

1. PURPOSE

The purpose of the present general conditions of purchase of goods and/or services (hereinafter the "General Conditions") is to define the terms and conditions whereby ALSTOM Transport Deutschland GmbH, Limited Liability Company under German law with a capital of 76.700.000,00 Euros registered under the number HRB 204464 in Braunschweig (Germany) whose registered office is located in Germany at Salzgitter (38239) at Linke-Hofmann-Busch Str. 1, (hereinafter the "Purchaser") entrusts the supplier (hereinafter the "Supplier"), who accepts it, to supply the goods and equipment (hereinafter the "Equipment") and/or services (hereinafter the "Services").

The General Conditions shall be applicable to ALSTOM Lokomotiven Service GmbH (Stendal, Germany).

The Supplier acknowledges being aware of the principles included in the Ethic and Compliance Code of the Purchaser which is available on ALSTOM's website at the following address: www.alstom.com and to apply them in the frame of the contractual relationship with the Purchaser.

2. FORM AND CONTENT OF THE CONTRACT

2.1. The contract (hereinafter the "Contract") that shall govern the supply of Equipment and Services by the Supplier to the benefit of the Purchaser shall consist of the documents quoted in decreasing order of priority as follows:

- a) purchase order (hereinafter the "Order"),
- b) special conditions, supplementing and/or amending the General Conditions, specified in the Order (hereinafter the "Special Conditions"),
- c) the present General Conditions,
- d) the technical specifications (hereinafter the "Technical Specifications") and/or any other specification (as for example Logistic, Quality) attached in the Order (hereinafter jointly the "Specifications"),

2.2. Any start of performance of the Contract and especially the fact of proceeding to the design, manufacture, delivery, invoice or supply of Equipment and/or Services, shall involve the definitive acceptance of the terms and conditions of all of the documents stated in Article 2.1. and shall apply for all following orders linked to the same project.

2.3. All documents other than those covered in Article 2.1 shall not be applicable between the parties to the Contract, unless otherwise stated in the Order.

2.4. General conditions of sale of the Supplier shall not apply unless printed, signed by the Purchaser and send back to the Supplier. The general condition of sale of the Supplier printed at the back of the acknowledgment of receipt of the Order shall not be applicable. The reception and acceptance of Equipment shall not be considered as an acceptance of the general conditions of sale of the Supplier.

2.5. If a situation is neither covered by this General Condition nor by a Special Condition in the Order, the legal provision is applicable.

3. COMING INTO FORCE – TERM

3.1. The General Conditions shall apply only if the Supplier is not a consumer according to the

definition stated in § 13 of the German Civil Code (BGB).

3.2. Subject to the provisions of Article 2.2, the Contract shall come into force once the Purchaser has acknowledged receipt of the Order signed by the Supplier. The Supplier undertakes to return to the Purchaser, the acknowledgement of receipt of the Order within ten (10) calendar days from the receipt thereof. However, and if not returned within this period, the Contract shall be considered to have been concluded.

Any comments made by the Supplier on the Order and/or on the Order's acknowledgment of receipt will be considered as valid and applicable only after written approval given by the Purchaser.

3.3. Unless stated otherwise in the Contract, the date of coming into force thereof shall constitute the starting point for the performance time by the Supplier of its obligations under the Contract.

3.4. The Contract shall expire when all of the obligations of each party have been fully performed.

4. PERFORMANCE OF THE CONTRACT

4.1. The Supplier shall deliver the Equipment and/or perform the Services in accordance with the Technical Specifications, the applicable industry standards and the timetable for performance defined in the Contract. To this end, the Supplier commits himself to achieve performance and results under this Contract.

The performance deadlines may only be extended or reduced through an amendment to the Contract, in accordance with the provisions of Article 7.2.

4.2. The Supplier shall request from the Purchaser in due time, any approvals and instructions needed for the correct performance of the Contract. For its part and as the case may be, the Purchaser shall make available to the Supplier the materials and/or perform the works identified in the Contract. It shall also provide access to the delivery site for the Equipment and/or performance of the Services (hereinafter the "Site" or "Sites") in respect with the environmental, health and safety conditions (hereinafter "EHS" or "Environmental, Health, Safety") required if applicable.

