

EPC Contract
December 09, 2014
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1 sz. példány

2200/T/ME/2014.
"KORLÁTOZOTT TERJEGZÉSI"
2016. július 20-ig

"Titkos!"
Erv. idő: 2014. XII. 08.
Minősítő:

"Secret!"
Erv. idő: 08. XII. 2014.
Classified:

2016. július 21.
602-F/NY/ME/2015 1kt. számú
irat alapján.

ENGINEERING, PROCUREMENT AND CONSTRUCTION (EPC) CONTRACT

Construction of Paks II Nuclear Power Plant Units 5 and 6,
Hungary

between

MVM Paks II. Nuclear Power Plant Development Private Company Limited by Shares

and

Joint-Stock Company Nizhny Novgorod Engineering Company Atomenergoproekt

Az APP. 1.15 melléklet
minősítése megfelel a
NY-ME/132/2016 1kt. számú
irat alapján. (2016. 02. 11)
Feltételekkel.

Felvétele:

Korlátozott terjesztésű!



FELJEGYZÉS:

Az irat 1 példányban történő
másolását engedélyezem.
Budapest, 2014.

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LIST OF APPENDICES APPENDED AS OF THE DATE OF THIS CONTRACT

APPENDICES 1	TECHNICAL APPENDICES
APPENDIX 1.1	Owner's technical requirements
APPENDIX 1.3	Technical Documentation (List of technical documents)
APPENDIX 1.4	Licensing and permitting plan
APPENDIX 1.5	Project Management and organization
APPENDIX 1.8	Operation, Operator's Training and Simulator
APPENDIX 1.9	Site layout
APPENDIX 1.11	Quality management
APPENDIX 1.12	Contractor's Scope of Supply
APPENDIX 1.13	Owner's Scope
APPENDIX 1.15	Procurement Policy
APPENDIX 1.17	Commissioning and Trial Operation
APPENDIX 1.18	Guarantees and Warranties
APPENDIX 1.19	Initial Data to be provided by Owner to Contractor
APPENDIX 1.20	Applicable Standards
APPENDICES 2	APPENDICES RELATED TO IMPLEMENTATION
APPENDIX 2.1	Defects Liability Bank Guarantee Form
APPENDIX 2.1.3	Form of Provisional Take-over Certificate
APPENDIX 2.3	Form of Final Take-over Certificate
APPENDIX 2.4	Form of certificate for goods site incoming inspection
APPENDIX 2.5	Project Schedule
APPENDIX 2.7	Payment Event Certificate Form
APPENDIX 3	BREAKDOWN OF CONTRACT PRICES
APPENDIX 3.1	Contract Price

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APPENDIX 4.1	Form of Closing Certificate
APPENDIX 4.5/1	Form of Legal Opinion A
APPENDIX 4.5/2	Form of Legal Opinion B
APPENDIX 4.5/3	Form of Legal Opinion C
APPENDIX 4.5/4	Form of Legal Opinion D
APPENDIX 4.7	Form of Bank Guarantee
APPENDIX 4.8	Form of Parent Company Guarantee
APPENDIX 4.9	Form of Escrow Agreement (Source Code)
APPENDIX 4.10	DAB Rules

LIST OF APPENDICES APPENDED AT A LATER DATE

APPENDIX 1.2	Contractor's Detailed Technical Offer (Description) (incorporated by reference)
APPENDIX 1.6	Business Travelling Conditions for Owner's Specialists
APPENDIX 1.7	Business Travelling Conditions for Contractor's Specialists
APPENDIX 1.21	Insurance conditions
APPENDIX 3.2	Payment Schedule
APPENDIX 3.4	Payment terms and procedure
APPENDIX 4.3	IP List
APPENDIX 4.11	Comfort Letter

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ENGINEERING, PROCUREMENT AND CONSTRUCTION (EPC) CONTRACT

This EPC Contract (the "**Contract**") is made on 09 December 2014 in Budapest, Hungary between

(1) MVM Paks II. Nuclear Power Plant Development Private Company Limited by Shares, a company under the laws of Hungary, with company registration number 17 10 001282, having its registered office at Gagarin street 1, Paks, Hungary 7030 (the "**Owner**") duly represented herein by (chief executive officer), on the one hand, and

(2) Joint-Stock Company Nizhny Novgorod Engineering Company Atomenergoproekt (JSC NIAEP), a company under the laws of the Russian Federation, with company registration number 1075260029240, having its registered office at Roshad Svobody 3, Nizhny Novgorod, Russia, 603006, the Russian Federation (the "**Contractor**") duly represented herein by (senior vice-president), on the other hand, and each of the parties to be hereinafter referred to as the "**Party**", and the Owner and the Contractor together the "**Parties**",

on the following terms and conditions:

RECITALS

- A. The Government of the Russian Federation and the Government of Hungary have entered on 14 January 2014 into the agreement on cooperation in peaceful use of nuclear energy and on 28 March 2014 into the agreement on the extension of a state credit to the Government of Hungary for financing of the construction of nuclear power plant in Hungary, in accordance with which the Government of the Russian Federation and the Government of Hungary agreed to cooperate to further maintain and develop the capacity of the Paks nuclear power plant, including designing, constructing, commissioning and decommissioning of two new units 5 and 6 with VVER (pressurized water reactor) type reactors, having each at least 1000 MW, and with the purpose to substitute the operating units 1 to 4, which will be decommissioned in the future.
- B. In accordance with the agreement on cooperation in peaceful use of nuclear energy of 14 January 2014, the Government of the Russian Federation and the Government of Hungary agreed to cooperate in supporting the modernization, reconstruction and decommissioning of the operating power units 1 to 4 of the Paks nuclear power plant, including the supply of new equipment, maintenance, repair and modernization of systems and equipment, works on extending service life of the power units, consultations on technical issues and works on decommissioning of the power units after expiration of their service life time.
- C. Pursuant to the terms of the agreement on cooperation in peaceful use of nuclear energy of 14 January 2014, the Government of the Russian Federation and the Government of Hungary agreed that the Russian competent authority and/or the Russian authorized organization on the one hand and the Hungarian competent authority and/or the Hungarian authorized organization on the other hand, shall enter into implementation agreements with respect to development of capacity of the Paks nuclear power plant.

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- D. MVM Paks II. Nuclear Power Plant Development Private Company Limited by Shares was designated by the Hungarian competent authority as the Hungarian Authorized Organization and is the Owner under the Contract. The Owner belongs to the MVM Group which is one of the leading groups in the business of production, distribution and sale of electricity in Central Europe and the largest energy group in Hungary. The Owner is envisaged to be the future licensee and operator of Units 5 and 6.
- E. Joint Stock Company Nizhny Novgorod Engineering Company Atomenergoproekt (JSC NIAEP) was designated by the Russian competent authority as the Russian authorized organization and is the Contractor under the Contract. The Contractor belongs to the State Atomic Energy Corporation Rosatom which is one of the leading groups and the largest energy group in the Russian Federation.
- F. This Contract is intended to constitute an Implementation Agreement under Article 9 of the agreement on cooperation in peaceful use of nuclear energy of 14 January 2014. The Parties declare and acknowledge that they intend the Contract to be concluded in execution of the above mentioned intergovernmental agreements and they intend that this Contract complies with its terms.

1. DEFINITIONS, INTERPRETATION AND APPENDICES

Unless otherwise stipulated by this Contract the following terms and phrases shall have the meanings assigned to them in the present Article:

"Absolute Guarantee" means the minimum or maximum level of the respective parameters as set out in Appendix 1.18.

"Affiliate" means, in respect of any person, any other person that, directly or indirectly, through 1 (one) or more intermediaries, controls, is controlled by, or is under common control with such person. For the purposes of this definition control means direct or indirect ownership of more than fifty percent (50%) of the outstanding capital stock or other equity interests having ordinary voting power or any power to control resulting in the same result without actual ownership.

"Antiquities" means all fossils, antiquities, structures and other relics, objects or things which have archeological, artistic, monetary or religious value, discovered at the Site or in the process of Project Implementation and performance of the Services at the Site.

"Applicable Laws" means any mandatory laws, including any laws of Hungary, the Russian Federation, or any other country whose laws may be or may become applicable with respect to this Contract, laws of the EU and EURATOM, and any other mandatory laws, including any tax laws, international contracts, agreements, conventions, acts, statutes, treaties, ordinances, contracts, subordinate acts, judgments, decrees, licenses and Authority Approvals or any similar form of decision or determination by, or any written interpretation or administration of, injunctions, writs, orders, rules, regulations (including applicable mandatory technical standards), interpretations, or other applicable administrative, executive, judicial, legislative, policy, regulatory or taxing actions, any of the foregoing by any Authority having jurisdiction over a Party (as to that Party), the Project, the Project Implementation, the Site, the transmission of electricity, as the same is in force on the

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Effective Date, and any amendments or modifications thereto in accordance with Applicable Laws, all in accordance with Article 11 of the Cooperation International Agreement.

"**Applicable Standards**" means the applicable codes, rules, guidelines and any other standards applicable to the Project as per Appendix 1.20.

"**As-built Documentation**" means the set of documents prepared by the Contractor according to the results of the Services at the Site or according to results of inspections, tests and measurements of certain Project Implementation phases.

"**Authority**" means any international, national, state, local, regional or municipal authority, ministry, government agency, judicial or administrative authority or other government authority, with jurisdiction over the Owner or the Contractor or the Guarantor, any activity engaged in by the Owner or the Contractor, as well as the Project, Facility and Services, and includes any third party to whom the powers of such an authority are delegated to, all in accordance with Article 11 of the Cooperation International Agreement.

"**Authority Approval**" means any authorization, consent, license, permit or other form of approval by, or from, any Authority whether or not held, or to be held, in the name of the Owner or the Contractor relating to the Project Implementation, ownership, occupation, engineering, construction, start up, commissioning, testing, fuelling of the Facility or to the execution or performance of this Contract, including the construction license.

"**Availability Guarantee**" means the Unit Capability Factor to be achieved by each of Unit 5 and Unit 6 during the Evaluation Period as specified in Appendices 1.1 and 1.18.

"**Bank Guarantees**" means the payment securities in accordance with Clauses 13.1-13.10.

"**Basic Design**" means documentation comprising text and graphical parts containing the data related to the Project, description of adopted technical and other decisions, clarifications, references to normative and (or) technical documents utilized in development of design documentation as well as calculation results justifying taken decisions, as specified in Appendix 1.3.

"**Business Day**" means any day of the week from Monday through Friday, exclusive of legal holidays in the Russian Federation or Hungary.

"**Change in Legislation**" means, after the Effective Date:

- (a) the enactment, adoption or promulgation of any new Applicable Laws of Hungary;
- (b) the revocation, material modification, material amendment, material extension, material alteration or repeal of any existing Applicable Laws of Hungary;
- (c) the imposition of a requirement or non-customary material condition from an Authority or for an Authority Approval in Hungary;

- (d) after the grant of a final Authority Approval, a material change in the terms or conditions attaching to that Authority Approval or to the interpretation or application of the Authority Approval or the addition of any material terms or conditions in Hungary, except if such change was requested by the Contractor or its subcontractors; or
- (e) any Authority Approval in Hungary that has been granted ceasing to remain in full force and effect or, if granted for a limited period, not being renewed on a timely basis on application for renewal being duly made, or being renewed on terms or subject to conditions that are materially less favorable to the Contractor than those attached to the original Authority Approval.

"Closing Certificate" means the joint certificate of the Contractor and the Guarantor to be delivered by the Contractor, and eventually by an assignee under Clause 37.4, materially in the form of Appendix 4.1.

"CO" means the Swiss Code of Obligations of 30 March 1911 as published in the classified compilation under number 220.

"Comfort Letter" means a comfort letter issued by the Prime Minister's Office of Hungary in its capacity as the legal person designated to exercise all proprietary rights and obligations vested in the state of Hungary over the Owner as per ministry decree 45/2014 (XI.14.) NFM to the effect that the Prime Minister's Office will procure that the Owner and the Államadósság Kezelő Központ Zrt. (Government Debt Management Agency Private Company Limited by Shares or the "ÁKK") complies with its obligations under this Contract, in the form of Appendix 11 hereto.

"Commissioning Works", "CW" means the process within Project Implementation, during which the Unit systems elements and/or Unit systems and/or the Facility made operational and verified to be fully functional in compliance with design parameters and the Owner's Requirements upon the completion of the erection of the respective part of them.

"Completion Date for Phase 1" means December 31, 2017.

"Completion Date for Unit 5" means December 31, 2024.

"Completion Date for Unit 6" means December 31, 2025.

"Completion Dates" means the Completion Date for Phase 1, the Completion Date for Unit 5 and the Completion Date for Unit 6, collectively.

"Concealed Works" means works concealed by follow-up work and structures, the quality and accuracy of which are impossible to define after execution of follow-up work.

"Confidential Information" has the meaning given to it in Article 30.3

"Construction Works" means the works on the erection of buildings and structures which include a set of actual construction works, works on arrangement of basements, foundations and supporting structures, including for Goods, as well as auxiliary, transportation and other works associated with the erection of buildings and structures.

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"Contract" means this contract as set out in Clause 2.1.

"Contract Price" means an agreed amount in Euro as consideration for all of the Contractor's obligation under this Contract, including but not limited to the Contractor's Scope of Supply, the design, execution and completion of the Services and the initial Nuclear fuel supply (first loads and first reloads for the Facility) and the remedying of any defects and includes adjustments, if any, and including the predicted inflation (escalation) until the Completion Dates, all in accordance with this Contract.

"Contractor" means the Joint-Stock Company Nizhny Novgorod Engineering Company Atomenergoproekt (JSC NIAEP), as well as its legal successors.

