

BKV Zrt.**SUPPLY AGREEMENT**

MADE AND ENTERED BETWEEN

Budapest Transport Privately Held Corporation

Having its seat at 1980 Budapest, Akácfa utca 15.;

Company Register Number: 01-10-043037;

Tax number: 12154481-2-44;

As principal, hereinafter referred to as '**Principal**', of one part

and

HTM Personenvervoer NV

Having its seat at Fluwelen Burgwal 58, 2511 CJ Den Haag, Nederland

Company Register Number: 27014495

EU Tax number: 8074.97.964.B.01

International bank account number: NL26INGB0672898640

International bank identification code: INGBNL2A

As supplier, hereinafter referred to as '**Supplier**', of the other part(hereinafter collectively referred to as '**Parties**')

based on the negotiated procedure without a notice launched by the Invitation to Tender issued by the Principal under the number 15/TB-275/10. (hereinafter referred to as Tender) and the Offer submitted to the Tender by the Supplier on 19 July 2010 including its letter of 29 June 2010, (hereinafter referred to as 'the Offer').**1. Subject of the agreement**

- 1.1 The Supplier sells and the Principal buys the Goods specified in the Invitation to Tender issued by the Principal, i.e. **"16 pieces of TW 6000 used tramcars"** – (hereinafter referred to as 'the Sale') in the manner, under the conditions and by the deadline specified hereunder. The tramcars are listed in the Annex 1 of this agreement.

2. Supply price

- 2.1. As agreed by the Parties, the Principal, as consideration for the Goods specified in Article 1.1 shall pay by a letter of credit to the Supplier a Supply Price of total **EUR 560,000** (five hundred sixty thousand euro - hereinafter referred to as 'Supply Price') calculated with the price of **EUR 35,000/vehicle**. The letter of credit shall be opened in 10 working days counting from the date of signing this Agreement.
- 2.2 Parties agree that the supply qualifies as an Intracommunity supply as the goods will be dispatched from the premises as indicated in article 3.1 and transported to Hungary.

dr. Szilágyi Nóra
Jogtanácsos
Budapesti Közlekedési Zártkörűen
Működő Részvénytársaság

Therefore, Supplier will not charge VAT. The Principal is liable to account for the VAT due on the Intracommunity acquisition in Hungary upon arrival of the trains.

3. Handover of Goods

3.1. The Goods will be handed over in two phases.

- a. The 7 vehicles stored in The Hague, Meppelweg 1391, 2544CX, will be handed over the latest at 15 September 2010.
- b. The 9 vehicles stored in Hannover, Üstra Betriebswerk "Leinhausen", Fuhsestraße will be handed over the latest at 23 December 2010.

A report on the handover acceptance of the Goods (hereinafter referred to as Handover-Acceptance) shall be drawn up by both Parties before handover. Principal checks the Goods in point of quantity and other agreed aspects in respect to completeness, and records the results of the inspection in the report. In consideration of the fact that the vehicles in question are in a used condition and withdrawn from traffic, Principal checks the completeness in terms of existence of the main parts (itemized: hauling engine, bogie, interrupter, axle, controlling electronics, pantograph and gear unit). Until the commencement of the delivery of the vehicles at the location of storage the Supplier is responsible to hand over the Goods in accordance with the Handover-Acceptance. If the Goods fail to correspond to the agreed quantities and completeness (in terms of existence of the main parts specified above) Parties will start discussions about the acceptance conditions – including the price – of the incomplete vehicle.

3.2 The Supplier shall, during the Handover-Acceptance hand over to the Principal all the spare parts belonging to the vehicles. A list of spareparts will be added to the documents of the vehicles in The Hague.

3.3 Handover-acceptance shall be certified by the completion of the report specified in Article 4.2 which the Parties sign, following the inspection, to verify the handover and acceptance of the Goods and of all documents available at Supplier.

The documents to be handed over with every vehicle separately consists of:

- The Car History Books dated from the start of service in Hannover;
- Review of all works done by HTM after taking the vehicle in service in The Hague;
- List of mounted bogies per vehicle.

3.4 Parties agree if the Supplier doesn't hand over the Goods to the Principal at the time agreed as a consequence of the default of the Supplier, the Supplier shall be obliged to pay the costs of the Principal arisen from the failure of acceptance of the Goods.

3.5 Parties agree that in case the Principal doesn't take over the Goods from the Supplier at the time agreed as a consequence of the default of the Principal, the Principal shall be obliged to pay the costs of the Supplier arisen from the failure of supply of the Goods.

4 Warrantee

4.1 The Supplier is responsible for that the Goods are exempt from being subject to any legal procedure, free from encumbrances, free from claims and not subject to any entitlement of a third party.