4.3. In accepting the Order, the Supplier expressly acknowledges having received communication of all of the documents and information that it needs in order to assess the commitments that it has subscribed to under the Contract as well as the conditions for the performance thereof, especially concerning the safety standards in force at the Site and any possible dangers connected with the installations and/or machinery nearby, whether these have been received spontaneously from the Purchaser, or whether it has itself solicited them in the performance of its obligation as a professional to solicit all of the documents and information necessary for the correct performance of its obligations under the Contract.

4.4. Throughout the term of the performance of the Contract, the Supplier shall be responsible for its staff complying with the Purchaser's internal rules and conditions of access, health and safety rules applicable at the Site in respect with the EHS's required condition if applicable. The Supplier shall

inform the Purchaser immediately of any event that might affect the performance of the Contract.

4.5. The Supplier shall be responsible for implementing all of the necessary resources for the performance of its obligations under the Contract, with the exception of those specifically mentioned in the Contract as being the responsibility of the Purchaser. The Supplier shall have all of the materials and tools needed for the performance of the Contract and shall allocate qualified staff in sufficient numbers to the performance of the Contract within the contractual deadline.

4.6. Unless different procedures are specified in the Special Conditions, the Supplier shall send the Purchaser, a weekly activity report tracing the Equipment and/or Services performed and any difficulties encountered, which shall include in particular a progress report and any non-compliance datasheets created based on a format that the Purchaser shall have previously agreed in writing.

4.7. Within seven (7) calendar days at the latest of the Contract coming into force, the Supplier shall appoint a staff member as a project manager and shall inform the Purchaser thereof. The project manager thus appointed shall be responsible for directing the operations necessary for the delivery of the Equipment and/or the performance of the Services and shall be solely entitled to give instructions to the Supplier's staff which is responsible for the performance of the Services on Site. It shall be the Supplier's contact person of the Purchaser.

4.8. The Supplier shall be responsible for matters of scheduling and staff and agrees to comply with labor legislation especially that concerning working hours, weekly rest and possibly additional rest periods and annual or other leave and shall be responsible for paying all of the contributions that relate to its staff.

4.9. The Supplier shall fulfill at its own expenses, all formalities and obligations imposed by the Regulation (EC) no 1907/2006 concerning the registration, evaluation, authorization and restrictions of chemicals (REACH). It shall also undertake to ensure that its own Suppliers will comply with the Regulation.

The Supplier shall provide the Purchaser, upon its request with a certificate establishing its conformity with the Regulation's terms and conditions.

In the event of non-compliance with the formalities imposed by the said Regulation, the Supplier shall undertake to compensate any damage that may result thereof.

5. FREE DISPOSAL OF MATERIAL BY THE PURCHASER

5.1. 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 in the Supplier's custody who shall take out appropriate insurance against any damage that they might suffer and it shall clearly mark them and record them as being the property of the Purchaser.

5.2. 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 and it shall take on the risks

relating thereto throughout the period when they are made available to it.

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

5.4. 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.

6. HAZARDOUS PRODUCTS

6.1. Should certain Equipment or products that are to be respectively supplied or used under the terms of the Contract, contain dangerous substances or require the taking of special safety precautions during handling, transport, storage or use, the Supplier shall provide the Purchaser before delivering or using them, in writing with the necessary information relating to the nature of these substances and the precautions to take. The Supplier shall ensure that before dispatch, the appropriate instructions and warnings are clearly displayed on the Equipment or products in question and on the packaging in which they are placed.

6.2. In particular, and without this provision being restrictive, the Supplier shall supply the Purchaser in writing with any indications, instructions and warnings necessary in order to comply with the legislative or regulatory provisions applicable for health and safety considerations

7. MODIFICATIONS

7.1. The Supplier shall accept any modification that the Purchaser may legitimately require of it as regards the subject of the Order, the Specifications, or deadlines for performance. The related price may be adjusted in order to take into account the said modification, based on the rates and prices indicated in the Contract or, if these are not applicable, on the basis of what is fair and reasonable.

7.2. Any modification to the Contract shall only be binding upon the parties if the said modification has been formalized by a written amendment to the Contract which shall be signed by both Parties of the Contract.

8. CONTROLLING - TESTING

8.1. The Purchaser, who may be accompanied by any person appointed thereby, may at any time make any controlling visit that it considers necessary to the premises on which the Equipment and/or Services are to be performed, during normal working hours, in order to ensure the correct performance by the Supplier, of its contractual obligations.

8.2. The Supplier shall promptly remedy any defects which could be noted relating to the Equipment and/or Services during the abovementioned visits.