"Contractor's Equipment" means all equipment, machinery, tools, apparatuses, vehicles and, devices to be delivered by the Contractor and the Subcontractors to the Site in the process of the Project Implementation and required for the Project Implementation the title to which is not transferred to the Owner under the Contract."

"Contractor Permits" means the permits to be acquired by the Contractor as a licensee in its own name and at its own cost in accordance with Clause 22.16.

"Contractor's Personnel" means the Contractor's Representative, the Technical Manager and all personnel whom the Contractor utilizes, who may include the staff, labour and other employees of the Contractor and of each Subcontractor.

"Contractor's Representative" means the person named by the Contractor in the Contract or appointed from time to time by the Contractor under Clause 18.9, who acts on behalf of the Contractor.

"Contractor's Scope of Supply" means a non-exclusive list of the Contractor's obligations, including, but not limited to, the design, the execution, performance and the completion of the Services, the Project Management, the nuclear fuel first load supply and 1 (one) subsequent reload for each of Unit 5 and Unit 6 in terms of the execution of Phase 1 and Phase 2 (Fuel Provisions of the EPC Contract), the remedying of Defects, the supply of Spare Parts and other Contractor's obligations stipulated by this Contract, all pursuant to and in accordance with the Owner's Requirements as all these may be listed in Appendix 1.12.

"Cooperation Intergovernmental Agreement" means the agreement between the Government of Hungary and the Government of the Russian Federation on cooperation in the field of peaceful nuclear energy use of 14.01.2014 as the same is promulgated into the laws of Hungary as Act II of 2014.

"Cost" means all expenditure reasonably incurred (or to be incurred), whether on or off the Site, including overhead and similar charges, but does not include profit.

"DAB" means the persons so named in the Contract, or other person(s) appointed under the Clause 28.5.

"Defect" means a failure of the Services, Goods or any part thereof, to meet the express requirements of the Contract in the sense of the CO.

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„Defects Liability Bank Guarantee for Unit 5” means the bank guarantee as per Article 13.

„Defects Liability Bank Guarantee for Unit 6” means the bank guarantee as per Article 13.

„Defects Liability Period” means the relevant period specified in Article 14.6.

„Detailed Design” means the Technical Documentation based on the Basic Design and the Owner’s Requirements and developed for the Construction Works.

„Detailed Technical Offer (Description)” means the detailed technical offer (Description) of the Contractor to the Owner in response and pursuant to the Owner’s Requirements in accordance with the Cooperation Intergovernmental Agreement.

„Detailed Time Schedule” (“DTS”) means the schedule of level 3 detail – covering the period of no less than one year - elaborated by the Contractor for the performance of the Project Implementation and detailing the activities covered in DTS on a lower level.

„Dispute” means the dispute as per Clause 28.3.

„Effective Date” means January 01, 2015.

„Engineer” means the company specified in Article 18 or Article 19.

„Evaluation Period” means the 36-(thirty-six)-month period from the date of the Provisional Takeover Certificate issuance.

„EU” means the European Union.

„EURATOM” means the European Atomic Energy Community.

„Existing Plant” means, for the purposes of this Contract, the power units 1-4 of the Paks nuclear power plant.

„Facility” means collectively Unit 5 and Unit 6.

„Final Takeover Certificate” means the document in the form of Appendix 2.3.

„Financial Intergovernmental Agreement” means the Agreement between the Government of the Russian Federation and the Government of Hungary on the extension of a state credit to the Government of Hungary dated 28 March 2014 as the same is promulgated into the laws of Hungary as Act XXIV of 2014.

„Force Majeure” has the meaning given to it in Clause 31.1.

„Fuel Provisions of the EPC Contract” means certain fuel provisions of, and referred to in, Article 28 of the Fuel/Spent Fuel Contract as incorporated herein by reference.

„Fuel/Spent Fuel Contract” means the agreement between the Parties pursuant to the Cooperation Intergovernmental Agreement.

„Functional Guarantees” means the technical parameters specified in Appendix 1.18.

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“Good Engineering Practice” means the entirety of requirements, set out in standards, specifications, codes, regulatory and industrial guidelines, as well as generally acknowledged engineering and design methods and practices of regulatory compliance, safety, efficiency, protection of environment and operability, applicable by highly professional, prudent, experienced, properly qualified and competent contractors with respect to design, erection, operation, and/or maintenance of facilities similar to the Facility, regardless, whether specified in this Contract, as applicable for the relevant time period.

“Goods” means all equipment, machines, machinery, goods, materials, articles, softwares or things of every kind to be manufactured, procured, supplied and installed by the Contractor under the Contract (including the Spare Parts, as well), required for the ordinary, safe, undisturbed operation of the Facility (which is in accordance with the Applicable Standards, Applicable Law and the provisions and requirements of the Contract) as the case may be, regardless, whether they are specified in Contract, however the Contractor's Equipment are excluded.

“Guarantor” means State Atomic Energy Corporation Rosatom.

“Guaranteed Performance” means the parameters specified in Appendix 1.18.

“Guarantee Tests” means the Unit tests to be carried out to ascertain whether the Facility is able to attain the values, all in accordance with Appendix 1.18.

“Hazardous Substances” means any hazardous wastes, materials, substances, toxic substances, contaminants or pollutant, including but not limited to the following: radioactive substances, oil or oil products, asbestos in any form, transformers or other equipment containing an excess of polychlorinated biphenyls (PCB) as dielectric liquid, exclusive of Nuclear Fuel, as regulated by the Applicable Laws or the Applicable Standards.

“Implementation Agreements” means the agreements to be entered into by the Parties pursuant to the Cooperation Intergovernmental Agreement, ie this Contract, the Fuel/Spent Fuel Contract and the O&M Contract.

“In-house Rules” means the rules supplied by the Owner as applicable to the Project as listed in Appendix 1.20 as in force on the Effective Date, and any amendments or modifications thereto in accordance with the Applicable Laws or the Applicable Standards but not being part of either the Applicable Laws or the Applicable Standards.

“Indemnities” means the Contractor or the Contractor's Personnel for the purposes of Article 15.

“Integrated Overall Time Schedule” or **“IOTS”** means the schedule of level 2 detail elaborated by the Contractor as per Article 20.2 describing all activities of the Project Implementation for their breakdown into separate operations; establishment of the initial and final date, logic connections and reserve time periods.

“Intellectual Property” means any and all worldwide rights and results of intellectual activity and means of individualization equivalent to them (intellectual property) including, but not limited to, copyright, design rights, utility models, database rights, trademarks, patent

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rights and inventions (whether patentable or not), industrial property or proprietary, trade names, business names, domain names and know-how to be detailed in Appendix 4.4.

"KKS number" means a unique identification code by the designer of the Facility to each object, building, system or element to be used by all the participants in the Project. The code is applied in accordance with KKS identification system (KSS identification system developed by Technical Committee of Industries Association VGB-KWT GmbH, Germany).

"Legal Opinions" means the four legal opinions in the form of Appendices 4.5/1-4.5/4 hereto.

"MEKH" means Magyar Energetikai és Közműszabályozási Hivatal (in English: Hungarian Energy and Public Utility Regulatory Authority).

"Milestone Event" means the event, the achievement, the fact, upon which the Contractor has the right to receive the corresponding Contract Price amount specified in the Payment Schedule.

"Notice to Proceed for Phase 2" means the notice specified in Clause 8.2.

"Nuclear Damage" has the meaning set forth in the Vienna Convention.

"Nuclear Fuel" means a general term for fuel assembly, fuel rod or fuel pellet that contains nuclear materials as all of these are defined in the Fuel/Spent Fuel Contract.

"OAH" means Országos Atomenergia Hivatal (in English: Hungarian Atomic Energy Authority).

"Owner" means MVM Békai II. Nuclear Power Plant Development Private Company Limited by Shares, as well as its legal successors.

"Owner Acquired Permits" means those Authority Approvals that are to be acquired by the Owner in its own name, as the same permits are listed in Clause 22.17.

"Owner Permits" means the permits to be acquired by the Owner in its own name and at its own cost in accordance with Clause 22.15..

"Owner's Personnel" means the Owner's Representative, the Engineer and all other staff, labor and other employees and subcontractors and employees of subcontractors of the Owner and any other personnel notified to the Contractor, by the Owner or the Owner's Representative, as Owner's Personnel.

"Owner's Representative" means the person named by the Owner in the Contract or appointed from time to time by the Owner under Clause 18.2 who acts on behalf of the Owner.

"Owner's Requirements" means Appendix 1.1.

"Owner's Scope" means Appendix 1.13.

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"O&M Contract" means the agreement between the Parties pursuant to the Cooperation Intergovernmental Agreement.

"Parent Company Guarantee" means the guarantee contained in Clauses 13.11-13.12.

"Payment Documentation" means an invoice for any installment of the Contract Price together with the underlying Payment Event Certificate and all commercial documents enclosed with such Payment Event Certificate substantiating performance by the Contractor of the delivery of the goods, works and services pertaining to the Project. For the avoidance of doubt, this Payment Documentation serves as the collection documents referred to in Article 2 of the Financial Intergovernmental Agreement.

"Payment Event Certificate" means the written document executed by the Owner and delivered to the Contractor subsequent to each Payment Milestone approving performance of the Contractor, to be made out principally in the form as set out in Appendix 2.7.

"Payment Milestone" means the connected technical milestones, the performance of which is so defined in the Payment Schedule (Appendix 3.2).

"Payment Schedule" means the document appended as Appendix 3.3 hereto.

"Performance Bank Guarantee of Phase 1" means the payment security specified in Article 13.

"Performance Bank Guarantee of Phase 2" means the payment security specified in Article 13.

"Phase" means any of 1 and 2, and **"Phases"** are 1 and 2 collectively.

"Phase 1" means the specific phase in the Project Implementation specified in Clause 8.1.

"Phase 2" means the specific phase in Project Implementation specified in Clause 8.2.

"Phase 1 Commencement Date" means the date specified in Article 8.1.

"Phase 2 Commencement Date" means the date specified in the Article 8.2.

"Procurement Policy" means the rules of procurement applicable to this Contract attached as Appendix 1.15 hereto.

"Progress Report" means the report specified in Clause 20.4.

"Project" means the maintaining and development of the capacity of the Existing Plant , including designing, the turn-key implementation at the Site, commissioning of the Facility and Defect remedying under this Contract, including any and all necessary systems auxiliaries and initial supply and first reload of nuclear fuel subject to the conditions set out in the Cooperation Intergovernmental Agreement, as well as the terms and conditions of necessary permits, approvals and licenses, based on the VVER-1200 reactor type, all in accordance with the Owner's Requirements.

"Project Act" means the act substantially identical with bill No. T/2250 introduced to the Hungarian Parliament and any amendment to it and any implementation decree stipulated by such Project Act.

"Project Implementation" means the entirety of Contractor's activities in Phase 1 and Phase 2, respectively, including but not limited to all design and engineering, procurement, mobilization, Site preparation, delivery, storage, construction, erection, pre-assembly, training, Commissioning, initial supply and first reloads of Nuclear Fuel, Trial Operation and testing necessary for the perfect implementation of the Facility, remedying Defects, and further any and all required and related additional work and actions, whether set out in this Contract or not, including but not limited to Site security, waste removal and preparatory works to be provided by the Contractor.

"Project Schedule" means the multi-level system that includes OTS, IOTS and DTS.

"Provisional Takeover" means the process as stipulated in Article 26.

"Provisional Takeover Certificate" means the certificate stipulated in Appendix 2.1.3.

"Reference Plant" means the nuclear power plant designed as per Russian project AES-2006E which is referenced as the Leningrad NPP-2 for the purposes of Clause 5.5.

"Related Works Contractor" means a subcontractor of the Owner who performs works in the Owner's Scope.

"Services" means any and all operations, activities required, in addition to provision of Goods, for the Project Implementation, to be provided in accordance with the requirements of this Contract, irrespective whether they are specified in the Contract.

"Site" means the area specified in Appendix 1.9 and 1.13.

"Source Code" means the symbols and formal representations of the software that are transparent, readable and understandable for experts, and are used as a source for automatic compilation of the executable machine code.

"Spare Parts" means (i) the spares, including to the wear parts, required in order to achieve the Unit Capability Factor of the Facility and (ii) the special tools required for the Owner's maintenance activities, to be delivered by the Contractor under the Contract.

"Subcontract" means the agreement between the Contractor and the Subcontractor for the purposes of the Project Implementation by the Contractor.

"Subcontractor" means any subcontractor, vendor, supplier or consultant engaged by the Contractor for the purposes of the Project Implementation.

"Tax" means all taxes levied or deducted pursuant to any Applicable Law including, all taxes and duties, social insurance taxes, employment taxes and duties together with any related interest, penalties, fines and other statutory charges imposed by any Authority.

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"Technical Documentation" means all documents of technical matter (including design models) to be submitted by the Contractor in accordance with and as specified by the Contract.

"Technical Documents" means the calculations, computer programs and other software, drawings, manuals, models and other documents of a technical nature developed and supplied or to be developed and supplied by the Contractor under the Contract and, as the case may be, approved by the Owner, including but not limited to document already appended to this Contract.

"Technical Manager" ("felelős műszaki vezető" in Hungarian) means a person appointed by the Contractor, as defined by the Applicable Laws.

"Temporary Installations" means all buildings, structures, workshops, plants etc. of any kind, which will not be the part of the Facility, the title to which is not transferred to the Owner under the Contract.

"Unit" means either of Units 5 or Unit 6.

"Unit 5" means a fully functional power plant unit with VVER-1200 pressurized water reactor to be implemented by the Contractor (save for Owner's Scope) including:

- a nuclear island;
- a turbine island;
- all systems, auxiliary systems, structures and components, required for proper safe and reliable operation of Unit 5 exclusively;
- further all systems, auxiliary systems, structure and components (including buildings such as all administrative facility and amenity), which are common for the Units and required for proper, safe and reliable operation of those.

