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PURCHASE CONTRACT

This purchase contract (hereinafter referred to as **Contract**) is made and entered between:

ÜSTRA Hannoversche Verkehrsbetriebe AG

Having its principal office at: Am Hohen Ufer 6, 30159 Hannover, Deutschland

Company Register Number: HRB 3791

Tax No.: 25/202/00329

International bank account number: DE15 2505 0180 0000 5600 06

International bank identification code SPKHDE2H

USt (VAT) ID-Nr.: DE811116176

as Seller, hereinafter referred to as **'Seller'**,

and of the other part:

Budapesti Közlekedési Zártkörűen Működő Részvénytársaság – Budapest Transport Privately Held Corporation

having its principal office at 1980 Budapest, Akácfa utca 15.;

Company Register Number: 01-10-043037;

Tax No.: 12154481-2-44;

VAT ID-Nr.: HU 12154481

as principal, hereinafter referred to as **'Principal'**,

(hereinafter collectively referred to as **'Parties'**) based on the invitation for tender of the public procurement procedure No. 15/TB-398/10 (hereinafter referred to as 'the Tender') and the bid submitted to the Tender (hereinafter referred to as 'the Bid') by the Seller on 15th February 2011 for the acquisition of 10 pieces of used tramcars type TW 6000.

1. Subject of the Contract

- 1.1 The Seller sells and the Principal buys the **'10 metropolitan railway vehicles of type TW 6000'** (hereinafter referred to as 'the Vehicles') in the manner, under the conditions and by the deadline specified hereunder (hereinafter: Purchase). The identification numbers of the Vehicles falling within the scope of this Purchase Contract are as follows: 6103, 6111, 6133, 6134, 6150, 6151, 6153, 6154, 6168, 6171.

2. Qualitative and technical requirements

The detailed qualitative and technical parameters of the Vehicles specified in Section 1.1 of this Contract are laid down in Annex 1 to this Contract (hereinafter referred to as 'Technical Requirements'). Besides the technical and conditional differences defined in present Contract, Seller declares that the Vehicles within the scope of this Contract qualify as the same type as TW 6000 tramcars defined as the subject-matter of this public procurement procedure. The differences are as follows: floor cover (Fußbodenbelag), handholds (Haltestangen), door control (Türsteuerungen), DC chopper with other type thyristor (Gleichstromsteller mit anderer Thyristorausrüstung (TTL-Steuerung ist jedoch identisch)), auto-center position of the coupling (automatische Mittenstellung der Kupplung Die Fahrzeuge sind jedoch untereinander kuppelbar). Further to the differences four technical units – railway signalling equipment (Zugsicherungsanlage), radio (Funk), validator (Entwerter) passenger information system (IBIS-Bordrechner) – are not included in the Vehicles. Parties record that the Vehicles are being purchased by Principal in a used and not operable condition. The technical condition of the Vehicles defined in Annex 1 will be recorded at the Handover-Acceptance by the Parties. In

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addition to the above Parties record that certain modifications, maintenance, repair and overhaul of the Vehicles (especially but not limited to the wheels, wheel shafts) could be necessary in order to meet the Hungarian transportation, legal requirements and also Principal's inter company standards. Parties record that beside the sale and purchase of the Vehicles contemplated hereby the Seller shall not be obliged to provide any further services related to the Vehicles, i.e. any further obligations (e.g. maintenance, repair, provision of spare parts etc.) of Seller that are not expressly specified in this Contract is excluded from the transaction set forth hereby.

3. Purchase Price

- 3.1. As agreed by the Parties the Principal shall pay a supply price of 35,000 EUR per Vehicle (say: Euro Thirty five thousand , hereinafter referred to as 'Supply Price') as consideration for the Vehicles specified in Section 1.1 to the Seller.
- 3.2. Parties agree that the purchase qualifies as Intracommunity Purchase as the Goods will be dispatched from Germany and transported to Hungary. Therefore, the Seller will not charge VAT. The Principal is liable to account for the VAT due on the Intracommunity acquisition in Hungary upon arrival of the Goods.
- 3.3. The Purchase Price shall contain all other costs necessary for the due performance of this Contract - including the costs of responsible custody referred to in point 4.7, but excluding any costs of modification, maintenance, repair and overhaul works referred to in Section 2.1- and taxes, if any, with the exception of the value added tax.

