

Strategic Partnership Agreement

concerning cooperation between the Government of Hungary and Stadler

Entered into by and between

The **Government of Hungary**

(hereafter referred to as the "*Hungarian Government*")

represented by: State Secretary for Foreign Affairs and External Economic Relations
Péter Szíjjártó

and

Stadler Trains Hungary Limited in representation of Stadler Rail Group (1071
Budapest, Városligeti fasor 47-49. II. em. 201-1., Cg.01-09-865154, hereafter referred
to as "*Stadler*")

represented by: Managing Director *Zoltán Dunai*

(hereafter collectively referred to as the "*Parties*")

as follows:

The Hungarian Government and Stadler express their joy and satisfaction regarding the fact that economic relations and cooperation between their countries is developing according to positive trends.

It is the firm belief of the Parties that the rolling stock production and servicing activities that Stadler has established and wishes to continue developing in Hungary significantly contribute to bilateral economic and trade relations between Switzerland and Hungary.

Taking into account the Hungarian Growth Plan, aimed at boosting the Hungarian economy, and furthermore the important role played by Stadler within the Hungarian economy, the Hungarian Government and Stadler have come to the decision that they shall conclude this Strategic Partnership Agreement.

The general objectives of this Strategic Cooperation Agreement are as follows:

- the assurance of a dialogue between the Parties in the spirit of mutual trust and predictability in the interests of facilitating the long-term and continued presence of Stadler in Hungary;
- the provision of support for the expansion of Stadler's production and development activities in Hungary in the interests of their stronger linking into the Hungarian economy;

- the reinforcement of the active role undertaken by Stadler in the realisation of government economic policy aimed at increasing the performance and international competitiveness of the Hungarian economy.

The intent of the Cooperation Agreement is to intensively contribute to the preservation and further development of existing, good cooperation. The Hungarian Government hereby expresses its appreciation and satisfaction regarding the fact that it may rely on Stadler as a dependable partner in the long term.

The Parties have agreed on the following Clauses:

1. Production Development

Stadler hereby expresses its willingness – taking into account its operating profits and changes in market conditions – to endeavour to expand its production activities in Hungary during the coming years both with regard to capacity and product range.

2. Innovation/Research and Development

Stadler hereby expresses its willingness to perform research & development and innovation activities with the involvement of Hungarian educational institutions and research centres. The Hungarian Government is prepared to support and promote this objective with the instruments at its disposal.

With reference to this, the Hungarian Government hereby draws attention to the tender opportunities concerning R&D&I umbrella projects provided within the framework of the Economic Development Operational Programme, on which tenders Stadler may also participate with regard to its research and development activities after they have been published this year.

3. The development of cooperation in training; funding for training

3.1 The renewal of the regulatory background that forms the basis for cooperation in training

The Hungarian Government hereby expresses its intent to make the system for the payment of training funding more transparent, efficient and free of bureaucracy. In the interests of reforming the regulation of funding for training programs, the Hungarian Government welcomes all recommendations that are in harmony with these endeavours.

3.2 Funding for the training of new employees

The Hungarian Government welcomes Stadler's intention to train the employees that it takes on, thus making them suitable for operating the state-of-the-art machinery and equipment, while increasing their employability on the job market. As part of the renewal process mentioned in Clause 3.1, Government Decree 149/2012 (VII.6) on training funding provided on the basis of special decisions by the Hungarian Government has come into force. According to this legislation, given that the criteria included within it are met and the Hungarian Government provides its approval,

Stadler shall be eligible to receive special funding to facilitate the training of new employees.

3.3 Cooperation to facilitate the development of the vocational training system

- One of the results of the process aimed at renewing the vocational training system described in Clause 3.1. is that the Act on funding for vocational training and the development of training programs that came into force on 1 January 2012 makes it possible for Stadler – as a payee of contributions – to deduct the costs and expenses of the practical training of the vocational secondary school students it takes on from the sum paid in vocational training contributions.
- Based on Government Decree 149/2012 (VII.6), as mentioned in Clause 3.2, on the detailed regulation of training funding provided on the basis of special decisions by the Hungarian Government from the training fund section of the National Employment Fund, if authorised by the Government Stadler shall be entitled to receive funding for the establishment of training workshops and also the development of the material conditions required for practical training, providing that it undertakes the organisation and running of practical training programs within a school-like system through the signing of training agreements.

4. Cooperation within the field of supply

The Parties do hereby express their willingness to promote and develop continued cooperation with regard to the field of supply. Stadler and its suppliers shall endeavour to include Hungarian suppliers within its chain of supply, furthermore to select and test Hungarian suppliers, in which they may rely on the active and intensive support and coordinating role of the National Investment and Trade Agency (HITA), in addition to the cooperation of the City of Szolnok. The cooperation shall include the development of the supply capabilities of enterprises that operate in regional clusters, and the holding of lectures and trainings within the framework of which modern methods and procedures are introduced.

The Parties are ready to evaluate the development of cooperation regarding supply and development and to determine actual tasks on a regular basis – if possible at least every six months.

5. Stadler's participation in the public life of Szolnok

The Hungarian Government and the City of Szolnok welcome the fact that Stadler actively participates in the public life of the municipality of Szolnok and its environs, and that it is ready to support its various forms. This activity includes the fields of education, cultural and sports life, and social affairs.

6. Promotional Cooperation

As one of Hungary's most important investors, Stadler hereby expresses its willingness to introduce and popularise Hungary at an international level as an economic partner and investment destination.

7. Cooperation to reinforce Hungary's competitiveness

Stadler hereby expresses its willingness to actively participate, together with other investors, in consulting on draft legislation that influences Hungary's competitiveness, and in the activities of the Workgroups set up by the Hungarian Government to strengthen the country's competitiveness.

8. The Evaluation of Cooperation between the Hungarian Government and Stadler

It is the intention of the Parties to analyse the results of their cooperation and to determine their upcoming goals on a regular basis, meaning if possible at least once every six months. The cooperation will be coordinated on behalf of the Hungarian Government by the Ministry of National Economy and the Council of the City of Szolnok. To this effect, a joint workgroup shall be established that shall be made up of representatives from the Ministry, the local government, HITA and Stadler. The times and dates of the workgroup's sessions shall be determined by the group's leaders.

9. Miscellaneous Provisions

If it shall become necessary to make this Agreement public, then the Parties shall inform each other and coordinate in this regard prior to the document being made public.

This Agreement has been prepared in both Hungarian and English. The Hungarian language version shall be authoritative.

The Parties do hereby sign this agreement in approval on the date hereof as one being in full compliance with their respective wills. The Parties shall endeavour to settle any disputes and possible future differences of opinion with regard to this Agreement amicably and through negotiations.

Date: ____ December 2012

Date: ____ December 2012

Péter Szíjjártó

Zoltán Dunai

representing the Government of Hungary

representing Stadler