"Unit 6" means a fully functional power plant unit with VVER-1200 pressurized water reactor to be implemented by the Contractor (save for Owner's Scope) including:

- a nuclear island;
- a turbine island;
- all systems, auxiliary systems, structures and components, required for proper, safe and reliable operation of Unit 6 exclusively.

"Unit Capability Factor" or **"UCF"** means values representing the availability of Unit 5 / Unit 6 calculated as specified in Clause 2.2.7 of Appendix 1.1.

"Variation" means any change to the Owner's Requirements or the Goods and the Services, which is instructed or approved as a variation in accordance with Article 32.

"Vienna Convention" means the Vienna Convention on Civil Liability for Nuclear Damage dated 21 May 1963.

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Definitions applicable to the Appendices and not defined herein shall be respectively specified in the Appendix concerned.

2. INTERPRETATION

- 2.1 The Parties section, the Recitals, the Articles and the Fuel Provisions of the EPC Contract and the Appendices of this Contract together shall form the Contract and all of the foregoing shall be referred to as the "Contract".
- 2.2 The Parties agree that notwithstanding that the Fuel Provisions of the EPC Contract are not set out in this Contract but in a separate document (The Fuel/Spent Fuel Contract), nevertheless they shall be incorporated herein by reference and then form part of this Contract fully as if the same had been set out in this Contract, including but not limited to the rights and obligations and liabilities of the Parties under this Contract, and all of such provisions forming part of the Contractor's obligations under this Contract fully covered by the Contract Price under this Contract, and all Fuel Provisions of the EPC Contract shall have the meaning and shall be interpreted in conjunction with the provisions under this Contract. The Parties agree and confirm that they would not have entered into this Contract without the Fuel Provisions of the EPC Contract forming part of this Contract.
- 2.3 The List of Appendices Appended at Signing indicates specifically the appendices that were agreed to and signed by the Parties and were appended to this Contract at the date of this Contract. Appendices in the List of Appendices Appended at a Later Date shall be appended to this Contract in accordance with Clause 38.4.1, and Appendix 1.2 (Detailed Technical Offer (Description)) shall be incorporated herein by reference.
- 2.4 The Parties agree that they shall negotiate, agree to, supplement, duly sign in accordance with Clause 38.6 and append Appendix 3.2 regarding the supplemented and completed Payment Schedule on or before June 29, 2015, with the agreed contents that the number of technical milestones will be between 2.000 (two thousands) – 3.000 (three thousands) until the Completion Date for Unit 6 and the number of Payment Milestones shall not exceed 10 (ten) per annum. The Parties shall not deviate from the provisions of this Clause in Appendix 3.2.
- 2.5 The priority of the documents forming this Contract, also meaning the priority of documents in case of discrepancy between the same, shall be determined as follows:
- 2.5.1 the Closing Certificate;
- 2.5.2 the Articles of this Contract and the Fuel Provisions of the EPC Contract together;
- 2.5.3 the Owner's Requirements appended as Appendix 1.1;

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- 2.5.4 the Guarantees and Warranties appended as Appendix 1.18;
- 2.5.5 the Contract Price appended as Appendix 3.1;
- 2.5.6 the Payment Schedule appended as Appendix 3.2;
- 2.5.7 the Payment terms and procedure appended as Appendix 3.4;
- 2.5.8 the Project Schedule appended as Appendix 2.5;
- 2.5.9 the Applicable Standards appended as per Appendix 1.20;
- 2.5.10 the Procurement Policy appended as per Appendix 1.15;
- 2.5.11 the Insurance conditions appended as per Appendix 1.21;
- 2.5.12 the IP List appended as Appendix 4.3;
- 2.5.13 the Owner's Scope appended as per Appendix 1.13;
- 2.5.14 the Contractor's Scope of Supply appended as Appendix 1.12;
- 2.5.15 the Quality Management appended as per Appendix 1.11;
- 2.5.16 the Project Management and organization appended as per Appendix 1.5;
- 2.5.17 the Commissioning and Trial Operation appended as per Appendix 1.17;
- 2.5.18 the Operation, Operation's Training and Simulator appended as per Appendix 1.8;
- 2.5.19 the Technical Documentation (List of technical documents) appended as per Appendix 1.3;
- 2.5.20 the Site layout appended as per Appendix 1.9;
- 2.5.21 the Initial Data to be provided by Owner to Contractor appended as per Appendix 1.19;
- 2.5.22 the Licensing and permitting plan appended as per Appendix 1.4;
- 2.5.23 the DAB Rules appended as Appendix 4.10;

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- 2.5.24 the Business Travelling Conditions for Owner's Specialists appended as Appendix 1.6;
- 2.5.25 the Business Travelling Conditions for Contractor's Specialists appended as Appendix 1.7;
- 2.5.26 the Detailed Technical Offer (Description) appended as per Appendix 1.2.
- 2.6 All documents forming this Contract as per Clause 2.1 above are intended to be complementary and mutually explanatory of one another. This Contract shall be read as a whole. If either Party discovers any ambiguity or discrepancy in or between any provision(s) of this Contract and/or any document, it shall notify the other Party of the ambiguity or discrepancy as soon as reasonably practicable. The Parties shall negotiate to resolve such ambiguity or discrepancy in a reasonable period of time.
- 2.7 Unless set out otherwise in this Contract, when the Contract refers to any Applicable Laws or Applicable Standards, the Applicable Law or Applicable Standard applicable at any given time shall be applied.
- 2.8 Unless otherwise expressly specified, references to articles, clauses, appendices shall be interpreted as references to corresponding articles, clauses, appendices of this Contract, as amended, novated, supplemented, varied or replaced from time to time.
- 2.9 The phrase "including" should be understood as "including but not limited to"; the phrase shall not have a restrictive meaning.
- 2.10 If numerical values expressed numerically and/or in words are contradictory, the values expressed in words should be considered correct.
- 2.11 References to persons include their legal successors and permitted assigns.
- 2.12 Words importing the singular also include the plural and vice versa.
- 2.13 Words denoting any particular gender include all genders.
- 2.14 References containing terms such as "hereof," "herein," "hereto," "hereinafter," and other terms of like import are not limited in applicability to the specific provision within which such references are set forth but instead refer to this Contract taken as a whole.
- 2.15 A reference to an Authority includes an entity that succeeds to substantially the same functions as those performed by such public body as of the date of this Contract.
- 2.16 A reference to the term "date of this Contract" is a reference to the date when this Contract is concluded.

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- 2.17 The term "purpose" for the purposes of Clause 7.3 (ii) and the term "fit for the purposes" in this Contract means: to construct and complete the Facility that shall fulfill all the requirements and safety functions stipulated in this Contract and the Authority Approvals and shall also be in accordance with the Owner's Requirement (Appendix 1.1) and Detailed Design which Facility will include all other systems, structures and components (SSC) which are necessary for the reliable and economical operation of the Facility as defined in this Contract, and in compliance also with the requirements of the technical parameters defined in Appendix 1.18 to this Contract.
- 2.18 The definition of the term „outdated” and the term “outdated technologies” for the purposes of Clause 5.6 in this Contract is: the solutions or installation of systems structures and components that are obsoleted, have disappearing manufacturing background or have doubtful industrial operational experiences. To avoid the application of outdated technology the implementation of the achievements of the latest technological developments also having the best industrial operational experience shall be considered, eg. state of the art solutions, systems, structures and components shall be used.
- 2.19 Use of the term "day" or "days" always refers to calendar days unless otherwise specified.
- 2.20 Use of the term "week" or "weeks" always means seven calendar days starting from a Monday.
- 2.21 Use of the term "month" or "months" always means the actual Gregorian calendar month of the month concerned.
- 2.22 Use of the term "year" or "years" always refers to the number of days of the year concerned in accordance with the Gregorian calendar, unless otherwise specified.
- 2.23 Provisions including the words such as "certify", "certified", "consent", "accepted", "acceptable", "approval", "approved", "agree", "agreed", "agreement", "review", "release" or "return" require the action to be communicated in writing.
- 2.24 Words "written" or "in writing" means hand-written, type-written, printed and duly signed and in case of proper electronic signature duly signed and coded and transmitted electronically, and in each case resulting in a permanent record.
- 2.25 Except as explicitly otherwise provided for in this Contract, the Contractor's obligations shall be construed so as to result in the Project Implementation in full compliance with this Contract and the Applicable Laws and the Applicable Standards.
- 2.26 Subject to the provisions of this Contract, the Contractor shall be solely responsible for the manner in which the Contract is performed. All employees and the Subcontractors engaged by the Contractor in the framework of the

Project Implementation shall be under the complete control of the Contractor and shall not be deemed to be the employees or the agents of the Owner, and no provisions of this Contract shall be construed to create any contractual relationship between any such employees on the one hand and the Owner on the other hand.

- 2.27 Any waiver of a right or claim that a Party is entitled to under this Contract must be made in writing, must be dated and duly signed by the Party granting such waiver, with the exact specification of the right or claim, as well as the extent to which it is being waived.
- 2.28 Except as provided otherwise in this Contract the Owner's approval of any activity performed or document provided by the Contractor serves the sole purpose of reviewing of and commenting on the Contractor's performance of this Contract and, to the maximum extent possible under Applicable Laws and regardless of any Owner's fault by granting such approval, any such Owner's approval shall not in any way establish any liability for the Owner. The Owner's approval does not exempt the Contractor from its liabilities and responsibilities under this Contract and no reference shall be made thereon.

3. NOTICES AND LANGUAGE

- 3.1 All notices under this Contract shall be drawn up in writing and sent to the address specified or amended by the receiving party in or in accordance with this Contract, by hand-delivery or by a courier.
- 3.2 Delivery date of any notice hand delivered or sent with courier service shall be considered delivered upon delivery (against receipt). Upon the notice of the Party of another address, communications thereafter shall be delivered accordingly.
- 3.3 The Notice to Proceed for Phase 2, any Variation, suggestion, request or offer regarding any Contract Price adjustment, as well as any notice which states a Contract or obligation breach, the submission of a claim, the waiver of a right or the verification of rights, as any approval, acceptance, instruction or certification under this Contract shall be in writing and be hand-delivered or delivered by a courier in accordance with Clauses 3.1 and 3.2.
- 3.4 This Contract is made in the English language and unless otherwise provided for in this Contract, all communications, correspondence, notices, instructions, documents to be given or permitted under this Contract shall be in the English language or provided with an English translation. However, except as otherwise provided for in this Contract or agreed upon by the Parties the construction log-book entries and the Operating and Maintenance Manuals shall be provided in the English and the Hungarian languages; the language of the minutes associated with Authority supervisions, the identification plates of all technology system and equipment and any other indication of information on the equipment and the indications and information that appear on the

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control system (work stations and engineering stations), the latter only after the trial operation, shall be in the Hungarian language.

The Contractor shall remain responsible for the accuracy, adequacy, consistency or otherwise for the quality of the text of such Operating and Maintenance Manuals, minutes, identification plates or other indications made in the Hungarian language.

- 3.5 Any and each item of the Technical Documentation or other Technical Documents As-built Documents required for nuclear safety related applications for Authority Approvals in accordance with Appendix 1.4 shall be provided in the English language accompanied by a translation into the Hungarian language and the Contractor shall not be responsible for the accuracy, adequacy, consistency or otherwise for the quality of such translation into the Hungarian language. All other Technical Documents required for applications for Authority Approvals other than nuclear safety related documents shall be in the Hungarian language.

4. SUBJECT MATTER

- 4.1 The subject matter of this Contract is the turn-key implementation of the Facility at the Site for the Contract Price by the Completion Dates in accordance with the Contract and pursuant to the Owner's Requirements.
- 4.2 The Parties declare that the Owner delivered the Owner's Requirements, appended to this Contract as Appendix 1.1, to the Contractor prior to the signing of this Contract and the Contractor undertakes to deliver to the Owner the Detailed Technical Offer (Description) to be appended hereto as Appendix 1.2 in response and pursuant to the Owner's Requirements in accordance with Clause 38.4.2.
- 4.3 When completed the Project shall (i) meet any and all nuclear safeguards and nuclear safety requirements as set out in the Applicable Laws and Applicable Standards and relevant international regulations, codes, guidelines of any kind and achieve the highest level of nuclear, operational and technological safety in the Contractor's professional judgment and without prejudice to Article 32, as applicable, and (ii) be a complete, ready-to-operate, operable and operationally safe, maintainable and reliable plant which is able to cope with all hazards associated with the operation thereof, all details being optimized in terms of nuclear and operational safety, functional and economic perspective and (iii) be fit for the purposes for which it was intended as defined in this Contract.
- 4.4 The Parties shall act in good faith and with mutual respect and shall cooperate with each other in the course of the fulfillment of their obligations under this Contract.