8.3. Testing (as for example First Article Inspection, static and dynamic tests, maintainability) will be performed according to the processes defined in the Specifications. The Purchaser and any person appointed by it shall have the right to be present at tests. The Supplier shall supply the Purchaser with official reports of the corresponding tests.

8.4. If the test results do not comply with the Specifications and/or performance requirements (as for example Supplier Quality, industry standards), the Supplier shall immediately carry out the necessary corrective measures and shall repeat the planned testing at its exclusive expense (including the Purchaser's travel costs), and under conditions that are compatible with the deadlines stipulated in the Contract.

8.5. Controlling and testing performed shall not release the Supplier from its liability and shall not be considered as an acceptance of the Equipment and/or Services by the Purchaser, the latter retaining all of its rights and contractual remedies.

9. TRANSPORTATION - PACKAGING

9.1. Should there be no special stipulation relating thereto in the Contract, the Supplier shall, in all circumstances, use appropriate packaging according to the nature of the Equipment guarantying the integrity thereof until they are delivered.

9.2. Where there is no special stipulation in the Contract, deliveries on the premises mentioned in the Contract shall be made either (1) "Delivered Duty Paid" ("DDP" according to INCOTERM ICC 2010 version), any costs to be borne by the Supplier; or (2) for Equipment purchased "Ex Works" ("EXW" according to INCOTERM, ICC 2010 version), the Supplier shall be responsible for packaging.

9.3. Any delivery of Equipment shall be accompanied by the Supplier's delivery note, dated, bearing references of the Contract and indicating in particular the identity number (IDNR), the Order's number, the Order's date, the details of the Equipment delivered and the quantity, the contents of the parcels therein, their gross and net weight, method of transportation, packaging, date of dispatch, as well as the registration number of the contractual agreed transport carrier (road, sea, air, rail). The Supplier shall send simultaneously, by separate letter, a copy of the document to the Purchaser's department that issued the Order.

10. DELIVERY AND LEAD TIME

10.1. The deadlines for the performance of the Services and/or delivery of the Equipment specified in the Contract are absolute deadlines; they shall constitute a substantial condition of the Contract.

10.2. If the delivery of the Equipment and/or performance of the Services are likely to be delayed, the Supplier shall inform the Purchaser accordingly as soon as possible and shall specify in writing the measures it has adopted or proposes in order to minimize the consequences of such delay.

10.3. The Supplier will respect the delivery's deadlines and shall not deliver in advance unless otherwise agreed with the Purchaser by written.

10.4. The place of delivery shall be Alstom Salzgitter unless otherwise stated in the Order.

10.5. The § 377 of the German Commercial Code (HGB) is waived, unless the defects are not apparent. For apparent defects the Purchaser is entitled to claim any defect and/or non-compliance with the Order within fourteen (14) days from the date of delivery.

11. PENALTIES FOR DELAY

11.1. If the Supplier fails to comply with the dates or delivery deadlines for the delivery of the Equipment and/or performance of the Services specified in the Contract, except for reasons attributable to the Purchaser, the latter is entitled to apply penalties,

without any prior official notification, from the moment any deadline has been reached if the delay is due to the Supplier.

11.2. Unless stipulated otherwise in the Contract, the penalties mentioned here above shall be calculated at the rate of zero point twenty five per cent (0.25%) of the total price of the Contract exclusive of Value Added tax per day of delay, limited to five per cent (5%) of the total price of the Contract exclusive of Value Added tax.

11.3. It is expressly agreed that these penalties as a result of the delay, shall be applicable without prejudice to any other rights and remedies by the Purchaser under the Contract. They shall be the subject of an invoice.

11.4. In case of agreed penalty for late delivery, the right to claim penalty remains valid, if it is not expressly claimed at the time of the acceptance of the delivery. Further claims also remain without preconditions on the above-mentioned acceptance.

12. COMPLIANCE REQUIREMENTS

12.1. The Equipment and/or Services shall comply with the Specifications and be suitable for the use they are expected. They shall also satisfy the usual quality criteria as well as the current standards and legislation in force at the date of delivery. The Equipment shall be delivered in a state of full completion with the complete documentation associated therewith as well as all of the instructions, recommendations and other indications necessary in order for them to be used correctly and under the appropriate safety conditions. Equipment or Services that do not meet all of the previous requirements shall be considered as non-compliant.