4. Handover of Goods

- 4.1. A handover-acceptance procedure (hereinafter: Handover-Acceptance) shall be conducted at a time defined by the Parties and at the depot defined by the Seller. The schedule of the handover of the Vehicles and the identification of the Vehicles under this Purchase Contract is set down in Annex 2 of this Contract.
- 4.2. A handover-acceptance report of the Vehicles (hereinafter referred to as Handover-Acceptance Report) indicating the identification number of the Vehicles shall be drawn up by both Parties. Principal checks the Vehicles in point of quantity and technical condition. Principal records the results of the inspection in the Handover-Acceptance Report. Seller shall hand over the Principal the Vehicles in a condition detailed in Section 2.
- 4.3. In case the Vehicles fail to correspond to the above requirements and the conditions drawn up in Annex 1, the Principal records the technical deficiencies of the Vehicles in a distinct report (hereinafter referred to as 'Report'). If the deficiency is a consequence of the default of the Seller, the Principal may
 - (i) rescind the Contract or
 - (ii) he is not obliged to commence the delivery of Vehicles so far the deficiencies are not eliminated. In this case Seller is obliged to pay a Delay Penalty (defined here below) and to bear the extra costs. The Parties, however, may agree in writing that the Principal accepts the Vehicles at an agreed reduced price and accepts them as performance. In case of rescission of the contract Seller is not entitled to any compensation for his damages or costs.

In case a Report had been drawn up by the Parties Principal accepts and signs the Handover-Acceptance Report (which is a proof for performance) only after the correction of the deficiencies described in the Report.

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- 4.4. Simultaneously with the Handover-Acceptance Seller shall show to Principal all the documents and statements specified in Annex 1 (Technical Requirements) of this Contract.
- 4.5. The drawn up of the Handover-Acceptance Report defined in 4.2 and 4.3 serve as proofs of the completion of the Handover-Acceptance, by which the Parties certify by their signatures the quantitative and technical inspection of the Vehicles as well as the Handover-Acceptance of all the documents specified by the Principal in Annex 1 (Technical Requirements).
- 4.6. Upon payment of the Supply Price the ownership of the vehicles shall pass from Seller to the Principal. Transportation of the Vehicles and the documents specified in Annex 1 (Technical Requirements) will commence after the payment of the Purchase Price against invoice is completed. Transportation of the Vehicles to the receiving premises – including the export-import office works and the necessary permissions – and the costs arising from these are the responsibilities and duties of the Principal. The Seller shall prepare the Vehicles for transportation: he shall dismantle the rear-view mirrors and other roof equipments specified by the transporter, to place them into the Vehicles and to fix them safely if required and he shall provide a place for loading and move the Vehicles there according to the schedule.
- 4.7. Seller is responsible to keep the Vehicles in the condition recorded on the Handover-Acceptance Report until the commencement of the transport.

5. Penalty

- 5.1. If the Seller is in delay with the performance for any reason within his control (with the exception of force majeure), then he shall pay a delay penalty (Section 246 of the Hungarian Civil Code, hereinafter referred to as the 'Delay Penalty') to the Principal. The rate of the Delay Penalty shall be 0.1 percent of the consideration for the Purchase Price of the Vehicle (as defined in point 3.1 of this Contract) affected by the delay for each day of the delay.
- 5.2. If the Seller defaults to perform his obligations upon this Contract for any reason within his control Principal may terminate the Contract with an immediate effect – even for the concerned individual Vehicles – the Seller shall pay a frustration penalty (hereinafter referred to as 'Frustration Penalty'). The rate of the Frustration Penalty shall be 15 percent of the consideration for the Purchase Price of the Vehicle affected by the frustration.
- 5.3. If the Seller defaults to perform its obligations upon this Contract for any reason within his control, and Principal does not exercise his right to terminate the Contract under point 5.2 here above, then Seller shall pay a penalty for defective performance to the Principal (hereinafter referred to as the 'Defective Performance Penalty'). The rate of the 'Defective Performance Penalty' shall be 0.5 percent of the consideration for the Purchase Price of the Vehicle affected by the default.
- 5.4. Parties agree that Seller consents to deduction of the sum of an incidental penalty or extra cost defined by this Contract from the Invoice.