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5. CONTRACTOR'S OBLIGATIONS

- 5.1 The Contractor undertakes to fulfill all its obligations necessary for the turn-key implementation of the Facility under this Contract in accordance with Appendix 1.1, except for the obligations of the Owner under this Contract as set forth in Appendix 1.13. The Contractor's obligations include, but are not limited to, the performance of the Contractor's Scope of Supply and shall include all obligations set out in the Appendices of this Contract or the Fuel Provisions of the EPC Contract. In addition, and in order to avoid any misunderstanding, the Contractor's obligations are not restricted to the obligations stipulated in this Article 5 or in Appendix 1.12.
- 5.2 The Contractor shall fulfill its obligations by the Completion Dates in a competent and professional manner and in accordance with the Contract, the Owner's Requirements, and the Applicable Standards and the Project Schedule and the Applicable Laws, as the same may be amended from time to time.
- 5.3 When completed, the Services and the Goods and the Facility shall be fit for the purposes for which the Services are intended as defined in the Contract. The Services shall include any work which is necessary to satisfy the Owner's Requirements, or is implied by the Contract, and all works which (although not mentioned in the Contract) are necessary for the stability or for the completion or safe and proper operation of the Services.
- 5.4 The Contractor shall observe the regulations of nuclear safeguards, nuclear safety, labour-, fire- and environmental protection at the Site, as set forth in the Applicable Laws and the Applicable Standards and the In-house Rules as furnished by the Owner. A change in the In-house Rules, if applicable, shall be deemed a Variation as per Article 32.
- 5.5 The Reference Plant solutions may be used in case if such solutions are not included in the Owner's Requirements, provided that such solutions are in compliance with the Applicable Laws applicable in Hungary and the Applicable Standards and they do not affect the Contract Price in any manner.
- 5.6 The Contractor shall proceed in accordance with Good Engineering Practice and shall supply and apply during the Project Implementation such technologies related to which the Contractor or the supplier of the technology provides support for at least 5 (five) years. The use of outdated technologies, unless approved by the Owner in the Detailed Engineering Design, and the Goods used for another project or on display or used Goods is not permitted. The Contractor shall be responsible for the adequacy, stability and safety of all the Site operations and for all methods of construction and of all the Services.
- 5.7 The Contractor shall, whenever reasonably required by the Owner in writing, submit details of the arrangements and methods which the Contractor proposes to adopt for the execution of the Services. No significant alteration to these

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arrangements and methods shall be made without the same having been previously notified to the Owner.

- 5.8 The Contractor shall set out the Services in relation to original points, lines and levels of reference specified in the Contract. The Contractors shall be responsible for the correct positioning of all parts of the Services, and shall rectify any error in the positions, dimensions or alignment of the Services.
- 5.9 The Contractor shall be the general contractor solely responsible for the Project Implementation, its control and coordination. The Contractor shall coordinate and shall be fully responsible for the activities of the Subcontractors and shall provide, within its competence as specified herein, assistance to the Owner and the Owner's Personnel.
- 5.10 The Contractor shall exert best efforts to elaborate, and inform the Owner on proposals aiming at cost-effective and faster Project Implementation.
- 5.11 The Contractor shall provide the Owner with the Technical Documentation in accordance with Appendix 1.3.
- 5.12 Upon the Owner's reasonable request, the Contractor shall make reasonable efforts in providing the Owner with available data, information, documents necessary for the execution of the Owner's Scope by the Owner.
- 5.13 The Contractor shall ensure the presence on Site at any working time of a sufficient number of the Contractor's Personnel of suitable qualification, skills and experience necessary for performing the Services on Site.
- 5.14 The Contractor shall comply with all applicable safety regulations, take care for the safety of all persons entitled to be on the Site, use reasonable efforts to keep the Site and the Services in Hungary clear of unnecessary obstruction so as to avoid danger to these persons, provide fencing, lighting, guarding and watching of the Services until completion and provide any temporary works (including roadways, footways, guards and fences) which may be necessary, because of the execution of the Services, for the use, as applicable and protection of the public and of the owners and occupiers of adjacent land, subject to Article 15.
- 5.15 The Contractor shall institute an integrated management system to demonstrate compliance with the requirements of this Contract. The integrated management system shall be in accordance with the details stated in this Contract. The Owner shall be entitled to audit any aspect of the integrated management system. Details of all procedures and compliance documents of the integrated management system shall be submitted to the Owner for information before each design and execution stage is commenced. When any document of a technical nature is issued to the Owner, evidence of the prior approval by the Contractor itself shall be apparent on the document itself.

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- 5.16 Compliance with the integrated management system shall not relieve the Contractor of any of its duties, obligations or responsibilities under the Contract.
- 5.17 Prior to building in or covering certain work parts, the Contractor shall notify the Owner at such a time which enables the Owner to exercise its right of inspection.
- 5.18 The Contractor shall ensure that the Owner may exercise its right of inspection at any time at the Site, and if off-Site then according to the applicable rules and policies, if any.
- 5.19 The Contractor shall obtain, at its risk and cost, any additional facilities outside the Site which it may require for the purposes of the Services.
- 5.20 The Contractor shall be responsible for the provision of all power, water and other services it may require. The Contractor shall, at its risk and cost, provide any apparatus necessary for its use of the services (except apparatus to be provided by the Owner as per Appendix 1.13) and shall pay all fees therefor.
- 5.21 The Contractor shall not interfere unnecessarily or improperly with the convenience of the public, or the access to and use and occupation of all roads and footpaths, irrespective of whether they are public or in the possession of the Owner or of others. The Contractor shall indemnify and hold the Owner harmless against and from all damages, losses and expenses (including legal fees and expenses) resulting from any such unnecessary or improper interference.
- 5.22 The Contractor shall be deemed to have been satisfied as to the suitability and availability of access routes to the Site. The Contractor shall use reasonable efforts to prevent any road or bridge from being damaged by the Contractor's traffic or by the Contractor's Personnel. These efforts shall include the proper use of appropriate vehicles and routes.
- 5.23 Except as otherwise stated in this Contract the Contractor shall (as between the Parties) be responsible for any maintenance which may be required for its use of access routes; the Contractor shall provide all necessary signs or directions along access routes, and shall obtain any permission which may be required from the relevant authorities for its use of routes, signs and directions; the Owner shall not be responsible for any claims which may arise from the use or otherwise of any access route, the Owner does not guarantee the suitability or availability of particular access routes, and Costs due to non-suitability or non-availability, for the use required by the Contractor, of access routes shall be borne by the Contractor.
- 5.24 Unless otherwise stated in this Contract the Contractor shall give the Owner not less than 7 (seven) days' notice of the date on which any Goods or a major item will be delivered to the Site; the Contractor shall be responsible for packing, loading, transporting, receiving, unloading storing and protecting all Goods and other things required for the Services.

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- 5.25 The Contractor shall be responsible for the Contractor's Equipment. When brought on to the Site, the Contractor's Equipment shall be deemed to be exclusively intended for the execution of the Services.
- 5.26 The Contractor shall, in accordance with the Applicable Laws and the Applicable Standards, take all steps to protect the environment (both on and off the Site) and to limit damage and nuisance to people and property resulting from pollution, noise and other results of its operations.
- 5.27 The Contractor shall ensure that emissions, surface discharges and effluent from the Contractor's activities shall not exceed the values indicated in the Owner's Requirements, and shall not exceed the values prescribed or allowed by Applicable Laws and the Applicable Standards.
- 5.28 The Contractor shall confine its operations to the Site, and to any additional areas which may be obtained by the Contractor and agreed by the Owner as working areas. The Contractor shall take all necessary precautions to keep the Contractor's Equipment and the Contractor's Personnel within the Site and these additional areas, and to keep them off adjacent land. During the execution of the Services, the Contractor shall keep the Site free from all unnecessary obstruction, and shall store or dispose of any Contractor's Equipment or surplus Goods. The Contractor shall clear away and remove from the Site any wreckage, rubbish and temporary Services which are no longer required.
- 5.29 The Contractor shall leave the Site and the Services in a clean and safe condition. Upon the issuance of the Provisional Takeover Certificate the Contractor shall remove the Contractor's Equipment from the Site.
- 5.30 All Antiquities found on the Site shall be placed under the care and authority of the Owner. The Contractor shall take reasonable precautions to prevent the Contractor's Personnel or other persons from removing or damaging any of the Antiquities. The Contractor shall, upon the discovery of any Antiquities promptly give notice to the Owner, who shall issue instructions for dealing with them. If the Contractor suffers delay and/or incurs Cost from complying with the instructions, the Contractor shall give further notice to the Owner, and shall be entitled subject to Clause 28.2 to an extension of time for any such delay if completion is or will be delayed under Clause 33.2.2 and, subject to Clause 28.2, can claim Costs. After receiving this further notice the Owner shall proceed in accordance with Clause 6.13 to agree or determine these matters.
- 5.31 Until the Provisional Takeover of Unit 6, the Contractor shall make available at the Site of at least 1 (one) full set of the Technical Documents and any other documentation required to be kept by the Applicable Laws and the Applicable Standards in relation to the Project Implementation, and shall grant access to all such documentation to the Owner at all reasonable times upon request and without delay. The Owner shall have the right to use and make copies of all such documentation and the Contractor shall be obliged, upon reasonable

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request, to provide the Owner with electronic copies of such documentation, where available. The Contractor shall be responsible to store such documents both in the course of the Project Implementation and thereafter, for the expected lifetime of the Facility plus 20 (twenty) years, and make the same available to the Owner upon its request. Should the Contract be terminated before the expected lifetime of the Facility plus 20 (twenty) years, the Contractor shall (a) hand over to the Owner all Technical Documents and any other documentation required to be kept by the Applicable Laws and the Applicable Standards in relation to the Project Implementation in accordance with Article 36.6.5 or (b) continue to store a copy of all these documents until the statutory documents retention period as per the Applicable Laws expires, and (c) at the end of such statutory documents retention period hand over to the Owner all documents stored as per (b) above.

- 5.32 The Contractor shall guarantee that any acts with wastes not relating to Hazardous Substances formed during the performance of the Services on the Site prior to the Provisional Takeover, including their transportation, use and storage on the Site, shall comply with Applicable Laws and the Applicable Standards.
- 5.33 The Contractor shall ensure that all Goods and Services for the Project Implementation will be procured in accordance with the Procurement Policy.
- 5.34 The Contractor shall ensure the supplied Goods to be free from rights of the Contractor or of any third parties at the time of the transfer of ownership title to it to the Owner.
- 5.35 The Contractor shall be responsible for ensuring that no Goods shall be subject to any chattel mortgage, charge, mortgage, liens whatsoever, conditional sales contract, or security agreement under which any interest or lien is retained, by the time of the transfer of the title to the Owner.
- 5.36 The Contractor shall, as a condition to any payment, provide a statement to the Owner to the effect that some Goods is free from any Owner- and/or third party interest or lien before the ownership title of the same is transferred to the Owner and also before the payment for such Goods is required to be made by the Owner.
- 5.37 The Contractor shall be ready and willing to supply to the Owner the Spare Parts manufactured or supplied by the Contractor for the expected lifetime of the Facility. If the Contractor intends to discontinue the supply of any of the spare parts under the Contract, the Contractor shall send a written notice to the Owner on (a) the expected time of stoppage, leaving sufficient time for the Owner to obtain the necessary stocks, (b) the proposed suppliers of genuine and/or alternative Spare Parts suppliers, and (c) sufficiently detailed information on the relevant Spare Part to the Owner to make sure that the Owner can take the necessary measures to procure such a Spare Part. In case of discontinuation of the supply of Spare Parts by the Contractor for any reasons, the Contractor shall exert best efforts to propose alternative Spare

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Part suppliers that are able to offer the conditions listed in Clauses 5.37.1-5.37.3 below. The Contractor:

- 5.37.1 shall send its Spare Parts catalogues and price lists regularly, free of charge to the Owner not less frequently than every 12 (twelve) months, furthermore, its price lists within 2 (two) weeks following every change in the prices;
- 5.37.2 shall supply the Spare Parts to the Owner at the most favourable prices and under the most favourable conditions offered to its customers; and
- 5.37.3 warrants that the supplied Spare Parts shall always be interchangeable and identical with or superior to the quality of the parts installed in the original Goods.
- 5.38 The documentation supplied with the Goods and major parts shall indicate the expected lifetime of the Goods and major parts thereof and contain a list of priced Spare Parts thereto specified by the manufacturer. Should the Contract be terminated before the expected lifetime of the Facility plus 20 (twenty) years, the Contractor shall (a) hand over to the Owner all Technical Documents and any other documentation required to be kept by the Applicable Laws and the Applicable Standards in relation to the Project Implementation in accordance with Article 36.6.5, or (b) continue to store a copy of all these documents until the statutory documents retention period as per the Applicable Laws expires, and (c) at the end of such statutory documents retention period hand over to the Owner all documents stored as per (b) above.
- 5.39 The Contractor shall coordinate the activities of the Contractor's Personnel under its obligations for coordination pursuant to the Applicable Laws and the Applicable Standards on labour safety so that the safety and health of the workers and persons staying in the range of the work activities will not be endangered. In the framework of coordination, the affected workers and labour safety representatives as well as the persons staying in the range of the work activities shall be informed particularly about the risks to their health and safety and about the measures of prevention.
- 5.40 The Contractor shall be responsible for ensuring that all Hazardous Substances transported to or from, moved, or used or stored at the Site in connection with the on-Site Project Implementation, are transported, moved, used or stored in accordance with the Applicable Laws and Applicable Standards. Any costs of investigation, clean up, transportation, treatment, storage or disposal of Hazardous Substances shall be the sole responsibility and expense of the Contractor.
- 5.41 The Contractor shall be responsible for ensuring that all waste generated during the on-Site Project Implementation and all waste transported to or from, moved or used or stored within the scope of the Project Implementation, is handled in accordance with the Applicable Laws and the Applicable Standards.

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- 5.42 The Contractor shall not unreasonably disturb and interfere with the works of the Related Works Contractors. The Contractor shall cooperate with the Related Works Contractors to a reasonable extent, and perform its obligations stipulated in this Contract independently from the works of the Related Works Contractors.