12.2. If the Supplier is not certain that the results of the Services or Equipment that it shall deliver comply with the requirements defined in Article 12.1, it shall inform immediately the Purchaser thereof in writing, providing all of the needed indications concerning the risks of non-compliance and the measures it intends to take in order to remedy the situation. The Purchaser shall notify its acceptance or rejection of the Supplier's proposals as soon as possible and in writing.

12.3. If the Purchaser assesses on its part that the Supplier is not performing the Services and/or supplying the Equipment in accordance with the Contract, it may require the Supplier to indicate to it, in writing, the measures that the Supplier intends to take to remedy the situation. The Purchaser shall notify the Supplier in writing as soon as possible of its acceptance or rejection of the Supplier's proposals.

13. NON-COMPLIANCE - REJECTION OF DELIVERY

13.1. If, when the delivery at the Purchaser's premises or any other place agreed between the parties, the Equipment and/or the result of the Services are considered as non-compliant, the Purchaser may reject all or part of them. The delivery shall then be considered as not having been made.

13.2. In this case, the Purchaser reserves the right (i) to require the Supplier to replace or repair the rejected Equipment and/or the result of the Services, within the deadline laid down by the Purchaser, or (ii) to keep the Equipment and itself perform or have performed the said replacement or repair by a third party of its choice, after an official notification to

remedy the non-compliance addressed to the Supplier by registered letter with fifteen (15) calendar days notice and which has remained unfruitful. The Supplier shall then facilitate the interventions of the Purchaser or third-party company in optimum conditions and especially to remit to them the tools, drawings, studies and any other documents already created and necessary for the production of the Equipment and/or Services.

In any case, all the costs and risks shall be borne by the Supplier.

13.3. In the event of several Non-Conformities, being subject of one or several Non-Conformity Report (hereinafter NCR), a lump sum of three hundred fifty Euros (350EUR) shall be applied to the Supplier for each Non-Conformity Event (hereinafter NCE). This lump sum shall not be considered as a sole remedy for the Supplier's default and is without prejudice to any other remedies available to the Purchaser. After the issuance of a NCE, all new Non-Conformity shall be subject to an NCR which may be qualified as NCE if not resolved within forty-eight (48) hours from the issuance of the said NCR.

The Supplier may formally reject the NCR within fifteen (15) calendar days from its date of issuance, but on the basis that this is done so in writing and accompanied by full and detailed evidence of the reasons for its rejection otherwise the NCR shall be deemed accepted by the Supplier.

The lump sum of three hundred fifty Euros (350€) will not be invoiced to the Supplier if the rejection is formally accepted by the Parties.

14. GOODS OR SERVICES SUBJECT TO ACCEPTANCE

14.1. If the Contract provides acceptance tests for Equipment and/or the result of Services after their completion and/or delivery to the Purchaser, the acceptance shall only be considered as definitive when such tests have demonstrated the compliance of the Equipment and/or the result of the Services to the requirements defined in Article 12.1.

14.2. 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 Equipment and/or result of the Services with the requirements of Article 12.1. Such acceptance certificate shall be produced in two (2) originals.

14.3. 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.

14.4. The Purchaser may pronounce the acceptance of the Equipment and/or the result of the Services, subject to reservations for all or part of the Equipment 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 Equipment and/or their environment. The Supplier undertakes to remedy any non-compliance revealed in the certificate within the deadline that is stipulated therein. In 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 Equipment

and/or Services in question have been made compliant.

15. TRANSFER OF TITLE- TRANSFER OF RISKS

15.1. Notwithstanding any other provision, the ownership of the Equipment and/or result of the Services shall be transferred to the Purchaser at the latest upon their actual delivery to the Purchaser or to any other place agreed between the parties.

15.2. The risks relating to the Equipment shall be transferred to the Purchaser according to the INCOTERM defined in the Contract.

16. PRICE - PAYMENT

16.1. The prices indicated in the Order shall be firm and definitive for the term of the Contract. They shall be stipulated including of all taxes except Value Added Tax.

16.2. Negotiation prices shall be considered as maximum. Each modification between the Order and the payment of the invoice shall profit to the Purchaser.

16.3. Unless otherwise stipulated in the Contract, the payment of the amounts due to the Supplier shall be made in Euro.

16.4. The prices take into account delivery as agreed with INCOTERM defined in the Contract ensuring the Equipment's integrity until the delivery at the Purchaser's premise.

16.5. Invoices shall indicate the complete references of the Contract and shall be issued by the Supplier in accordance with the due dates stipulated in the Contract, subject to the complete performance by the Supplier of its corresponding obligations.

