



Jeddah, 8th September 2018

Att.: D. Álvaro Senador-Gómez (General Director Al Shoula Consortium)

Copy to: Ingeniería y Economía del Transporte S.M.E.M.P., S.A. INECO,
CONSULTRANS S.A.,
Administrador de Infraestructuras Ferroviarias ADIF,
RENFE-Operadora,
OHL Construcción,
SIEMENS Rail Automation S.A.U.,
Patentes TALGO S.L.,
COBRA instalaciones y Servicios Internacional S.L.,
Instalaciones INABENSA S.A.,
INDRA Sistemas S.A.

Subject: HHR-Phase 2. Lack of Infrastructure Maintenance during CAPEX. Sand in Areas 3 & 4. Lack of Sand Mitigation measures.

Ref.: 20180908_ASC-COPASA&IMATHIA_ASC_1

Dear Sir,

We are writing to you in connection with the Contract for Phase 2 of the Haramain High Speed Railway (the "Contract") entered into between Al Shoula Consortium (the "Consortium" or "ASC") and Saudi Railway Organization ("SRO" or the "Client"), and "Consortium and Shareholders Agreement in relation to the Spanish SPV" dated 9th/10th april 2010 and their Addendum, signed by the Spanish companies members of the Consortium (the "Pacto de Accionistas" or "Acuerdo de Consorcio").

In accordance with La Granja Agreements (16th June 2013), the Infrastructure Maintenance during CAPEX Phase is being carried out by COPASA-IMATHIA and OHL on "Open Books" basis under the guidelines established by the ASC's Project Management Team, and as stated by Mr Alvaro Senador in his letter 20180125_ASC-ASC-COPASAIMATHIAOHL_1 dated January 25th 2018. This letter was answered by the above mentioned companies in their letter 20180201_OHL-COPASA-IMATHIA_ASC_1 dated February 4th 2018.

This status (Consortium's responsibility on Infrastructure Maintenance during CAPEX) will continue till the CPS-1 (23rd September) when COPASA and IMATHIA will take the responsibility of the Infrastructure Maintenance in all the stretches in operation, as per the CPS-1 Project Contracts (not yet signed).

We have found some deficiencies in those works in Areas 3 and 4, especially with respect to the correction and prevention of the adverse effects of sand in the Infrastructure as well as in the Track. These are the common

- Contaminated ballast due to the sand.
- Sand in culverts.
- Sand in drainage ditches.
- Sand Traps not completely clean of sand.
- Sand in construction roads.



- Sand in slab track.

We consider that these problems are caused not only due to a lack of maintenance but also to a lack of sand mitigation measures. We firmly request the PMT to take all the necessary measures in order to ensure that all the issues mentioned in this letter are properly solved before COPASA and IMATHIA, as Track and Infrastructure maintainers, take over these areas.

Although some of these problems are relatively easy to solve, we are very worried about the ballast contamination.

It's not our duty to allocate responsibilities but to take over the track and Infrastructure in perfect conditions before the CPS-1 and, as per all the above inferred, this is not achieved in the areas mentioned in this letter.

COPASA and IMATHIA cannot be held responsible of the consequences of the non-resolution of the above mentioned issues (interalia, an abnormal increase in the cost of the track maintenance).

COPASA and IMATHIA reserve their rights of whatever nature and to the fullest extent in connection with these issues.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "Jaime Díaz Sancho".

Jaime Díaz Sancho
Project Manager COPASA

A handwritten signature in blue ink, appearing to read "José Manuel Arisqueta Tocornal".

José Manuel Arisqueta Tocornal
Project Manager IMATHIA