6. OWNER'S OBLIGATIONS AND ADMINISTRATION

- 6.1 The Owner shall fulfill all obligations set out in this Contract and in the Owner's Scope in Appendix 1.13, at its own expense.
- 6.2 The Owner shall hand over the Site to the Contractor free of charge in accordance with this Contract from the date of the Notice to Proceed for Phase 2 until the Provisional Takeover of Unit 6 in compliance with the Site regulations to be furnished to the Contractor. However, the Owner may withhold such handover of the Site until the Performance Bank Guarantee of Phase 2 has been received. If the Contractor suffers delay and/or incurs Cost as a result of failure of the Owner to hand over the Site in accordance with this Clause, the Contractor may be entitled to extension of time in accordance with Clause 33.2.3 or, subject to Clause 28.2, to claim its Costs.
- 6.3 The Owner shall make the Site available to the Contractor free from unreasonable interference in its use by the Contractor, assure reasonable rights of ingress and egress to and from the Site for the Contractor for the performance of the Project Implementation, and inform the Contractor of all licenses, easements or other agreements the Owner has entered into regarding the Site and access to the Site that affect the Contractor or its performance of the Project Implementation. If the Contractor incurs Costs as a result of a failure by the Owner to give any such right or possession of the Site, the Contractor shall be entitled to claim its Costs pursuant to Clause 28.2.
- 6.4 The Owner shall provide reasonable assistance to the Contractor in obtaining the Contractor Permits required by the Applicable Laws of Hungary or the Applicable Standards required for the fulfillment of the Contractor's obligations of the Project Implementation.
- 6.5 The Owner shall perform its payment obligations in accordance with Clause 9.15, Appendix 3.2 (Payment Schedule) and Appendix 3.4 (Payment Terms and Procedure).
- 6.6 The Owner shall protect the perimeter of the Site at its own expense during the whole period of the Project Implementation, including during the Defects Liability Period in accordance with the Applicable Laws. Accordingly, the Owner shall provide fencing, lighting, guarding and watching of the Services and provide, to this effect, temporary works (including roadways, footways, guards and fences). The Owner shall be responsible for keeping unauthorized persons off the Site. Authorized persons shall be limited to the Contractor's Personnel and the Owner's Personnel and any other personnel notified to the Owner by the Contractor as authorized personnel of the Contractor on the Site.

- 6.7 The Owner shall be entitled to perform its works set out in Appendix 1.13 by Related Work Contractors. The Owner shall coordinate and shall be fully responsible for the activities of the Related Works Contractors. The Owner shall notify the Contractor in advance of the engagement of any Related Works Contractors.
- 6.8 The Owner shall obtain and maintain the insurances to be obtained and maintained by the Owner under Article 17 and in compliance with Appendix 1.21.
- 6.9 In cooperation with Hungarian Authorities, the Owner shall be responsible for keeping unauthorized individuals off the Site in accordance with the Site regulations to be furnished to the Contractor.
- 6.10 The Owner shall be responsible to provide visa support for the Contractor's Personnel until the date Appendix 1.7 is finalized as per Clause 38.6.
- 6.11 The Parties agree that notwithstanding that it is not the Owner's obligation under the Owner's Scope the Owner will provide housing to the Contractor's Personnel against payment by the Contractor under an arrangement of the Parties outside the scope of this Contract.
- 6.12 The Owner may issue to the Contractor instructions which may be necessary for the Contractor to perform its obligations under the Contract. Each instruction shall be given in writing and shall state the obligations to which it relates and the Clause (or other term of the Contract) in which the obligations are specified. If any such instruction constitutes a Variation, then Article 32 shall apply. The Contractor shall take such instructions from the Owner or from the Owner's Representative.
- 6.13 Whenever this Contract provides that the Owner shall proceed in accordance with this Clause 6.13 to agree or determine any matter, the Owner shall consult with the Contractor in an endeavour to reach agreement. If agreement is not achieved, the Owner shall make a fair determination in accordance with the Contract, which determination in the view of the Owner takes due regard of all relevant circumstances. The Owner shall give notice to the Contractor of each agreement or determination, with supporting particulars. Each Party shall give effect to each agreement or determination, unless the Contractor gives notice, to the Owner, of its dissatisfaction with a determination within 14 (fourteen) days of receiving it. Either Party may then refer the dispute to amicable settlement of disputes in accordance with Clauses 28.3-28.4 and/or DAB and/or arbitration, as the case may be, in accordance with Clauses 28.5-28.14.

7. INFORMATION PROVIDED BY OWNER

- 7.1 The Contractor shall be deemed to have scrutinized the Owner's Requirements Appendix 1.1 and any data and information provided by the Owner in relation to the Site and its suitability for the Project Implementation until December

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01, 2015. Any other data and information to be provided by the Owner shall be scrutinized by the Contractor until October 16, 2016. The Contractor may request extension of time pursuant to Article 33 until (i) December 01, 2015 with respect to data and information provided by the Owner in relation to the Site and its suitability for the Project Implementation and until (ii) October 16, 2016 with respect to any other data and information provided or to be provided by the Owner to the Contractor, in both cases with the exception of the Owner's Requirements.

The Contractor shall promptly notify the Owner if in its opinion the Owner's Requirements (including design criteria and calculations) or any data or information provided by the Owner is not accurate, complete or otherwise not appropriate. The Contractor shall be liable for any loss or damage arising out of the failure to notify the Owner accordingly. The Contractor shall be responsible for the design and the Project Implementation of the Services and the supply of the Goods and the Nuclear Fuel and in case that the Contractor does not notify the Owner as prescribed above, shall be liable for the accuracy and completeness of the Owner's Requirements (including design criteria and calculations) or any data or information provided by the Owner, except as set out in Clause 7.3 of the Contract. In case the Contractor notified the Owner of the inaccuracy, incompleteness or other inappropriateness of the Owner's Requirements or any data or information provided by the Owner, and such notification was disregarded by the Owner, the Owner shall be liable for such Owner's Requirements, data and information.

7.2 The Parties acknowledge that the Owner had made available to the Contractor for its information, prior to the date of the delivery of the Detailed Technical Offer (Description) to the Owner, all relevant historical data in the Owner's possession on subsurface and hydrological conditions at the Site, including environmental aspects as set out in Appendix 1.19. The Owner shall similarly make available to the Contractor all such data which come into the Owner's possession after the date of this Contract. The Contractor shall be responsible for verifying and interpreting all such data in accordance with this Article 7. The Owner shall have responsibility for the accuracy, sufficiency or completeness of such data in accordance with Clause 7.3.

7.3 The Owner shall be responsible for the correctness of the following portions of the Owner's Requirements and of the following data and information provided by the Owner: (i) data and information which are stated in the Contract as being immutable or the responsibility of the Owner as set out in Appendix 1.19, (ii) definitions of intended purposes of the Goods and Services or any parts thereof, (iii) criteria for the testing and performance of the completed Services, and (iv) data and information which cannot be verified by the Contractor, except as otherwise stated in the Contract.

7.4 The Contractor warrants to the Owner that the provisions of this Article 7 are specifically agreed to by the Contractor and the Contractor has agreed to such provisions in consideration for the Contract Price.

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7.5 If the Contractor, while performing a review or check contemplated by Clause 7.2, identifies any inadequacy, inconsistency, omission or error in the Owner Information or any inadequacy or insufficiency of the Site Conditions, it shall promptly notify the Owner, setting out in such notice:

7.5.1 details of the inadequacy, inconsistency, omission or error in the Owner Information or the inadequacy or insufficiency of the Site Conditions; and

7.5.2 the Contractor's proposal for resolving or correcting such inaccuracy, incompleteness, inadequacy, error or omission, or inadequacy or inconsistency.

8. WORK EXECUTION PERIODS AND COMPLETION DATES

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9. **CONTRACT PRICE AND PAYMENT TERMS AND PROCEDURE**

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10. TAXES

- 10.1 Unless otherwise expressly provided for in this Contract, all Taxes imposed on the Contractor by any Authority within the territory of the Russian Federation in connection with the fulfillment of its obligations by this Contractor under this Contract, including the Taxes relating to engagement of Subcontractors, shall be paid by the Contractor at its cost.
- 10.2 Unless otherwise expressly provided for in this Contract, all Taxes imposed on the Contractor by any Authority within the territory of Hungary in connection with the fulfillment of its obligations by the Contractor under this Contract, including the Taxes relating to the engagement of Subcontractors within the territory of Hungary, shall be paid by the Contractor at its cost.
- 10.3 It is understood that pursuant to the current value added tax laws in Hungary Contractor's services under this Contract and so the Contract Price invoiced by the Owner falls under zero-rate import regime or, as the case may be, under reversed value added tax regime and, consequently, the Contract Price charged by the Contractor does not include value added tax. Should, however, the Contractor be obliged by the Applicable Laws of Hungary for whatever reason to charge, collect and pay value added tax in Hungary, the amount of such value added tax shall be added upon the amount of the Contract Price. In this case, the sum of value added tax shall be included in the Contractor's invoices as a separate entry and shall be payable by the Owner to the Contractor. Owner understands that any such value added tax falls beyond the scope of the Financial Intergovernmental Agreement and shall be covered by Owner.

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Should the value added tax so charged be recoverable or deductible, the Parties agree that each of them shall make its best efforts to recover or deduct such tax for the benefit of the ultimate payer of such tax.

- 10.4 All Taxes imposed on the Owner by any Authority within the territory of Hungary in connection with the fulfillment of obligations by the Owner under this Contract shall be paid by the Owner at its cost.
- 10.5 Each Party bears its own responsibility for filing data regarding calculation and payment of the Taxes to the Authority of any state in accordance with the Applicable Laws.
- 10.6 If the Applicable Laws provide for the possibility to decrease, deduct or refund Taxes because of tax exemption, tax return, set-off or for any other legal reason, and such possibility is conditional upon filing data or documents, upon the request of one Party the other Party shall take all reasonable actions to provide the documents and data required by the first Party for using the possibility to decrease Taxes.

11. LIQUIDATED DAMAGES

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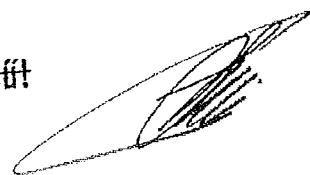
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12. GENERAL LIMITATION OF LIABILITY

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13. BANK GUARANTEES, PARENT COMPANY GUARANTEE

Provision of Bank Guarantees

- 13.1 Clauses 13.2-13.4 shall be applicable to all Bank Guarantees under this Article.
- 13.2 The Contractor shall provide Bank Guarantees in favour of the Owner issued by a bank acceptable for the Owner, at the times, in the amounts, in the form and manner set forth in this Article 13.
- 13.3 In case
- 13.3.1 there is any delay of the Project Implementation, or an extension of time pursuant to Article 33 or the general Defect Liability Period is extended, or the issuance of the Final Takeover Certificate of Unit 5 or Unit 6 fails to take place for any reason, or
- 13.3.2 if in the Owner's reasonable opinion a delay of the Project Implementation against the milestones under the Project Schedule or an extension of the general Defect Liability Period is likely to occur, as the case may be, the Contractor shall promptly upon the Owner's written notice and at its own expense; or
- 13.3.3 procure that the term (validity) of the Bank Guarantees delivered to the Owner be extended to fully cover the time period, as extended by the aforesaid delays or extensions, in respect of which that particular Bank Guarantee has been delivered; or
- 13.3.4 replace the Bank Guarantees delivered to the Owner to Bank Guarantees that fully cover the time period, as extended by the aforesaid delays or extensions, in respect of which that particular bank guarantee has been delivered,
- all such actions to be completed on or before 30 (thirty) days prior to the expiry of the original Bank Guarantees. Should the Contractor fail to provide for such extension or replacement of Bank Guarantees, the Owner shall be entitled to draw the entire amount of the respective Bank Guarantee and require for the re-provision of the respective Bank Guarantee.
- 13.4 The Owner shall not make any claim under the Bank Guarantees, except as set out in Clause 13.3 above or for amounts to which the Owner is entitled under this Contract in the event of:
- 13.4.1 failure by the Contractor to pay the Owner an amount due, as either agreed by the Contractor within 30 (thirty) days after such agreement or determination,

13.4.2 failure by the Contractor to remedy a default within 30 (thirty) days after receiving the Owner's notice requiring the default to be remedied,

13.4.3 circumstances which entitle the Owner to termination of this Contract under Article 36, irrespective whether notice of termination has been given.

Performance Bank Guarantees

13.5 Not later than December 02, 2015 and as a prerequisite to continue the Phase 1 Project Implementation after December 01, 2015, the Contractor shall provide a Performance Bank Guarantee for the proper performance of this Contract in the amount of 15 (fifteen) percent of the Contract Price for Phase 1, the validity of which shall expire on the 30th (thirtieth) day of the date of the Completion Date for Phase 1.

13.6 As a prerequisite of the Phase 2 Commencement Date, the Contractor shall provide a Performance Bank Guarantee for the proper performance of the Contract in the amount of 15 (fifteen) percent of the Contract Price for Phase 2, the validity of which shall expire on the 30th (thirtieth) day of the date of the Completion Date for Unit 6. The Contractor may decrease the value of the Performance Bank Guarantee to be provided under this Clause by fifty percent upon the issuance of the Provisional Takeover Certificate for Unit 5.

13.7 The Bank Guarantees to be delivered pursuant to Clauses 13.5-13.6 shall be issued in EUR, materially in the form as set out in Appendix 4.7 hereto.

Defects Liability Bank Guarantees

13.8 30 (thirty) days prior to the Completion Date for Unit 5, the Contractor shall provide the Defects Liability Bank Guarantee for the proper performance of the Contractor's obligations during the general Defect Liability Period for Unit 5 in the amount of 15 (fifteen) percent of the Contract Price for Unit 5 with a validity up to the 30th (thirtieth) day after the date of the issuance of the Final Takeover Certificate of Unit 5.