16.6. Unless stipulated otherwise in the Contract, the invoices issued by the Supplier shall be paid by the Purchaser within thirty (30) calendar days calculated from the date of the reception of the said invoice. This period of thirty (30) calendar days shall not start if the Equipment and/or Services have not been delivered to the Purchaser at that moment.

16.7. Non-Recurring Costs shall be invoiced according to the deadlines defined in the Contract. Recurring Costs shall be invoiced by the Supplier to the Purchaser as follows:

- Ninety five percent (95%) upon delivery of each Equipment
- Five percent (5%) of Equipment's value at the end of the warranty period defined in Article 21 (Warranty)

16.8. As long as the Supplier has not fully fulfilled its obligations, the Purchaser is authorized to retain all or part of the corresponding payment of the price.

16.9. At any time, the Purchaser is entitled to deduct from payments due to the Supplier in consideration of the performance of its obligations, any amount that the Supplier is accountable for under the Contract.

16.10. The payment shall not be considered as delayed if the delivery of the goods is delayed because of a force majeure event.

17. CONFIDENTIALITY

17.1. The Supplier undertakes to comply with the confidential nature of any documents, models, plans, drawings, specifications, information, data and other items of information that shall be transmitted to it by the Purchaser or which may come to its knowledge in the context of the performance of the Contract (hereinafter the "Confidential Information") and agrees to refrain from disclosing them to third parties, reproducing them or using them for

purposes other than for the performance of the Contract, without prior written consent from the Purchaser.

17.2. The term "Confidential Information" shall not apply, however, to information for which the Supplier may provide proof that such information:

- a) Was already in the public domain, or
- b) Had become accessible to the public, other than through the Supplier having failed in its contractual obligations, or
- c) Had been legally received from a third party who was completely at liberty to disclose it to the Supplier, or
- d) Was in the Supplier's possession at the time it was disclosed by the Purchaser.

17.3. The Supplier shall only communicate or disclose Confidential Information to those members of its staff who are directly involved in the performance of the Contract and bound by confidentiality requirements to the same extent as those contained in the present Article.

17.4. The Supplier shall not copy nor reproduce, in full or in part, any Confidential Information supplied by the Purchaser without the prior written permission of the Purchaser, with the exception of copies or extracts that may reasonably be necessary for the performance of the Contract.

17.5. The Supplier shall in no case use the existence of the Contract for advertising, promotional or similar purposes, without the prior written consent of the Purchaser.

17.6. The provisions of the present Article shall remain in full force throughout the term of the Contract and for five (5) years after the end of the Contract, regardless of the reasons why the Contract may end.

18. INTELLECTUAL PROPERTY

18.1. "ALSTOM Group company" shall mean any company placed directly or indirectly under the superior direction of ALSTOM Holdings, and any company holding, at any time during the duration of the Contract, a majority (at least fifty percent (50%) of the capital) in these companies, either by owning a majority of the shares combined with voting rights or by exercising a control in another way than by owning shares in the concerned controlled companies.

18.2. All intellectual property rights relating to results developed and/or obtained as part of the performance of the Contract (hereinafter designated as the "Results"), regardless of the nature of such Results, such as technical information and/or solutions, results of measurement, analysis, simulations, modeling, mock-ups, specifications, databases, software (including documented source codes), drawings, models, plans, sketches, tooling and equipment as well as all of the documentation associated therewith, shall be the exclusive property of the Purchaser as soon as they are obtained by the Supplier.

18.3. More specifically, with respect to copyright associated with Results, the Supplier assigns to the Purchaser on an exclusive basis, for the legal term thereof and for all countries, all of the representation and reproduction rights, for any purposes and for all uses, direct or indirect. These rights shall notably include and in the widest sense: (a) the temporary or permanent reproduction right, by any means, on any media (newspapers, internet, and digital media,

etc.) and at any site, (b) the right of identification and marking by any means, (c) the representation right by any procedures, (d) the right of correction, adaptation, evolution, enhancement, modification, addition or creation of derivative works, (e) the right of publication and commercial usage whether against payment or not.

The rights thus assigned shall apply to any applications and may be assigned by the Purchaser to any third party of its choice.

18.4. The Purchaser shall be solely entitled to decide to protect the Results or otherwise, in whole or in part, in its own name or that of a Company in the ALSTOM Group, without any consideration or compensation of any nature whatsoever being due to the Supplier in addition to the price stipulated in the Contract for the Equipment and/or Services in question.

