Purchaser.

**6.2.** The Supplier agrees to refrain from using such materials other than for the purpose of the Contract; it shall keep them in good working order, except for normal wear and tear.

**6.3.** Any damage or deterioration that such materials may suffer due to improper use or negligence by the Supplier shall be repaired at its cost. Without prejudice to the other rights of the Purchaser, the Supplier shall return such materials upon first request.

**6.4.** Legal ownership in and/or the right to dispose of any such Purchaser items shall under no circumstances pass to the Supplier. Upon the Purchaser's request, and without prejudice to Purchaser's rights under the Contract, the Supplier, without delay, shall allow the Purchaser, and/or any third party mandated by the Purchaser, to enter any premises of the Supplier to repossess any such Purchaser items or any part thereof, including as applicable severing any such Purchaser items or parts thereof from other property.

**6.5.** Ownership of tools manufactured or acquired by the Supplier, especially for the purposes of the Contract such as models, moulds, jigs and fixtures, accessories or others, shall be transferred to the Purchaser at the time of their manufacture or acquisition by the Supplier. The Supplier shall return the tools to the Purchaser by the end of the performance of the Contract at the latest.

## 7. DELIVERY - TRANSPORTATION – PACKAGING

**7.1.** Unless stipulated otherwise in the Contract, the penalties mentioned in this Article shall be calculated on the net invoiced value (excluding taxes) of the Goods and Services and shall be applied to the total value of the Goods and Services delivered. Added Tax per week's delay, limited to 1% of the net invoiced value of the Goods and Services delivered.

**7.2.** Where there is a special stipulation in the Contract, the value of the Goods and Services mentioned in this Article shall be deemed to be the net invoiced value ("DAP") according to Incoterms® (Incoterms 2020). But based on the destination of such Goods and Services, the Incoterms to be applied shall be determined by the Parties in the Contract. If the Parties are located in different continents or geographical areas, the Supplier shall deliver the Goods packed, marked, loaded, lashed and

other penalties for performance (Risks, weight, liability, packaging, lashing) and the risks shall be provided by the Supplier depending on the nature of the Goods and Services. The Supplier shall not require the Goods without a release by the Purchaser, unless the Purchaser waives such right of release. Should the Supplier proceed with such deliveries without the Purchaser's consent, the Supplier shall reimburse the storage cost incurred by the Purchaser regarding full delivery or delivery to be made in any case.

**7.3.** Any delivery of Goods shall be accompanied by the Supplier's delivery note, dated, and shall include the details of the Goods delivered, the destination of the Purchaser's series, gross and net weight, the date of the Parties' order, the date of delivery, and the date of receipt of the Goods by the Purchaser. The penalties shall be calculated on the net invoiced value of the Goods delivered, unless the Parties have agreed otherwise in writing.

**7.4.** The Supplier shall be responsible for the delivery of the Goods and Services to the destination of the Purchaser's series, unless the Parties have agreed otherwise in writing. The Supplier shall be responsible for the delivery of the Goods and Services to the destination of the Purchaser's series, unless the Parties have agreed otherwise in writing. The Supplier shall be responsible for the delivery of the Goods and Services to the destination of the Purchaser's series, unless the Parties have agreed otherwise in writing.

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**7.5.** Upon receipt of the Goods and/or completion of the Services, the Purchaser may, at its sole discretion, inspect the same or any part thereof at that time or at any time thereafter. If the Contract includes the carrying out of tests on the Goods after its receipt by the Purchaser, then the Goods shall not be deemed complete until such tests have been passed to the satisfaction of the Purchaser.

Any approval of a test by the Purchaser, any Purchaser inspection shall in no event relieve the Supplier from any liability nor imply the Purchaser's acceptance of the Goods and/or Services.

**7.6.** The acceptance shall only be considered as definitive when such tests have demonstrated the compliance of the Goods and/or the result of the Services to the requirements defined in Article 4.3. The tests report shall include the configuration of the elements being subject of the relevant test.

Where the Contract provides for an acceptance procedure in the presence of both Parties, at the end of such procedure, the Parties shall sign an acceptance certificate if they agree on the compliance of the Goods and/or result of the Services with the terms of the Contract and particularly with the requirements of Article 4.1. Such acceptance certificate shall be produced in two (2) originals.

Signature of the acceptance certificate without any reservations by the Parties shall authorize the Supplier to invoice the Purchaser under the terms of payment due on acceptance date.