13.9 30 (thirty) days prior to the Completion Date for Unit 6, the Contractor shall provide the Defects Liability Bank Guarantee for the proper performance of the Contractor's obligations during the general Defect Liability Period for Unit 6 in the amount of 15 (fifteen) percent of the Contract Price for Unit 6 with a validity up to the 30th (thirtieth) day after the date of the issuance of the Final Takeover Certificate of Unit 6.

13.10 Each of the Defects Liability Bank Guarantees to be delivered pursuant to Clauses 13.8-13.9 shall be issued in EUR and materially in the form as set out in Appendix 2.1.1 hereto.

Parent Company Guarantee

13.11 In addition to the Bank Guarantees described in this Article the Contractor shall provide for a Parent Company Guarantee, satisfactory to the Owner, whereby the State Atomic Energy Corporation ROSATOM, having its registered address at 119017, Moscow, Bolshaya Ordynka Ul., 24, Russian Federation, duly guarantees to the Owner the due performance of any and all obligations of the Contractor under this Contract.

13.12 The Parent Company Guarantee to be delivered pursuant to Clause 13.11 shall be issued in EUR materially in the form as set out in Appendix 4.8 hereto.

14. DEFECTS LIABILITY

14.1 In addition to the warranties under the Applicable Laws and this Contract, the Contractor hereby contractually warrants that the Facility is and will be, upon the issuance of the Provisional Takeover Certificate, in compliance with the Applicable Laws and the Applicable Standards and the requirements stipulated in this Contract, and that at all times it is free from any and all Defects and incompleteness until the expiry of the Defects Liability Period.

14.2 All remedy work required in order to comply with Clause 14.1 shall be executed at the risk and cost of the Contractor, if and to the extent that the remedy work is attributable to:

14.2.1 the design of the works, or

14.2.2 the Goods, or workmanship not being in accordance with the Contract, or

14.2.3 the improper operation or maintenance which was attributable to matters for which the Contractor is responsible, or

14.2.4 failure by the Contractor to comply with any other obligation.

If and to the extent that such remedy work is attributable to any other cause, the Owner shall give notice to the Contractor accordingly, and Article 32 shall apply.

14.3 By the expiry date of the relevant Defects Liability Period for each of Unit 5 and Unit 6, or as soon as practicable thereafter, the Contractor shall:

14.3.1 complete any work which is outstanding on the date stated in the respective Provisional Takeover Certificate, or in its attachments, and

14.3.2 execute all work required to remedy Defects or damage due to Defects as may be notified by the Owner on or before the expiry date of the respective Defects Liability Period for Unit 5 or Unit 6.

14.4 If a Defect appears or damage occurs, the Owner shall notify the Contractor accordingly. Upon identifying a problem that might be caused by a Defect the Owner shall promptly notify the Contractor and convey information on its

nature as well as all relevant evidence. The Owner shall allow the Contractor to examine the Unit or part of it (on Contractor's discretion) that might contain Defects within the time limits agreed with the Owner. The Contractor shall, within the reasonable time limits agreed with the Owner, remedy any Defects in a manner determined at the Contractor's sole discretion and in accordance with the requirements of this Contract.

- 14.5 The Contractor shall, upon notification by the Owner on or before the expiry date of the relevant Defects Liability Period, remedy such Defects at its own risk and cost if and to the extent that the Defect is attributable to the design of the Services, the Goods or workmanship or the performance of any of Contractor's obligations pursuant to this Contract not being in accordance with the Contract, or failure by the Contractor to comply with any other obligation under this Contract.
- 14.6 Except as otherwise provided in this Contract the duration of the general Defects Liability Period within which the Contractor shall correct the Defects shall be 36 (thirty six) months from the date of Provisional Takeover Certificate. The terms and conditions of the specific Defects Liability Period are set out in Part 1.18.3 of Appendix 1.18 and the Owner's Requirements. The specific Defects Liability Period shall be applicable only within the scope and meaning of Appendix 1.18 and shall not be interpreted to apply to other provisions of this Contract.
- 14.7 Nothing in Clauses 14.5-14.6 above regarding the duration of the general or specific Defect Liability Period, shall affect the Contractor's liability for Defects pursuant to the Applicable Laws and the Applicable Standards. However, if the duration of the respective general or specific Defects Liability Period is longer for a Defect under this Contract than that set out in some Applicable Law or Applicable Standard then the longer period shall apply.
- 14.8 Notwithstanding anything to the contrary in Clauses 14.5-14.7, the Owner shall be entitled to an extension of the respective Defects Liability Period, subject to Clause 28.1, to the remedy of Defects to the extent, if
- 14.8.1 the Defect in machinery or electrical parts cannot reasonably be detected and identified without the execution of the relevant scheduled inspection or overhaul in accordance with the maintenance manual to be provided by the Contractor (the "relevant preventive maintenance action"); and
- 14.8.2 no relevant preventive maintenance action is scheduled during the applicable Defects Liability Period; and
- 14.8.3 such Defect is detected and identified in the course of the relevant preventive maintenance action, and the Owner has notified the Contractor thereon within two (2) months of the completion of such relevant preventive maintenance action.

- 14.9 The Owner shall be entitled to an extension of the Defects Liability Period for the period of the shutdown, subject to Clause 28.1, if the Facility cannot be operated by reason of a Defect or damage due to Defect, and also, the validity of the respective Defects Liability Bank Guarantee shall be extended accordingly. However, a Defects Liability Period shall not be extended more than 3 (three) years.
- 14.10 Should any part of the Facility be repaired or replaced pursuant to this Article 14, the respective Defects Liability Period shall commence anew but shall not exceed 56 months from the issuance of the Provisional Takeover Certificate for the relevant Unit.
- 14.11 If the expected lifetime of any Goods or any part thereof including the wearing parts, is shorter than the relevant Defects Liability Period, the Contractor shall provide for due replacement of such Goods or such part thereof not later than the last day of the expected lifetime at no cost to the Owner during the relevant Defects Liability Period.
- 14.12 The Contractor shall not be liable under this Article 14 to the extent that the Defect is the result of
- 14.12.1 the operation of the Services or the Goods in deviation from the operation manual supplied by the Contractor unless such deviation results from incorrect instructions and training provided by the Contractor under this Contract; or
- 14.12.2 the maintenance of the Services or the Goods in deviation from the maintenance manual supplied by Contractor, unless such deviation results from incorrect instructions and training provided by the Contractor under this Contract;
- 14.13 The Contractor may, upon its reasonable request, have an access to relevant records of operational maintenance for analyzing the reason of the Defect occurred.
- 14.14 The Contractor shall as soon as practically possible, but, except as otherwise consented by the Owner, not later than three (3) days of the receipt of the notice referred to in Clause 14.4 submit to the Owner its preliminary proposal for the next steps for the organization of remedying of the Defect and damage for approval, which approval shall not be unreasonably withheld or delayed.

The Contractor's preliminary proposal shall contain, inter alia,

- 14.14.1 the date of the arrival of the Contractor's equipment manufacturer's personnel who evaluate the Defect and, if the Owner notified the Contractor of an operational problem regarding the Unit which might be caused by the Defect, investigate the root of the problem;

- 14.14.2 any other steps/measures deemed necessary by the Contractor.

Upon the evaluation of a Defect, the Contractor shall, within reasonable time, develop the Defect rectification program which shall include all measures to be taken, the reasoning and timing thereof, the method of trouble shooting, the cause, and, if necessary, the root cause analysis. Should the approval of such rectification program proposal be refused by the Owner, the duly corrected rectification program proposal shall be re-submitted to the Owner for approval, except as otherwise approved by the Owner, within three (3) days of the receipt of such refusal notice. In case of refusal, by the Owner, of such corrected rectification program proposal, the Owner shall be entitled itself to provide for making good such Defect and damage at the costs and risk of the Contractor (simultaneous notice to be sent to the Contractor), and such making good shall be deemed to be remedy by the Contractor. The Owner's costs associated with such work shall be reimbursed by the Contractor.

Should the problem be caused by a reason, other than a Defect attributable to the Contractor then, subject to Clause 28.2, the Contractor shall be entitled to (i) reimbursement of the cost for investigating the cause of the problem and (ii) the work on rectification of such problem shall be considered a Variation and Article 32 shall apply.

- 14.15 The Parties hereby acknowledge that the Owner's response to the Contractor's program proposal as per Clause 14.14 above may be subject to the prior consent, approval or permit, as the case may be, of the relevant Authorities.
- 14.16 If the Defect or the damage cannot be remedied expeditiously on the Site, the Contractor is entitled to remove the defective or damaged Goods or its defective or damaged parts from the Site for the purposes of the repair of such items, subject to the Owner's prior written approval, which shall not be unreasonably withheld or delayed. The Owner's approval may require the Contractor to increase the amount of the respective Defects Liability Bank Guarantee by the full replacement cost of the items to be so removed, or to provide other appropriate security.
- 14.17 In case the Owner reasonably requests carrying out tests of repaired or replaced Goods or their repaired or replaced parts, the Contractor shall, at its risk and cost, carry out and duly document such test within the time period set by the Owner. Should the test results fail to be in compliance with the Contract, the Contractor shall attempt to remedy the same with due regard to such test results and the Owner's comments thereon. Should the test upon the second attempt to remedy fail to be in compliance with the Contract, the Contractor shall, at the request and at the choice of the Owner, replace the defective / damaged Services, Goods or the defective and/or damaged parts thereof.
- 14.18 If the Contractor fails to remedy any Defect or damage within a reasonable time, a date may be fixed by (or on behalf of) the Owner, on or by which the defect or damage is to be remedied. The Contractor shall be given reasonable notice of this date.

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If the Contractor fails to remedy the Defect or damage by this notified date and this remedial work was to be executed at the cost of the Contractor under Clause 14.2 the Owner may (at its option):

14.18.1 carry out the work itself or by others, in a reasonable manner and at the Contractor's cost, but the Contractor shall have no responsibility for this work; and the Contractor shall, subject to 28.1, pay to the Owner the costs reasonably incurred by the Owner in remedying the defect or damage;

14.18.2 agree or determine a reasonable reduction in the Contract Price in accordance with Article 11; or

14.18.3 if the defect or damage deprives the Owner of substantially the whole benefit of the Services or any major part of the Services, and should the Contractor fail remedy such Defect within 6 (six) months after receiving Owner's notice of such Defect, terminate the Contract as a whole, or in respect of such major part which cannot be put to the intended use. Without prejudice to any other rights, under the Contract or otherwise, the Owner shall then be entitled to recover all sums paid for the Services or for such part (as the case may be), plus financing costs and the cost of dismantling the same, clearing the Site and returning Plant and Goods to the Contractor.

14.19 In order that the guarantees of the suppliers and Subcontractors issued to the Contractor survive the expiration of the Defects Liability Period in the interest and for the benefit of the Owner, upon such expiration the Contractor shall assign to the Owner the then existing supplier and Subcontractor warranties as requested by the Owner, and the Owner shall be entitled to enter into contracts directly with the suppliers and the Subcontractors and the Contractor shall use reasonable efforts to include such entitlement of the Owner into its Subcontracts and supplier contracts and shall in a reasonable manner cooperate with the Owner to affect the Owner's rights under this Clause 14.19 vis-a-vis the suppliers and the Subcontractors. If for any reason and following the request of the Owner such supplier or Subcontractor warranties shall be failed to be assigned to the Owner then at the request of the Owner the Contractor shall personally proceed and affect the Owner's rights under this Clause under such guarantees towards the suppliers and Subcontractors

14.20 The preceding paragraphs of this Article 14 set forth exclusive remedies regarding Defects in the Goods or the Services or the Facility provided under this Contract, whether the Defect arises before or during the Defects Liability Period and whatever claim, however instituted, is based on contract, indemnity, warranty, tort or otherwise, and are in lieu of all other warranties and guarantees whether written, oral, statutory, express, or implied (including all statutory warranties). Notwithstanding anything to the contrary in this Clause and for the avoidance of doubt, the indemnities pursuant to Article 34 shall not be excluded.

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15. NUCLEAR LIABILITY

- 15.1 Civil liability for Nuclear Damage that can arise in connection with the cooperation under this Contract shall be handled by the Parties according to the Vienna Convention, including the 1997 Protocol to it.
- 15.2 It is understood and acknowledged that for the purposes of this Contract, in relation to the first loads and the first reloads for Unit 5 and Unit 6, from their delivery as defined in the Fuel/Spent Fuel Contract and thereafter at the Site the Owner shall be deemed the operator in the meaning of Article I.(1).(c) of the Vienna Convention (translated in the government decree 24/1990.(II.7.) MT promulgating the Vienna Convention as “üzemeltető” or “üzemben tartó”) as well as the licensee (“engedélyes”) as defined in section 2.(1) point 27 and as referred in section 48 of the Hungarian act CXVI of 1996 on atomic energy, and as such, the Owner shall bear the Nuclear Liability.
- 15.3 The Owner undertakes to duly apply to become the licensee and the operator of the Units in accordance with the Applicable Laws in Hungary, and the Owner shall take such steps as may be necessary to seek to cause the Authorities in Hungary to designate the Owner as the exclusive licensee and operator of the Facility.

16. TRANSFER OF TITLE AND RISKS

Transfer of title

- 16.1 The Contractor hereby represents and warrants that it has unlimited, clear and transferable title to each piece of the Goods and such title shall transfer to the Owner upon and by virtue of the delivery of the same to the Site.
- 16.2 The transfer of title as per Clause 16.1 above shall not affect the Contractor's responsibility for the Goods supervision and protection up to the date of the Provisional Takeover and the Contractor shall bear the risk of loss or damage for such items in accordance with Clause 16.5.
- 16.3 The title to water, soil, rock, gravel, sand, minerals, timber and any other resources developed or obtained in the excavation or the provision of services by the Contractor and the right to use such items is expressly vested in and reserved by the Owner.
- 16.4 The title to Services, buildings and facilities constructed under this Contract on the Site shall transfer to the Owner by virtue of the issuance of the Provisional Takeover Certificate for each of Unit 5 and Unit 6 and shall be given in the uncompensated use, but not possession, to the Contractor for the purposes of the Project Implementation. Upon the Provisional Takeover of each of Unit 5 and Unit 6 the Contractor shall return the respective buildings and facilities to the Owner's use in the same condition that such buildings and facilities were taken into use by the Contractor in the first place.