18.5. The Supplier specifically undertakes, on its own behalf or any of those involved for its part, such as, without this list being exhaustive, representatives, agents, service-providers or sub-contractors, to perform all of the necessary formalities, where applicable, to cause the provisions of the present Article 18 to become effective.

18.6. The Supplier shall guarantee the Purchaser against any claims, legal action or administrative proceedings that might be directed against the Purchaser by a third party alleging the existence of the infringement of a patent, design, trademark, copyright or any other existing intellectual property right, relating to the Equipment and/or Services. To this end, the Supplier shall indemnify the Purchaser for any consequences (including damages, costs and expenditure of any nature, comprising related attorneys' costs and fees) for which it may be made liable.

18.7. Should proceedings be brought or a claim directed against the Purchaser in the context mentioned above, the Purchaser shall advise the Supplier accordingly, and such Supplier shall conduct these proceedings or claim at its own expense. At the request of the Supplier and its expense, the Purchaser shall provide the necessary reasonable assistance.

18.8. If use of an intellectual property right is judged as constituting an infringement, and if the Purchaser so requests, the Supplier shall modify or replace at its own expense the infringing item, provided that such amendment or replacement shall not affect the destination, value, usage or performance of the Equipment and/or Services.

18.9. All documentation concerning the Equipment sending by the Supplier to the Purchaser shall become the entire property of the Purchaser.

19. ENVIRONMENT, HEALTH AND SAFETY (EHS)

19.1. The Supplier shall comply with the laws and regulations in force determining the environment, health and safety instructions applicable to the work performed as part of the Contract.

19.2. The Supplier shall also comply with the EHS requirements of the Purchaser, if applicable, and with the internal rules at the Purchaser' site(s) where it may have to work for the purpose of performance of the Contract.

20. ILLICIT EMPLOYMENT

Under the performance of Services, in accordance with laws and regulations in force concerning the

prevention and the control of illegal working, the Supplier shall submit to the Purchaser, as soon as the Contract comes into force and according to the frequency defined by the legislation in force and before beginning the performance of the Services at the latest, the corresponding certificates and any additional document that may be required in the Order.

21. WARRANTY

21.1. General Provisions

Without prejudice to the legal provisions applicable, the Supplier guarantees that the Equipment and/or the result of the Services delivered in frame of the Contract shall be free from any defect and suitable for the agreed use and conform to the legislation in force. Notwithstanding the provisions of Article 22, all costs related to the implementation of the guarantee and the costs associated with corrective and remedial actions that the Purchaser should put in place in place to ensure the eradication of the default shall be borne by the Supplier. The Supplier's warranty does not include defects resulting from normal wear and tear of the Equipment, usage not compliant with the associated documentation or negligence demonstrated by the Supplier attributable to the Purchaser.

In case the Supplier fails in the performance of its warranty obligation, the Purchaser may itself remedy the failing and/or assign a third party of its choice to perform the remedy, at the Supplier's cost and risks, after an official notification by registered letter has remained unfruitful for seven (7) calendar days.

The Supplier shall then do everything possible to facilitate the intervention of the Purchaser or the third-party company under the most favorable conditions and especially it shall remit to them the tooling, plans, studies and any other necessary documents.

21.2. Warranty applicable to production Goods or Services

Unless the Contract provides otherwise, the term of the warranty shall be twenty-four (24) months from the date on which the Purchaser' system, or set or product which incorporate the Goods and/or results of Services is put into service, and thirty-six (36) months as a maximum from the delivery of the Goods and/or Services at the Purchaser' Site, whichever occurs first.

During the warranty period, the Supplier shall correct or replace, at its expense, any defect notified to it by the Purchaser, within a period not to exceed two (2) working days as from the written notification sent by the Purchaser. To this end, it shall apply the most appropriate solution between repair, replacement of the defective part in the Equipment, or re-design of the Equipment, after the Purchaser has consented thereto. Replacement, repair or re-design operations shall cover all of the Equipment to be delivered in the context of a single Order, including spare parts. The Supplier shall also cover the costs relating to the logistics, disassembly and installation of the Equipment on the final customer's equipment, depending on the case.

Any replacement or repair, even partial, of/to an Equipment affected by a defect shall give rise to the application of a new warranty period covering the Equipment concerned for a period of twenty-four

(24) months from the date of the repair or replacement.