The Purchaser may pronounce the acceptance of whole or part of the Goods and/or the result of the Services, subject to reservations for all or part of the Goods and/or the result of the Services in question depending on the circumstances under the sole assessment of the Purchaser and if the non-compliances are revealed to be of an insignificant nature, especially if they do not affect the safety and/or use of the Goods and/or their environment. The Supplier undertakes to remedy any non-compliances revealed in the certificate within the deadline that it is stipulated therein. In such case all or part of payment due upon acceptance date may be withheld by the Purchaser until it has been established by both parties that the Goods and/or Services in question have been made compliant.

**7.7. Concessions (or Waiver)** Should Supplier identify or have good reasons to suspect a Non-Conformity prior to the delivery of the Goods or performance of Services that Supplier considers as minor, the Supplier shall promptly inform the Purchaser thereof and may seek a Concession from Purchaser to deliver the Goods or Services. Any given Concession may only cover a single type of Non-Conformity. Supplier shall, in its Concession request, describe as precisely as feasible the Non-Conformity, its consequences, the corrective or curative measures and the planning for their implementation to be carried out by the Supplier.

Delivery by Supplier of the Non-Conforming Goods and/or Services shall be conditional upon the Purchaser's agreement. The Supplier shall be responsible for the repair/replacement of the Goods and/or Services subject to the non-compliance of the Goods to the maintainability and shockability requirements set out in the Contract. The Supplier shall invoice a lump sum amount of one (1) month's homologation and specific tests as an administrative fee.

The Purchaser may require the Supplier to perform quality control tests on the Goods in accordance with the technical specifications as set out in the Contract.

**7.8. Delivery of the Goods and Services** Supplier shall be responsible for the delivery of the Goods and Services to the destination of the Purchaser's series, unless the Parties have agreed otherwise in writing. The Supplier shall be responsible for the delivery of the Goods and Services to the destination of the Purchaser's series, unless the Parties have agreed otherwise in writing.

**7.9. Technical assistance during the tests** shall include the use of additional manpower and Purchaser's multiple staff. Supplier's work shall be performed in the Purchaser's premises and the cost of the use of the Purchaser's premises, shall be borne by the Supplier (such as electricity, heating, etc.) responsible for the delay and shall specify in writing the measures to be taken in order to minimize the consequences of such delay.

**9. PENALTY PERIOD** starting from the delivery date of the pre-series Goods end ending on the date of the last delivered series equipment;  
**9.1. Penalties for delay**  
**9.1.1** If the Supplier fails to comply with the delivery date of the Goods and Services specified in the Contract, except for reasons attributable to the Purchaser, the Supplier shall be liable for the penalties, without right of offset, for the delay in the delivery of the Goods and Services to the destination of the Purchaser's series.

## 12. TRANSFER OF TITLE- TRANSFER OF RISKS

### 12.1. Transfer of title



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of good and satisfactory quality and fit for the purposes for which they are intended, in strict conformity with all requirements of the Contract and legislation in force and free from any defect or lack of conformity in design (except to the extent the design is provided to the Supplier by the Purchaser and for which the Supplier disclaimed liability in writing), workmanship and material and (b) the Purchaser shall enjoy absolute and unencumbered title to the Goods and/or Services and any related materials.

The Supplier's warranty does not include defects resulting from normal wear and tear on the Goods, usage not compliant with the associated documentation or negligence demonstrated by the Supplier attributable to the Purchaser and/or its staff.

### 16.2. Warranty period and related obligations

Unless the Contract provides otherwise, the contractual term of the warranty shall be twenty-four (24) months from the date on which the Purchaser's system, or set or product which incorporate the Goods and/or results of Services is put into commercial service, and thirty-six (36) months as a maximum from the delivery of the Goods and/or Services pursuant to the applicable Incoterms®. During the warranty period, the Supplier shall implement all necessary actions to mitigate the consequences of any non-conformity notified to it by the Purchaser, at the Supplier's expense and within a period not exceeding two (2) business days as from the written notification sent by the Purchaser. To this end, it shall apply the most appropriate solution after the Purchaser has consented thereto. The Supplier shall remedy the non-conformity, at its expense, within the timeframe set by the Purchaser. The Supplier shall also cover the costs relating to the logistics, disassembly and installation of the Goods on the Customer's equipment, depending on the case. Any replacement or repair, even partial, of/to a Goods affected by a defect shall give rise to the application of a new warranty period covering the Goods concerned for a period of twenty-four (24) months from the date of the repair or replacement.

**16.3.** Any and all costs relating to the implementation of the warranty obligations of the Supplier as well as those relating to the corrective and remedial actions taken by the Purchaser in relation to the defect shall be borne by the Supplier. Said costs shall include, without limitation, logistics costs as well as the costs relating to the removal and mounting of the Goods on the Customer's equipment, as applicable.