5 Payment Terms

- 5.1 Parties agree that the Principal shall irrevocably instruct its specified Bank to issue an irrevocable letter of credit payable on demand to meet its payment obligation on the basis of Article 2 of this agreement pursuant to the current international rule (UCP600) of the International Chamber of Commerce in Paris. The Supplier is only entitled to collect its claims if he submits the following original documents:

- 5.1.1 One invoice for each vehicle, indicating the Supply Price, issued and signed officially, pursuant to Article 5.4.
- 5.1.2 Handover-Acceptance Report drafted pursuant to Article 3.1 and signed by both Parties (Annex 3).
- 5.1.3 The original third example of the bill of freight (CMR) issued for each vehicle and for the name of the Supplier, certifying that the vehicle has been handed over for carriage purposes, indicating the name of the Carrier, and its statement that he took over the Goods, and indicating the addressee and the destination.

Place of presenting the documents: Den Haag, advising bank of the Supplier.

- 5.2 Parties agree that Principal bears only the burdens of bank commissions and other costs of the bank opening the letter of credit and Supplier bears the burdens of bank commissions and other costs of the advising bank ING.
- 5.3 The payment shall be made in the currency in which the prices are specified in this agreement.
- 5.4 Parties agree that Supplier is entitled to issue the invoice, on performance date, and Supplier is obliged to indicate in the Invoice the Principal's procurement order number (BMR number) and the number of this Agreement.
In absence of the BMR number or the Agreement number Principal is entitled to send back the Invoice as it cannot be identified. Handover-Acceptance Report referred in Article 3.1 shall be attached to the Invoice.
The invoice shall be issued for the name and seat address of the Principal.
The invoice shall be made in four original examples with serial numbers. First and third examples shall be sent to: BKV Zrt. Current Account Department, (1980 Budapest, Akácfa utca 15.).

6 Scope and termination

- 6.1 This agreement shall be constituted upon its signature by both Parties and it shall enter into force simultaneously, and it shall be terminated upon the due performance of the agreement.
- 6.2 Parties may terminate this agreement exclusively in the event of a serious breach of contract by the other Party, in writing and with immediate effect. Such termination shall be valid only where justification is provided.

- 6.3 Parties shall not be entitled to terminate this agreement with regular notice of termination.

7 Confidentiality

- 7.1 Parties agree to treat as business secret (hereinafter referred to as 'Secret') this agreement as well as any information obtained during the performance thereof or in connection therewith and relating to the other Party, including information constituting the other Party's know-how, which the other Party has not disclosed and the disclosure of which would be detrimental to the other Party or to any other entity related to the other Party, or could result in undermining the reputation thereof or would harm or jeopardise their financial interests.
- 7.2 Parties agree that, accordingly, they shall keep all Secrets strictly confidential and they shall not disclose such without the prior written consent of the other Party, shall not release such to any unauthorised person and shall not make available to such person during or after the term of this agreement.
- 7.3 Parties agree that they shall assure that Secrets are treated as business secrets also by other persons in legal relationship with them (e.g., employees, business partners, etc.) both during and after the term of this agreement.
- 7.4 Parties agree that in the event of the termination of this agreement for any reason, they shall be subject to a confidentiality obligation for an indefinite period after the last day of the legal relationship.

8 Governing Law, Competent Court

- 8.1 Parties agree that issues not regulated in this agreement shall be governed by the laws of Hungary.
- 8.2 Parties agree that they shall attempt to settle any disputes arising from this agreement through negotiations. For the settlement of any disputes arising from this agreement between the Parties, Parties shall subject themselves – except in the cases regarding property rights, depending on their competence – to the exclusive jurisprudence of the Dutch court in The Hague.

9 Notice

- 9.1 Parties agree that any written notices required by this agreement shall be sent to the address of the seat of the Parties. Notices sent as certified and return receipt requested mail shall be deemed to have been delivered on the 3rd (third) working day after the attempted delivery even if, according to the return receipt, delivery failed because the addressee is not known, has moved to an unknown address, failed to take delivery of the document or refused taking delivery.

Parties agree that any notices relating to the performance of the agreement shall be sent to the following addresses unless notified otherwise:

dr. Szilágyi Nóra
Jogtanácsos
Budapesti Közlekedési Zártkörűen
Működő Részvénytársaság

Principle:

Gábor Nemeicz, appointed Development and Investment Director
1980 Budapest, Akácfa u. 15., Hungary

Supplier:

Ton Elshout, Manager Railmat,
PO Box 28503, 2502KM The Hague

- 9.2 The Parties state that they shall inform the other Party forthwith, via telephone, fax or email, about any important information on relating to the mutual cooperation of the Parties, in writing where required, in a certifiable manner (in the event of delivery by mail, with a dispatch note and return receipt requested; in the event of delivery by hand, with an acknowledgement of receipt containing at least the legible name and signature of the person taking delivery as well as the date of delivery).