6. Guarantee

- 6.1. The Vehicles subject to this Contract shall satisfy the technical requirements drawn up in Annex 1.

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- 6.2. Seller guarantees that the Vehicles satisfy the qualitative and technical conditions specified in Point 2 here above.
- 6.3. The Seller is responsible for the Goods to be delivered being free from all encumbrances, litigations and any third party rights.

7. Payment Terms

- 7.1. The Seller shall be entitled to issue an invoice (in Hungarian, English or German language; hereinafter: Invoice) for the entire consideration for the handed over-accepted Vehicles (one Invoice for each Vehicle) within 15 days after signing the Handover-Acceptance Report which verifies the technical and quantitative performance of the Contract.

The Parties agree that the Handover-Acceptance Report verifying the technical and quantitative performance constitute indispensable attachments to the Invoice.

- 7.2. The Principal shall meet his payment obligation following the receipt of the Invoice satisfying the content and form requirements of this Contract and the effective legal regulation within 30 days (Thirty days) from the receipt of the Invoice by bank transfer. The remittance shall be made for the bank account number indicated on the Invoice. The payment shall be made in the currency in which the Purchase Price of this Contract is defined. The payment shall be considered as performed when the bank account of the Principal is debited. The default interest is identical with the rate of ECB Main Refinancing Operations (fixed rate).
- 7.3. The Parties agree that the Invoice containing the Principal's procurement order number (BMR number) and the number of this Contract and all the attachments of the Invoice shall be sent to the following address (indicating on the envelope that it contains an invoice):

Budapesti Közlekedési Zártkörűen Működő Részvénytársaság
Pénzügyi Főosztály Folyószámla Osztálya (Current Account Department)
1980 Budapest, Akácfa u. 15.

Without the Principal's order number (BMR number) and the Contract number the Principal shall be entitled to send back the invoice and the Principal shall not be responsible for the delay arising thereof and Principal cannot be obliged to pay a late payment penalty.

- 7.4. Seller consents to deduction of the sum of an incidental penalty or extra cost defined by this Contract from the Invoice.

8. Effect and termination

- 8.1. The Parties agree to conclude this Contract for a definite period from the date of signature of by both parties up to 23rd December 2011.
- 8.2. The Parties may terminate this Contract exclusively in the event of a serious breach by the other Party, in writing and with immediate effect. Such termination shall be valid only where justification is provided.
- 8.3. The Seller is not entitled to terminate this Contract with regular notice of termination. If the Seller fails to fulfil his obligations arising out of this Contract, the Principal shall be entitled

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to enter into contract with a third party and the Seller shall reimburse him for any losses arising from the delay or from the conclusion of the contract with the third party.

9. Confidentiality

- 9.1. The Parties agree to treat this Contract as business secret (hereinafter referred to as 'Secret') 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 economic interests.
- 9.2. The 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 Contract.
- 9.3. The 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 Contract.
- 9.4. The Parties agree that in the event of the termination of this Contract for any reason, they shall be subject to a confidentiality obligation for an indefinite period after the last day of the legal relationship.

10. Governing Law, Competent Court

- 10.1. The Parties agree that issues not regulated in this Contract shall be governed by the Law of Hungary, in particular Act CXXIX of 2003 on Public Procurement and Act IV of 1959 on the Civil Code.
- 10.2. The Parties agree that they shall attempt to settle any disputes arising from this Contract through negotiations. For the settlement of any disputes arising from this Contract Parties shall subject themselves to the competent court of the German Federal Republic.