### 16.4. Epidemic defects

For the purpose of this Article, "Epidemic Defect" shall mean the same defect affecting at least five (5%) per cent of the Goods or a same defect affecting at least three (3%) per cent of circuit boards, components or electronic sub-assemblies delivered by the Supplier to the Purchaser under the Contract, measured over a continuous period of twelve (12) consecutive months starting from delivery of the first Goods until three (3) years after the date of the delivery of the last Goods in the frame of the same project. If an Epidemic Defect affects the same part or the same Goods in one or more Orders, the Supplier shall repair, replace or redesign the Parts and parts shall come from the stock of the subject of the Order. The Supplier shall also bear the costs of the logistics, dismantling and mounting of the Parts and parts, the Goods, in the event of maintenance of the following parts, the warranty shall be defined in the Contract or Goods shall be extended for a period of twenty-four (24) months from the date of delivery of the repaired part or Goods. Throughout the duration of the warranty period for Epidemic Defect, the Supplier shall provide an analysis and action plan to repair the Equipment (MTR) and feed it to the Purchaser at a maximum multiplied by five (5) reliability days from said qualification. This action plan shall be implemented within a reasonable period to be initially agreed upon by the Parties having regards to the nature of the Epidemic Defect and recommended frequency for those main operations.

**16.5. Reliability** Reliability is defined as the Mean Time Between Failures (MTBF) after the end of the initial qualification phase as defined in the Contract. It is defined in an Annex to the Contract of this purchase order. The reliability of the Goods is defined as the cost of the maintenance of the parts and components of the Goods and their reliability commitments have not been taken into account. If, after the end of the qualification phase, the actual maintenance cost over the period of the last years is higher than the cost initially submitted, Supplier shall:

**16.5.1. Consignment stock** In the case of the Contract, the Supplier shall provide the Purchaser, without any additional cost, with a stock of spare parts (hereinafter "Consignment Stock"), enabling the Supplier to facilitate the implementation of the obligations regarding the warranty for defects in this article. The stock shall be available and taken into account for the maintenance of the Equipment sold to the Customer and be available for the operation requirements and Customer requirements for availability.

**17.5 Integrated Logistic Support activities** With regards to integrated logistic support, Supplier shall deliver studies made during the design phase ("Studies") as well as the Documentation detailed in the Contract hereof and

In the case the Purchaser uses the Consignment Stock for other purposes, the Purchaser shall place an Order within a reasonable delay to replace the used parts.

In such case, if the parts are used to cure a Defect within the scope of the Warranty as defined in this Article 16, ownership of the said Parts shall pass, without extra costs, to the Purchaser.

**16.6.2. Management of consignment stock.** The exact content of this Consignment Stock as well as the packing conditions of the consigned equipment and/or parts shall be defined at the latest one (1) month prior to the first delivery, as provided under the Contract. The content shall be updated with regard to reference number and quantity by the Supplier to enable the after-sales service of the Purchaser and/or Supplier to start repairs within less than four (4) working hours from the notification from the Purchaser, throughout the warranty period as defined at this Article 16.

The Supplier shall define the content of a Consignment Stock in the frame of the Contract, based on its reliability analysis and number of maintenance sites and communicate it to the Purchaser.

The parts and/or equipment contained in the Consignment Stock shall be identical with the parts and/or series of the delivered Goods in the frame of the Project. The Supplier shall update the content of the Consignment Stock in case of evolution of the series Goods.

The parts of the Consignment Stock shall be delivered at the latest upon the delivery of the Goods as provided under the Contract.

The parts of the Consignment Stock shall be delivered with a packaging enabling handling, storage and guaranteeing the integrity and use of parts and/or Goods during the warranty period defined in this Article 16.

The Consignment Stock shall be under the responsibility to keep and manage entrance and exit of the Purchaser or the Supplier if the Supplier is on the site.

The Consignment Stock shall either be stored in the premises of the Supplier or of the Purchaser or made available to the Customer at the option of the Purchaser.

Upon expiry of the warranty period defined in this Article 16, the Purchaser shall negotiate with the Customer that the latter acquire the remainder of the Consignment Stock. Should the Customer refuse to do so, the remainder shall be returned to the Supplier at its own costs.

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## 17 – TRAIN LIFE SERVICES

### 17.1 Long-term supply

**17.1.1** Supplier shall supply Goods corresponding exactly to the technical specifications as set out in the Contract, for a period of thirty (30) years unless otherwise agreed in the Contract, as from the delivery date of the last series equipment of the last order linked to a same Project.