9.3 Contact persons:

On behalf of the Principal, the contact person or organisation in respect of this agreement:

Dr. Veronika Vuksitz (Contracts Department) – lawyer

Phone: +36-1-461-6500/extension number 11897

Fax: +36-1-322-6438

E-mail: dr.vuksitzv@bkv.hu

On behalf of the Principal, the contact person for technological and technical issues:

Flórián Pápai (Development Department) – Leader of Development Team

Phone: +36-1-461-6500/extension number 11093

Fax: +36-1-461-6500/ extension number 11030

E-mail: papaif@bkv.hu

On behalf of the Supplier, the contact person or organisation in respect of this agreement:

Harm J. Teuben, Company lawyer

Phone: 00 3170 3749512

Fax: 00 3170 3749056

Email: h.teuben@htm.net

On behalf of the Supplier, the contact person for technological and technical issues:

Fred G. Ruijsenaars

Phone: 00 3170 3749229

Email: g.ruijsenaars@htm.net

10 Miscellaneous

- 10.1 The delivery of Goods is arranged by the Principal. Principal bears all delivery costs. Supplier is obliged to secure all necessary conditions for the uninterrupted start of the delivery.
- 10.2 Supplier is obliged to hand over documents, statements described in Annex 1 of this agreement (Technical specification), concerning the vehicles to be delivered simultaneously with the start of the delivery.
- 10.3 Supplier declares that he is in possession of all the data necessary for performing every obligation under this agreement.
- 10.4 Supplier represents and warrants that his employees, agents and subcontractors employed in relation to this agreement have the necessary expertise, qualifications, any special licenses or examinations required by law as well as employment relationships by virtue of a legitimate labour contract, and that the effective regulations set out in labour and tax laws and social security regulations are applied.
- 10.5 Parties shall mutually inform each other about circumstances affecting the performance of contractual obligations. They shall be responsible for any damage arising from failure to do so.
- 10.6 The principal will provide the Supplier with a signed CMR at the place of the Handover Acceptance. If Principal does not meet this condition, Supplier will additionally charge 1 % penalty on the sum invoiced for the given vehicle per day that the signed CMR will not be provided to the Supplier.
- 10.7 Concerning VAT the Sixth Council Directive ~~77/388/EEC~~ ^{2006/112/EC} on the harmonization of the laws of the Member States relating to turnover taxes shall apply for both Principal and Supplier. In the case of an audit by the tax authorities in which the right to apply the zero VAT rate and/or VAT exemption for an Intracommunity supply is denied, Supplier is allowed to charge all costs that arise from this (VAT due including interest and fines) on to Principal in the case the additional assessment arises due to lack of information from Principal on the transport of the goods to Hungary.
- 10.8 Parties state that the following documents served as the basis for concluding this agreement:
- 10.8.1 The Invitation to Tender of the public procurement procedure No. 15/TB-275/10;
- 10.8.2 The Supplier's Offer dated on 19 July 2010, including the letter of Supplier dated on 29 June 2010.
- 10.9 Parties agree that in the event of a conflict between the interpretation of this agreement and the text of this agreement, the text of this agreement shall prevail, followed by the contents of the Invitation to Tender and the final Offer of the Supplier (in this order in the sense that the Invitation to Tender and the final Offer are equal in preference). The Parties shall consider the above mentioned documents to be the basis of reference in issues relating to this agreement.
- 10.10 The Parties state that the following documents constitute inseparable annexes to this agreement:

Annex 1: Technical specification

Annex 2: Offer of the Supplier (including Supplier's letter of 29 June 2010)

Annex 3: Draft Report of Handover-Acceptance

Parties declare that after having read and understood this agreement and its annexes, their authorised representatives sign it in four English language copies with their willing consent as it fully meets their intentions.

Budapest, 24th August 2010

The Hague, 24th August 2010.

BUDAPESTI KÖZLEKEDÉSI
ZÁRTKÖRŰEN MŰKÖDŐ RÉSZVÉNYTÁRSASÁG
1072 Budapest, Akácfa u. 15.

Takács Péter
vezérigazgató-helyettes

Kristóf Schifner Jancsanna
ub. főosztályvezető

Budapest Transport Privately Held Corporation
Principal

dr. Szilágyi Nóra
Jogtanácsos
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P. Jansen
Operational Director

HTM Personenvervoer NV
Supplier