Furthermore, the Supplier undertakes to ensure subject to further Purchaser's orders, that the Equipment will remain available, as well as depending on the case, their sub-sets, components or spare parts, in compliance with the Technical Specifications and this shall be for a period of thirty (30) years from the date of delivery of the last Equipment of the Order. Should the Supplier be unable to fulfill such a commitment, it undertakes to transmit to the Purchaser, free of charge, all of the drawings, specifications documentation, specific tools, documents and other information, regardless of the medium they are on, in order to enable the Purchaser to find an alternative source of manufacture, sale, repair and/or maintenance relating to the Equipment, their sub-sets, components or spare parts.

21.3. Epidemic defects

«Epidemic Defect" means a same defect affecting at least:

- Five per cent (5%) of components, and/or Equipment or,

- Three per cent (3%) of electronic subassemblies delivered by the Supplier to the Purchaser in the frame of the Contract and/or Order, those percentages being measured over a continuous period of twelve (12) months starting from delivery of the first Series Equipment and until three (3) years after the date of the delivery of the last Equipment in the frame of the Contract.

Calculation shall take into consideration defects not yet solved as well as those of a similar nature already solved previously, in the frame of the warranty as defined in Article 21 (Warranty).

Throughout the warranty period defined above, the Supplier shall provide an analysis and action plan to correct any Epidemic Defect that shall be notified to it by the Purchaser, within a period not to exceed five (5) working days calculated from the notification thereof sent by the Purchaser. This action plan shall be implemented within a reasonable period, to be defined mutually between the parties in relation to the nature of the Epidemic Defect.

If an Epidemic Defect affects the same part or the same Equipment in one or more Orders, the Supplier shall repair or replace or redesign all of the identical parts or Equipment that are the subject of such Order(s). The Supplier shall also bear the costs of the logistics, disassembly and re-assembly of the parts or Equipment.

If an Epidemic Defect on the same part or the same Equipment is repaired, the warranty period covering the part or Equipment shall be extended for a period of twenty four (24) months, from the date of receipt by the Purchaser of the Equipment or part thus repaired.

21.4. Reliability

Reliability targets (MTBF) are defined in the Technical Specifications attached as an Appendix to the Contract.

The Equipment shall remain covered by the warranty defined in Article 21 of the Contract as long as the reliability commitments defined in the Contract have not been reached.

22. LIABILITY

The Supplier shall indemnify the Purchaser, whether during or after the performance of the Contract, for

any damage, material and/or non-material, suffered as the result of partial or total non-performance or poor performance of the Contract for any reason for which it is liable, any loss or damage, material and/or non-material, resulting from acts or omissions of the Supplier, as well as any death and for any physical injury caused by the Supplier. The Supplier's liability shall include its sub-contractors, representatives and agents. The above compensation shall cover, where applicable, the related costs and court orders resulting from any proceedings or trial. The Supplier's staff shall be at all times recognized as representing the Supplier and shall remain under its administrative and hierarchical control.

23. INSURANCE

23.1. The Supplier shall hold insurance policies covering its civil and professional liability under the obligations defined in the Contract. These policies shall be taken out for amount appropriate with respect to the subject of the Contract.

The Supplier shall supply, upon first request from the Purchaser, certificates of insurance to cover the corresponding risks. These certificates shall indicate the amount and extent of the warranties as well as their term of validity and shall state that the payment of premiums relating thereto has been made.

23.2. The Supplier undertakes to keep its insurance policies in force as long as it is under an obligation under the terms of the Contract. Any change during the performance period covering the extent of the warranties and/or capital covered shall be notified without delay to the Purchaser and shall be subject of a new certificate that shall be sent to the Purchaser.

23.3. The Supplier ensures the existence of an appropriate product liability insurance.

24. FORCE MAJEURE

24.1. If the performance of a contractual obligation is prevented, restricted or delayed by a case of force majeure, the party on whom the obligation is incumbent shall, subject to the provisions covered in Article 24.2, be exempted from any liability resulting from this prevention, restriction or delay concerned and the deadlines it shall have been given for the performance shall be extended accordingly.

24.2. The party that is a victim of an event of force majeure shall so inform the other party in writing within five (5) working days from the occurrence of the event that constitutes force majeure and shall take every reasonable step to minimize the consequences of such a situation, especially to avoid or limit a possible delay in delivering the Equipment and/or performing the Services.