**17.1.2** In the event of a failure during this thirty (30)-year period, Supplier fails to meet this obligation: If a failure resulting from a manufacturing or assembly defect of the Parts, its agents or representatives is identified, the possibility of performing a stock of Goods to fight the failure is investigated for the period during which the Supplier Party, at their sole discretion, shall be responsible for the delivery of drawings, specifications, specific tools, documents and information regardless of their support, to enable Purchaser to find alternative source of information.

### 17.2 INSURANCE AND BONDS

**17.2.1** Supplier shall provide a general contract of insurance covering the Goods and Parts for the Purchaser's lifetime and at least (30) months (30) years thereafter, the necessary insurances. Supplier shall give the Purchaser the possibility of subscribing a stock of Goods to be available for the repair and maintenance of the Goods and Parts. Supplier shall provide the drawings, specifications, specific tools, documents and information for manufacture, sale, repair and maintenance of such Goods in order to enable the Purchaser to obtain the performance of the contract amount into by the Purchaser and the necessary frequencies of any bodily, material or immaterial element.

**17.2.1.1** Supplier intend to sell to any third-party any product involving any element owned by the Purchaser pursuant to Article 22 (Intellectual Property) hereafter. The Supplier shall first propose the Purchaser's prior written consent and Supplier shall pay to Purchaser a premium for the use of the Purchaser's IP (30%) of the 15 Works and a fee of the products by the Purchaser's company, indicating the reference number and the effective date of the insurance policy.

### 17.2.2 Obligations

Supplier is considered as general contractor. The Supplier shall be provided with the necessary information to enable the Purchaser to obtain the performance of the contract. Supplier is obliged to provide a stock of Goods and Parts for the repair and maintenance of the Goods and Parts. Supplier shall provide a stock of Goods and Parts for the repair and maintenance of the Goods and Parts.

### 17.2.3 Life cycle cost

The provision of Goods and Parts shall include a document called "Life Cycle Cost" (LCC) which shall specify all costs related to maintenance operations and shall be registered. The Supplier shall in particular be insured, if applicable, against:

- damage to the Supplies located in the factory or in any other location of the storage, assembly and/or test location, naming the Purchaser as additional Insured during



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subcontractor, responsible of the breach, and/or (ii) to the possibility for the Purchaser to terminate the Contract for Supplier's default or to ask for the Supplier to terminate its sub-suppliers and/or subcontractors contracts, and/or (iii) for the Supplier to indemnify and hold harmless the Purchaser, its affiliates, officers, employees and agents against any and all liabilities, claims, expenses, loss and/or damage which may arise as a result of the breach of its obligations and/or warranties under this Article 25.4, with no limits in case of death, bodily injury, or damages to property.

**25.4.5.** The Purchaser must take all appropriate measures to ensure the safety and security as well as the physical and mental health of all employees present on its premises.

**25.4.6.** The Supplier shall be fully responsible and commits to take all necessary measures ensuring the safety and security as well as the physical and mental health of all its employees who could have to travel in whatever country for the proper execution by the supplier of its obligations as set out under the Contract.

### **25.5. Illicit employment**

**25.5.1.** The Supplier shall comply with all relevant labour legislation and shall pay all its staff-related social charges. Supplier's obligations set forth in this Article 25.5 are essential obligations to the Contract.

In accordance with the laws and regulations in force, the Supplier shall submit to the Purchaser, as soon as the Contract becomes effective and with the frequency imposed by said laws and regulations, the corresponding certificates and any additional document, in due time which may be required by the Purchaser in order for the Purchaser to fulfil its own regulatory obligations.

**25.5.2.** In particular, as soon as the Contract becomes effective within the meaning of Article 3 above and every six (6) months thereafter and in any case immediately upon Purchaser's request - until full performance of its obligations under the Contract, the Supplier shall provide to the Purchaser the following documents:

- (i) A certificate of incorporation (Kbis excerpt or any other equivalent evidence of registration);
- (ii) A vigilance clearance certificate delivered by the competent welfare institution certifying that Supplier has paid all social charges as well as proof of its authenticity;
- (iii) A certificate of tax payment;
- (iv) A list containing the names of its staff members, who are foreign citizens, required to hold the work permit as per the applicable labor law. Said list shall be established on the basis of the Supplier's staff register and shall specify (i) the date on which the employee was hired; (ii) the employee's nationality; and (iii) the type and order number of the work permit.
- (v) Risk assessment (according to Legislative Decree 81/2008) for the activities of its competence, in order also to cooperate in the implementation of prevention and protection measures and to coordinate interventions to eliminate the risks due to interference;

The Supplier for the entire duration of the Contract undertakes, for itself and for any subcontractors, to deliver a copy of the DURC always updated and to exhibit at any time at the request of the Purchaser the additional documentation certifying the correct and timely fulfilment of the obligations in the field of remuneration, contributions, social security and insurance for the personnel used in the execution of the Contract. The Supplier also regularly undertakes to provide, for itself and for the authorized subcontractors, the receipt of the complaint or payment of contributions (Mod. DM10 and Mod. F24) and a copy of the pay statements relating to the staff used for the performance of the Contract.