Transfer of risk

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- 16.5 The risk of loss or damage to the Services, the Goods or the Facility under construction shall be with the Contractor until such risk passes to the Owner in accordance with this Clause. The risk of loss or damage shall pass to the Owner at the date of the Provisional Takeover Certificate for each of Unit 5 and Unit 6. The Contractor shall take full responsibility for the care of the Services and the Goods and the Facility from the Phase 1 Commencement Date until the respective Provisional Takeover Certificate for Unit 5 or Unit 6, respectively, is issued.

After the responsibility has accordingly passed to the Owner, the Contractor shall take responsibility for the care of any work which is outstanding as stated in the respective Provisional Takeover Certificate of Unit 5 or Unit 6, until this outstanding work has been completed.

If any loss or damage happens to the Services, the Goods or the Technical Documents during the period when the Contractor is responsible for their care, from any cause, the Contractor shall rectify the loss or damage at the Contractor's risk and cost, so that the Services, the Goods and the Technical Documents conform to this Contract.

The Contractor shall be liable for any loss or damage caused by any actions of the Contractor after the Provisional Takeover Certificate for Unit 5 or Unit 6 respectively has been issued. The Contractor shall also be liable for any loss or damage which occurs after the Provisional Takeover Certificate for Unit 5 or Unit 6 respectively has been issued and which arose from a previous event for which the Contractor was liable.

17. INSURANCE

- 17.1 Each Party shall secure and maintain insurance coverage with such companies as the other Party approved, which approval shall not be unreasonably withheld, in such amounts and form as contained in this Article 17 in Appendix 21, otherwise in accordance with current insurance practices usual in international nuclear projects, satisfactory to and to be expressly approved by the Owner.
- 17.2 At least ten (10) days prior to executing an insurance agreement each Party shall send to the other the draft of such agreement that it intends to enter into including all pertaining documents that may have an effect on the operation of the insurance policy.
- 17.3 At least ten (10) days prior to agreeing to any change in any insurance policy each Party shall send notice to the other informing it about all the material changes contemplated, together with the draft of the agreement that it intends to enter into including all pertaining documents that may have an effect on the operation of the insurance policy.
- 17.4 Upon approval of Owner, which approval shall not be unreasonably withheld, the Contractor is entitled to involve Subcontractors to procure and maintain insurance defined in this Article 17.

- 17.5 Within 10 (ten) days of entering into any insurance agreements required herein or in Appendix 1.21, each Party shall send the other true copies of such insurance agreements including all pertaining documents that may have an effect on the operation of the insurance policy.
- 17.6 The Parties shall provide each other with the necessary assistance for securing and maintaining insurance policies required under this Article 17 and Appendix 1.21. Particularly, the Owner shall provide the Contractor with the information about the Existing Plant necessary to take out any such policies.
- 17.7 All insurance proceeds from any policy of insurance held by any of the Parties shall be applied for repairs and restoration of the respective damage and/or otherwise in the interest of the continuance and completion of the Project.

18. REPRESENTATIVES

- 18.1 Unless otherwise set forth in this Contract, the Parties' intentions regarding and interests in operating questions of the Project Implementation are presented by the representatives listed in this Article 18.

The Owner's Personnel

- 18.2 The Owner shall appoint an Owner's Representative to act on its behalf under the Contract.
- 18.3 The Owner's Representative shall carry out the duties assigned to him, and shall exercise the authority delegated to him, by the Owner. Unless and until the Owner notifies the Contractor otherwise, the Owner's Representative shall be deemed to have the full authority of the Owner under the Contract, except in respect of Article 36.
- 18.4 If the Owner wishes to replace any person appointed as Owner's Representative, the Owner shall give the Contractor not less than 14 days' notice of the replacement's name, address, duties and authority, and of the date of appointment.
- 18.5 The Owner's Representative may delegate any powers, functions and authority to assistants, and may at any time revoke the delegation. These assistants may include the Engineer, and/or independent inspectors appointed to inspect and/or test items of the Facility and/or Goods. Any delegation or revocation shall not take effect until the Contractor has received prior notice signed by the Owner's Representative(s), naming the person and specifying the powers, functions and authority being delegated or revoked. The Owner's Representative(s) and all these persons shall be fluent in the English language.
- 18.6 All these persons, including the Owner's Representative and assistants, to whom authority has been delegated, shall only be authorized to instruct the Contractor to the extent defined by the delegation. Any approval, check, certificate, consent, examination, inspection, instruction, notice, proposal, request, test, or similar act by a delegated person, in accordance with the

delegation, shall have the same effect as though the act had been an act of the Owner. However:

- 18.6.1 unless otherwise stated in the delegated person's communication relating to such act, it shall not relieve the Contractor from any responsibility it has under the Contract, including responsibility for errors, omissions, discrepancies and non-compliances;
- 18.6.2 any failure to disapprove any Services, the Facility or Goods shall not constitute approval, and shall therefore not prejudice the right of the Owner to reject the Services, the Facility or the Goods; and
- 18.6.3 if the Contractor questions any determination or instruction of a delegated person, the Contractor may refer the matter to the Owner, who shall promptly confirm, reverse or vary the determination or the instruction.
- 18.7 Except where it is otherwise set forth in the project management manual, all notifications, instructions, manuals, information and other data, as well as other communication that the Contractor refers to the Owner under this Contract shall be served on the Owner's Representative or, if he is absent, on his deputy and also be copied to the email addresses of the Owner and of the Owner's Representative as set forth in this Article 18.
- 18.8 Except where it is otherwise set forth in the project management manual, all notifications, instructions, manuals, information and other data, as well as other communication that the Owner refers to the Contractor under this Contract shall be served on the Contractor's Representative or, if he is absent, on his deputy and also copied to the email addresses of the Contractor and of the Contractor's Representative specified in Article 18. The Engineer specified in this Article 18 represents the Owner during the term of the Contract within its authority, including but not limited to the technical supervision of the Contract performance as required by the Applicable Laws and the Applicable Standards. For the avoidance of the doubt the Engineer shall not be entitled to give instruction to the Contractor.
- The Contractor's Personnel**
- 18.9 The Contractor shall appoint the Contractor's Representative(s) to act on its behalf under the Contract.
- 18.10 The Contractor's Representative shall carry out the duties assigned to him, and shall exercise the authority delegated to him, by the Contractor. Unless and until the Contractor notifies the Owner otherwise, the Contractor's Representative shall be deemed to have the full authority of the Contractor under the Contract, except in respect of Article 36.
- 18.11 If the Contractor wishes to replace any person appointed as the Contractor's Representative, the Contractor shall give the Owner not less than 30 (thirty)

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days' notice of the replacement's name, address, duties and authority, and of the date of the appointment.

- 18.12 The Owner's Representative is entitled to notify the Contractor of his objection to the Contractor's Representative or the project management, if such persons, in the Owner's reasonable opinion, are non-professional, careless, negligent or are in breach of the safety regulations.
- 18.13 The Owner's Representative shall, upon the Contractor's request, present evidence for supporting his/her opinion set forth in Clause 18.12, by, if it is possible, serving such proof on the Contractor's Representative and also copying to the email address of the Contractor's Representative, whereupon the Contractor shall instruct the Contractor's Representative to cease the objected activity regarding the Project Implementation immediately, and if such person is then removed the Contractor shall appoint another appropriate person instead and notify the Owner's Representative thereof within 30 (thirty) days from the receipt of the Owner's Representative's note.
- 18.14 The Contractor shall give to the Contractor's Representative authority necessary to act on the Contractor's behalf under this Contract. If the Contractor does not give all authority to the Contractor's Representative but gives the remaining authorities to a second person, the Contractor shall notify the Owner accordingly when appointing the Contractor's Representative and shall specify to the Owner the representation authority of such second person. In lack of such notification the Owner shall have the right to assume in good faith that the Contractor's Representative has all authority necessary to act in the Contractor's name. The Contractor shall require the Owner's approval to revoke and appoint a Contractor's Representative which approval shall not unreasonably be withheld. The Contractor's Representative may delegate any powers, functions and authority to any competent person, and may at any time revoke the delegation. Any delegation or revocation shall not take effect until the Owner has received prior notice signed by the Contractor's Representative, naming the person and specifying the powers, functions and authority being delegated or revoked. The Contractor's Representative and all these persons shall be fluent in the English language.
- 18.15 The Contractor's Representative shall assign a competent person as the Technical Manager for the period starting from the licensed construction work on the Site up to the date of the Provisional Takeover Certificate. The Technical Manager shall stay on the Site in the course of any and all activities taken on the Site. In the event of the Technical Manager's absence, a competent person shall be appointed by the Contractor's Representative to replace the absent Technical Manager as a deputy, such appointed deputy is entitled to act on behalf of the Technical Manager in the framework of the Technical Manager's competency.
- 18.16 The Contractor's Representative shall, on behalf of the Contractor, receive instructions under Clause 6.12.

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18.17 The Technical Manager shall have the necessary knowledge, pertinent expertise, relevant experience and qualifications.

19. ADDRESSES OF THE PARTIES

19.1 Head offices, addresses, phone numbers, fax numbers and contact email addresses of the Parties and their representatives and the Engineer and also the Site address (unless sent separately):

i. Owner: MVM Paks II. Ltd

Head office: Gagarin street 1 fl. 3
Paks
7030
Hungary

Phone number: + 36 (75) 501-867

Fax number: + 36 (75) 501-647

ii. Owner Representative:

Address:

Phone number:

Fax number:

Contact email:

iii. Engineer: MVM ERBE Ltd.

Address: Budafoki street 95
Budapest
1117
Hungary

Phone number: +36(1)382-4700

Mobile phone number:

Fax number: +36(1)204-4198

Contact email:

iv. Contractor: NLAEP JSC

Head office: Ploshchad Svobody, 3,
Nizhny Novgorod 603006,

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Russian Federation

Phone number:

Fax number:

Contact email:

niaep@niaep.ru

v. Contractor's Representative:

Address:

NIAEP JSC, Moscow Branch
Stroenie 1, Building 2
Dmitrovskoe Shosse
127434
Moscow

Phone number:

Mobile phone number:

Fax number:

Contact email:

vi. Site address:

7036 Pf. 71
HRSZ 8803/15

19.2 In case of any change of details in this Article 19, the Parties shall notify each other in writing. Such change shall not require the amendment of this Contract.

20. PROJECT SCHEDULE

20.1 Organized structures of the Parties

20.1.1

20.1.2

20.1.3 The names and professional CV's of the senior expert staff shall be attached by the Contractor to the project organization scheme, setting out the relevant experience and qualifications.

20.1.4 The Contractor shall notify the Owner of any amendment/modification of its project organization scheme and the senior expert staff.

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20.1.5 The Contractor shall submit the actual project organization schemes as part of the project management manual in accordance with Appendix 1.5.

20.2 Integrated Overall Time Schedule

20.2.1

20.2.2 The Owner shall comment or approve the Integrated Overall Time Schedule not later than 10 (ten) Business Days after its receipt. The approval shall not be unreasonably withheld or delayed. If the Owner does not give any comment within 10 (ten) Business Days, the Integrated Overall Time Schedule shall be deemed as approved by the Owner.

20.2.3 The critical path of the Project Implementation shall be set out in the Integrated Overall Time Schedule.

20.3 Detailed Time Schedule

20.3.1

20.3.2 The requirements concerning the Detailed Time Schedule are stipulated in Appendix 1.5.

20.3.3 The code system of the Technical Documentation and the time schedule for the submission of the Technical Documentation shall be presented to the Owner in the framework of the Detailed Time Schedule. The time schedule shall comply with the deadline(s) relating to the Technical Documentation as specified in the Project Implementation schedule.

20.3.4 In the course of Project Implementation, the Contractor shall prepare detailed work program for certain activities of the Project Implementation, setting out the demand for resources, on the basis of the Detailed Time Schedule.

20.3.5 The Contractor shall continuously update the Detailed Time Schedule and submit for approval any proposed change thereof to the Owner, all on a weekly basis.

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20.3.6 If the Contractor purports to alter the approved Detailed Time Schedule the Contractor shall inform the Owner and provide its justification in writing.

20.4 Progress Report

20.4.1

20.4.2 The Owner shall be entitled to request information from the Contractor at any time on the progress of the Project Implementation.

20.4.3 The Progress Report shall, at least, include the rate of completeness of the extent of each activity of the Contractor's Project Implementation shall be expressed in percentage together with the actual data and commencement and planned completion Schedule Dates.

20.4.4 The assessment report shall include:

20.4.4.1 a list of completed milestones of the Contractor's Project Implementation; and

20.4.4.2 a list of uncompleted milestones of the Contractor's Project Implementation together with the facts and interrelationships hindering the completeness thereof; and

20.4.4.3 analysis of activities on the critical path.

20.4.4.4 prospective actions that are required for providing accordance with Integrated Overall Time Schedules:

- a. engineering controls;
- b. technical measures (e.g. changes in the logical relationships);
- c. organizational measures (e.g. regrouping of resources);
- d. adjustment of a schedule requests;
- e. the revision of the Integrated Overall Time Schedule.