11. Notice

- 11.1. The Parties agree that any written notices required by this Contract shall be sent to the address of the principal office of the Parties. Notices sent as certified/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.
- 11.2. The Parties state that they shall inform the other Party forthwith, via telephone, fax or email, about any material information 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).
- 11.3. Contact persons:

- On behalf of the Principal, the contact person or organisation in respect of this Contract:
 - Marianna Schifner**
appointed head of Procurement Department
Phone: + 36-1-461-65-78
Fax: +36-1-461-65-24
E-mail: schifnerm@bkv.hu
- On behalf of the Principal, the contact person for technological and technical issues:
 - Flórián Pápai**
leader of the development team
Phone: + 36-1-461-6500 / 11093
Fax: + 36-1-461-6500 / 11030
E-mail: papaif@bkv.hu
- On behalf of the Seller, the contact person or organisation in respect of this Contract:
 - Bernd Burghardt**
üstra Hannoversche Verkehrsbetriebe AG
Unternehmensbereich Kaufmännische Leitung
Bereichsleiter Controlling und Planung
Phone: +49 511 1668-3322
Fax: +49 511 1668-96-3322
E-mail: bernd.burghardt@uestra.de
- On behalf of the Seller, the contact person for technological and technical issues:
 - Steffen Kähler**
üstra Hannoversche Verkehrsbetriebe
Unternehmensbereich U/-Stadtbahn
BUW Werkstätten Schienenfahrzeuge
Phone: +49 511 1668-2229
Fax: +49 511 1668-96-2229
E-mail: steffen.kaehler@uestra.de

12. Miscellaneous

- 12.1. The transportation of the Vehicles and all costs arising from it are the responsibility of the Principal. The Seller shall ensure the conditions to prepare and carry out the transport in an undisturbed way.
- 12.2. The Seller states that he is aware that a work to re-organize the institutional structure of the Budapest public transport is under way at the Principal, in the course of which the Seller shall provide the Principal with all the support, assistance and representation required from him; furthermore, he consents to the Principal replacing itself, by way of his unilateral legal statement, in this Contract by the Budapesti Közlekedési Központ Zártkörűen Működő Részvénytársaság (Budapest Transport Centre Plc.) or the possible newly formed company which undertakes the operational tasks of the Principal.
- 12.3. Before the beginning of the transport of the Vehicles the Seller shall hand over the Carrier the documents and statements stipulated by Annex 1 of this Contract (Technical Requirements) concerning each Vehicle.
- 12.4. The Seller declares that he possesses all the data necessary to satisfy all his obligations specified in this Contract.

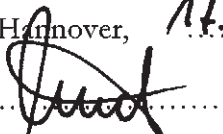
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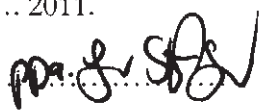
- 12.5. The Seller declares and warrants that his employees, agents and subcontractors employed in relation to this Contract have the necessary expertise, qualifications, any special licenses or examinations required by law as well as employment relationships by virtue of a legitimate labour contract, and that the effective regulations set out in labour and tax laws and social security regulations are applied and observed.
- 12.6. The 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.
- 12.7. The Parties state that the following documents served as the basis for concluding this Contract:
 - 12.7.1. The Invitation for tender and tender documentation of the public procurement procedure No. 15/TB-398/10;
 - 12.7.2. The Seller's bid dated 15.02.2011
- 12.8 The Parties agree that in the event of a conflict between the construction of this Contract and the text of this Contract, the contents of the text of this Contract shall prevail, followed by the content of the invitation for tender and the final bid of the Seller (in this order). The Parties shall consider the aforementioned documents to be the basis of reference in issues relating to this Contract.
- 12.9 The Parties state that the following documents constitute inseparable attachments to this Contract:
 - Annex 1: Technical requirements, technical parameters
 - Annex 2: Schedule of Handover-acceptance
- 12.10 The Contract has been drawn up in Hungarian and English languages in four equivalent copies in both languages. In the case of inconsistency between the English and the Hungarian versions the English version shall prevail.

The Parties declare that having read and understood this Contract and its Annexes they have signed it duly as matching their intention through their authorised representatives in 4 original copies.

Hannover, 17.10.....2011.


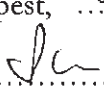
 Wilhelm Lindenberg

 Director




 Gunnar Straßburger

 Head of Department
 U-/Stadtbahn

Budapest, 09.22.....2011


 Kustosné Schifner
 Marianna
 Head of Department



 Nemez Gábor
 Director

ÜSTRA
Hannoversche Verkehrsbetriebe AG

Budapesti Közlekedési Zártkörűen Működő
Részvénytársaság

Seller

Principal

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