**25.5.3.** The Supplier shall be responsible for matters of scheduling and staff and agrees to comply with labour legislation especially that concerning working hours, rest periods and annual or other leave and shall be responsible for paying all the social security or analogous contributions relating to its staff.

### **25.6. Hazardous substances**

**25.6.1.** The Supplier undertakes to strictly comply with all applicable laws and regulations on hazardous substances, at the place of origin and at any temporary and final destination of the Goods or any part thereof pursuant to the Contract, including Regulation (EC) No 1907/2006 ("REACH") as it may be amended from time to time.

As such, the Supplier acknowledges having read and being fully aware of the "Instruction to Suppliers concerning the placing on the market and use of hazardous substances" adopted by the Purchaser and currently in force which is available on Alstom Supplier Portal at the following address: <http://www.alstom.com/supplier-portal/>. The Supplier further undertakes to respect the principles thereof and represents and warrants that the Goods to be supplied to the Purchaser shall not include any hazardous substances, elements or waste of any kind that are prohibited by law or regulation at the place of origin and/or any

temporary and/or final destination of the Goods or any part thereof pursuant to the Contract.

**25.6.2.** The Supplier represents and warrants that it shall not in the course of any activity arising in connection with the Contract, and unless a dispensation is granted by the Purchaser, cause any of the Purchaser's employees or representatives or any third party authorized by the Purchaser to act on its behalf to be exposed to any such hazardous substances, elements or waste as specified in Article 25.6.1 above, whether at the Supplier's premises, workshop, manufacturing sites or at any other location.

The Supplier shall provide the Purchaser in writing with all indications, instructions, warnings and other necessary data in order to comply with the legislative or regulatory provisions applicable for health and safety considerations.

**25.6.3.** Any Goods which does not comply with all of the requirements of this Article shall be considered to be defective.

### **25.7 Conflict Minerals**

**25.7.1** The Supplier certifies to the Purchaser that there are no "Conflict Minerals" present in the Goods and;

**25.7.2** The Supplier shall submit with each shipment made against a purchase order a separate certification that includes (1) a statement that the Supplier has taken responsible steps to ensure that the Goods being provided does not contain "Conflict Minerals" and (2) the name of the country of origin and the name of the smelter from which the minerals were mined and (3) a statement that the materials furnished are in conformance with the applicable law or regulations.

**25.8** Upon prior written request by the Purchaser, the Supplier undertakes to make available to the Purchaser all information and all assistance necessary to demonstrate compliance with the obligations laid down in this Article 25 and allow for and contribute to audits, including on-site inspections, conducted by the Purchaser or a third party appointed by the Purchaser. It is noted that on-site inspections shall be limited to one (1) per year, and the Purchaser shall give notice to the Supplier of at least thirty (30) days prior to the beginning of any on-site inspection. Prior written notice of audit may not be given in case the audit is initiated by relevant authorities or in case of (i) Alstom employee and/or agents exposure to hazardous substances; (ii) failure to provide the Purchaser with the information listed in Article 25.5.

The Supplier shall indemnify, hold harmless and defend the Purchaser, its officers, directors, employees or insurers from and against any and all claims, losses, liabilities, suits, judgements, expenses and costs (including attorney fees) or the like arising out of or in connection with the Supplier's breach of its obligations and/or warranties under this Article 25, without prejudice to any other rights or remedies the Purchaser may have, at law, under contract or otherwise.

### **26. APPLICABLE LAW – LITIGATION**

**26.1.** The Contract shall be subject to Italian law.

**26.2.** The Parties shall use their best efforts to settle amicably any dispute arising out of or in connection with the Contract. If no amicable settlement is reached between the Parties within thirty (30) days from the date of notification of the dispute by one Party to the other, then the dispute arising out of or in connection with the Contract shall be settled by the Court of Turin.

**26.3.** Application to the Contract of the United Nations Convention on contracts for the international sale of goods, signed in Vienna in 1980 is expressly excluded.

**26.4.** This General Purchase Conditions are in two versions, one in Italian and one in English. Should any controversy arise in relation to the interpretation of one or more provisions of this General Purchase Conditions, the Italian version shall prevail.