25. SUSPENSION - TERMINATION

25.1. The Purchaser reserves the right to suspend the performance of the Contract at any time through notification made by registered letter with acknowledgement of receipt sent to the Supplier. In such a case, the Supplier may claim compensation that shall be restricted to the additional expenditure duly proven that has been directly caused by the suspension, to the exclusion of any indirect and/or non-material damage including loss of profit.

25.2. Either of the parties may terminate the Contract as of right, without prejudice to the exercise of its other rights and remedies, in the case where:

a) If an event of force majeure occurs that is of such a nature as to delay the performance of the Contract by more than thirty (30) calendar days, without further formality other than the dispatch to the other party of registered letter with acknowledgement of receipt or

b) The other party fails in any of its obligations under the Contract and shall not have remedied this defect within fifteen (15) calendar days following receipt of an official notification sent by registered letter with acknowledgement of receipt from the non-defaulting party. The Purchaser may be entitled to terminate should it emerge during the course of the performance of the Contract, that the subject thereof will eventually be rejected in whole or in part, if it were to be completed.

25.3. The Purchaser may terminate the Contract for convenience with one (1) months' notice, merely by sending a registered letter with acknowledgement of receipt to the Supplier.

25.4. The Purchaser may terminate the Contract in case the contract between the Purchaser and the final customer is terminated.

25.5. In the circumstances covered in Articles 25.3 and 25.4 above, the Supplier may claim compensation from the Purchaser on condition that it has complied with its contractual obligations, representing direct, reasonable and justified costs, legitimately incurred in the performance of the Contract until the termination thereof and that the Supplier shall otherwise have no other means of avoiding or recovering them. In no case may this compensation exceed the amount of the Contract.

25.6. The Purchaser may terminate the Contract if the Supplier becomes bankrupt or insolvent or a court judgment confirms or any step is taken for the Supplier's winding up or dissolution.

25.7. If the rate of defective Equipment corresponding to an Order is higher than ten per cent (10%) of the entire delivery of the Contract, the Purchaser is entitled to reject any good delivered under the said Contract and/or to request a new delivery. At the same time the Supplier is obliged to prove on demand that it has removed the cause of the lack by measures with the production and/or construction. Further claims remain unaffected.

26. TAXES AND DUTIES

26.1. The Supplier shall be responsible for the payment of all taxes, duties and levies of any kind for which it may be liable due to the execution of the Contract.

26.2. The Purchaser shall have the right to deduct from the payments due to the Supplier under the terms of the Contract, any taxes or levies, and similar charges if the Supplier fails to remit to the Purchaser the necessary certificates covering exemption from such deductions.

27. ASSIGNMENT AND SUB-CONTRACTING

27.1. The Contract having been entered into *intuitu personae*, the Supplier, without the prior written consent of the Purchaser, may not assign it, in full or in part.

27.2. The Supplier may not sub-contract the production of the Equipment and/or Services unless the Purchaser has provided its consent in writing and in advance. The abovementioned restriction shall not apply, however, in the case of sub-contracting materials or minor elements nor to parts of the Equipment for which the sub-contractor is

designated in the Contract. Even though covered by such consent, the Supplier shall remain solely liable for all of the Equipment supplied and/or the Services performed by it and all of its sub-contractors.

27.3. The Purchaser reserves the right to have its rights and obligations under the Contract performed by itself or any other Company in the ALSTOM Group.

28. SUSTAINABLE DEVELOPMENT

The Supplier acknowledges having read and being fully aware of the Charter for sustainable development adopted by ALSTOM currently in force which is available on ALSTOM's website at the following address: www.alstom.com. It undertakes to respect the principles thereof, which comply with the United Nations "Global Compact" to which ALSTOM subscribed in 2008.

29. SEVERABILITY CLAUSE

If any provision of the Contract is/ or becomes invalid (for example illegal or otherwise unenforceable), such invalidity shall not affect the validity of any other provision of the Contract. The invalid provision shall be replaced by a mutually agreed upon lawful provision having a similar valid economic and legal effect. The same shall be valid for any gaps or omissions in the Contract.

30. APPLICABLE LAW – LITIGATION

30.1. The Contract shall be subject to German law.

30.2. If any disputes which may arise out of or in connection with the validity, the interpretation and/or execution of the Contract and which the Parties are unable to settle amicably within a period of thirty (30) days calculated from the notification of the conflict by one Party to the other, then the Parties shall be entitled to refer the matter to be finally settled in accordance with the rules and regulations of Tribunal of Braunschweig.

30.3. 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.