20.5 The Owner's Personnel shall be entitled to rely on the Progress Reports when planning their activities.

20.6 Deviations from Project Schedule progress

If the actual progress of the Contractor's Project Implementation is out of keeping with the Project Schedule, the Contractor shall use reasonable

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endeavors to implement corrective measures (e.g. increase machinery resources, staffing and/or the number of shifts, work on holidays) and notify the Owner thereof. Such deviations and planned measures shall be included in the Progress Report.

If such notice is not provided to the Owner or if the Owner establishes that the actual progress is not in compliance with the Overall Time Schedules due to the

20.6.1 the Contractor's failure to take the necessary measures, or

20.6.2 a failure of measures to accelerate progress,

and such failure may, to the Owner's reasonable opinion, jeopardize the Project Implementation for the respective Completion Dates, the Owner shall be entitled to, upon allowing the Contractor to make a proposal within 2 (two) Business Days, even if the Owner shall not be bound by such proposal, if any, engage one or more contractors to carry out, at the risk and costs of the Contractor, to the maximum extent possible under Applicable Laws and regardless of any Owner's fault by engaging such contractors, any work which may be required to get in harmony with the Integrated Overall Time Schedules and/or the Detailed Time Schedule. The Owner shall be entitled to make direct payment to such contractors in respect of the invoice thereof, and deduct the amount of such payment plus interest or draw the Performance Bank Guarantee, or terminate the Contract, pursuant to Clause 36.2.2

20.7 Meeting reports

A meeting report shall be drawn up on all meetings concerning the Project Implementation between the Parties. The content of such report shall be mutually agreed by the Parties, and distributed between the Parties

The Contractor shall inform the Owner of all technical agreements reached with Subcontractors or third parties in the context of the Project Implementation, even if the Owner has not exercised its right to attend such meetings.

21. PERSONNEL AND SUBCONTRACTORS

- 21.1 The Contractor shall make arrangements for the engagement of all staff and labour, local or otherwise, and for their payment, housing, feeding and transport.
- 21.2 The Contractor shall submit to the Owner details showing the number of each class of the Contractor's Personnel and of each type of the Contractor's Equipment on the Site. Details shall be submitted each calendar month, in a form approved by the Owner.
- 21.3 The Contractor shall not recruit, or attempt to recruit, staff and labour from amongst the Owner's Personnel.

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- 21.4 Subject to the following provisions of this Article 21, the Contractor may subcontract part of the Contractor's Project Implementation to any Subcontractor in accordance with the Cooperation Intergovernmental Agreement, this Contract and the Applicable Laws and the Applicable Standards and the Procurement Policy.
- 21.5 The Contractor shall ensure that all Subcontractors including all their subcontractors are given and observe all requirements, specifications and alike that may be necessary for such Subcontractors to meet their respective obligations vis-à-vis the Contractor in accordance with this Contract, the Applicable Laws and the Applicable Standards.
- 21.6 At the Owner's request, the Contractor shall submit copies of all order confirmations/contracts with Subcontractors (without price).
- 21.7 The selection of Subcontractors, the terms and conditions of the Subcontracts and the supervision of the activities thereof shall facilitate, and not jeopardize the due completion of the Project Implementation, and, to this end, the Contractor shall proceed in the appropriate manner in the course of the implementation of such Subcontracts.
- 21.8 The Contractor undertakes to request detailed operation and maintenance information from its prospective equipment suppliers during the tenders as per the Procurement Policy. The Contractor undertakes to notify the Owner regarding the negotiations with the equipment suppliers in order to facilitate the Owner negotiate and conclude maintenance contracts for such equipment simultaneously with the supplier.
- 21.9 Should the Contractor fail to meet a payment obligation over 30 (thirty) days under a Subcontract by the due date, the Contractor shall, with no delay, notify the Owner thereof.
- 21.10 The Contractor shall notify in writing each of its Subcontractors with the notice and to the effect that such notification shall be passed down the chain by the Subcontractors of the sub-subcontractors and suppliers, too, to pay all royalties, licence fees and other costs incident to the use of any Intellectual Property in full compliance with the respective provisions of the Applicable Laws.
- 21.11 The Parties agree that should this Contract terminate for any cause, the Contractor shall affect its Subcontractors to cooperate with the Owner in good faith to implement any obligation of the Contractor under this Contract outstanding at the time of such termination. Upon termination the Contractor shall deliver to the Owner a list of the Subcontractors engaged by the Contractor for the Project Implementation at the time of such termination and shall use best efforts to the effect that the Owner engage the Subcontractors for the purposes of the Project Implementation.
- 21.12 Subcontracting shall not relieve the Contractor from any of its liabilities or obligations under this Contract. The Contractor is liable for the acts and

omissions and defaults of all Subcontractors as if they were acts and omissions and defaults of the Contractor.

- 21.13 All provisions of this Article 21 shall apply mutatis mutandis to subcontracting. The Contractor shall cause the Subcontractors, and cause the Subcontractors to cause their subcontractors (i.e. the sub-subcontractors) to comply with all provisions of this Article 21.

22. AUTHORITY APPROVALS AND TECHNICAL DOCUMENTATION

Technical Documentation

- 22.1 The Technical Documentation shall comply with the Applicable Laws applicable in Hungary and the Applicable Standards and other standards specified in the Owner's Requirements and Appendix 1.20.
- 22.2 The Technical Documentation shall be prepared by the Contractor in accordance with the Owner's Requirements using modern techniques in a manner using Good Engineering Practice that ensures high quality Project Implementation which is adequate for obtaining the Authority Approvals. The Technical Documentation shall also include sections (i) related to labour safety, nuclear safety (including design basis information), fire precautions and environmental protection; and (ii) designer, supplier and/or manufacturer declaration of conformity that the Technical Documentation meet the Applicable Laws and the Applicable Standards related to, including but not limited to, labour safety, nuclear safety, fire precautions, environmental protection. Further, the Contractor shall supply to the Owner any data relating to the Goods, as reasonably required by the Owner for the Project Implementation, operation and maintenance.
- 22.3 Should the Contractor intend to apply any code or standard other than those of the Applicable Standards to prepare the Technical Documentation, the Contractor shall submit to the Owner for approval a duly justified proposal, which shall not be unreasonably withheld or delayed. Such approval, however, shall be without prejudice to Contractor's obligations to comply with the Applicable Laws.
- 22.4 The Technical Documentation shall be submitted to the Owner for approval as defined in Appendix 1.1 Chapter 2.12. The submission note shall include all non-compliances with the Owner's Requirements and deviations from this Contract presented with detailed justifications and requests for the Owner's approval.
- 22.5 Unless otherwise set forth in Appendix 1.1 Chapter 2.12, the Owner shall review the Technical Documentation and notify the Contractor of the result of such review in accordance with Appendix 1.1 Chapter 2.12. If in the Owner's justified opinion the Technical Documentation is not in compliance with the requirements of this Contract, the Owner is entitled to request an itemization, additional information or reformation of the Technical Documentation and the Contractor shall duly remedy the Technical Documentation and provide the

requested itemization and additional information or make the reformation of the relative documents in terms by the time reasonably requested by the Owner.

- 22.6 Unless otherwise set forth in this Contract the Project Implementation shall be carried out in strict compliance with the Technical Documentation; any departure from it is only allowed with the consent of the Owner but such consent by the Owner shall not in any way make the Owner responsible for the Technical Documentation, to the maximum extent possible under Applicable Laws and without regard to any Owner's fault in granting such consent.
- 22.7 The Owner's approval of the Technical Documentation shall not exempt the Contractor from any of its obligations, responsibilities and liabilities under the Contract, nor shall it result in any division of responsibilities between the Contractor and the Owner, to the maximum extent possible under Applicable Laws and without regard to any Owner's fault in granting such approval, and no allusions to this effect shall be made by the Contractor, either.
- 22.8 The Owner shall submit the documents it received from the Contractor to the appropriate Authority as part of the documentation for the application for the Owner Acquired Permits within 60 (sixty) days of the Owner's approval of the Technical Documentation as per this Article.
- 22.9 In case of the Authority dismissing an application for any Authority Approval, the Owner shall immediately notify the Contractor, who shall re-prepare its documents in conformity with the Applicable Laws applicable in Hungary and the Applicable Standards for such Authority Approval. Once the Contractor removed any and all departures, faults or failures in the Technical Documentation, the approval procedure pursuant to Appendix 1.1 Chapter 2.12. shall apply.
- 22.10 If errors, omissions, ambiguities, inconsistencies, inadequacies or other defects are found in the Technical Documentation, the Technical Documentation and afterwards the related Services shall be corrected at the Contractor's cost, notwithstanding any consent or approval by the Owner, to the maximum extent possible under Applicable Laws and the Codes and Standards applicable in Hungary without regard to any Owner's fault in granting such consent or approval, under this Clause or this Contract.
- 22.11 In case if the Authority dismisses an application, or requests modifications to it, for any Owner Acquired Permit, if it is necessary, the Owner shall immediately notify the Contractor, who shall re-prepare the documents in conformity with the Applicable Laws applicable in Hungary and the Applicable Standards for such Owner Acquired Permit. Once the Contractor has removed any and all departures, faults or failures in the Technical Documentation, the approval procedure pursuant to Appendix 1.1 Chapter 2.12. shall apply.

As-Built Documentation

- 22.12 The Contractor shall prepare, and keep up-to-date, a complete set of the As-built Documentation of the execution of the Services, showing the exact as-built locations, sizes and details of the work as executed. These records shall be kept on the Site and shall be used exclusively for the purposes of this Clause.
- 22.13 The Contractor shall submit to the Owner the As-built Documentation of the Services in accordance with Appendix 1.1 Chapter 2.12. prior to the issuance of the Provisional Takeover Certificate for Unit 5 or Unit 6 in 2 copies, showing all Services as executed, and submit them to the Owner for review and approval.
- 22.14 Prior to the issuance of the Final Takeover Certificate for each Unit 5 and Unit 6, the Contractor shall supply to the Owner the number and types of copies of the relevant As-built Documentation specified in Appendix 1.1 Chapter 2.12, in accordance with the Owner's Requirements. Services shall not be considered to be completed for the purposes of taking-over under Article 26 until the receipt by the Owner of these documents.

Authority Approvals

- 22.15 The Owner has obtained or shall obtain, at its costs, and on its own behalf the Owner Permits. The Owner shall duly submit the respective documents required for the application to the respective Authorities for the purpose to obtain the Owner Permits. In order to avoid any misunderstanding: all permitting risk under this Clause shall be borne by the Owner.
- 22.16 The Contractor has obtained or shall obtain, at its costs, and on its own behalf the Contractor Permits. The Contractor shall duly submit the respective Technical Documents required for the application to the respective Authorities for the purpose to obtain the Contractor Permits. In order to avoid any misunderstanding: all permitting risk under this Clause shall be borne by the Contractor. The Owner shall provide reasonable assistance to the Contractor, if so requested, in obtaining the Contractor Permits required by the Applicable Laws and the Applicable Standards applicable in Hungary required for the fulfillment of the Contractor's obligations for the purposes of the Project Implementation.
- 22.17 The Contractor shall prepare, finalize and hand over to the Owner on time for approval and submission by the Owner to the relevant Authority to obtain the Owner Acquired Permits as per Appendix 1.4 hereto, documentation set forth in Appendix 1.4 except for the documentation within the Owner's Scope, required by the Applicable Laws applicable in Hungary and the Applicable Standards for obtaining all Owner Acquired Permits as set forth in Appendix 1.4. Subject to Appendix 1.4 full responsibility and liability for the contents, the timeliness and the adequacy of such Contractor's Documents (including the Technical Documentation) handed over to the Owner for its approval and then submitted for the Owner Acquired Permits shall rest with the Contractor. The Owner shall be responsible for the appropriate and timely submission of

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the approved documents to the respective Authority and for observing all procedural rules.

22.18 The procedure described in Clauses 22.1-22.14 and Clause 22.17 shall apply mutatis mutandis to all procedures under this Contract, if any, involving the approval by the Owner of any of the Technical Documents.

22.19 If the Contractor has diligently followed the procedures laid down by the relevant Authorities in Hungary, and these Authorities delay or disrupt the Contractor's work, and the delay or disruption was not reasonably foreseeable by an experienced contractor by the date of this Contract then this delay or disruption will be considered as a cause of delay under Article 33.

23. TRANSPORTATION

Transportation of Goods

23.1 The Contractor shall deliver the Goods under DDP-Site with cargo insurance Incoterms-2010, clear them from customs, and use means of transportation it deems the most appropriate under the circumstances.

23.2 The Contractor is free to choose the means of transport and transport routes. The Contractor may use the transport vehicles which it will consider most appropriate under the circumstances concerned.

23.3 Simultaneously with handing over the Goods to the forwarder, the Contractor shall send the following documents (freight documents) to the Owner:

23.3.1 In the case of Goods delivered from outside Hungary the Owner's copy of the waybill marked „customs cleared, with cargo insurance, delivered to the Site”, “(DDP Site with cargo insurance Incoterms 2010)”,

23.3.2 In the case of Goods delivered from inside Hungary, the Owner's copy of the waybill,

23.3.3 1 (one) copy of the packing list,

23.3.4 cargo insurance certificate,

23.3.5 1 (one) copy of the Certificate of Origin of the Goods delivered from outside Hungary (issued by the authorised agency of the given country).

23.4 The Technical Documents accompanying the Goods that shall contain the technical parameters of the Goods, every instruction and information required for its handling, the quality certificate documents, the manufacturer's statement of compliance or a certificate of compliance and, in case of transporting hazardous Goods all the necessary licences, permits and documents as required by the Applicable Laws. At the time of dispatching any

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consignments of Goods, the Contractor shall send a notification to the Owner's Representative with the following information:

- 23.4.1 the Contract number;
 - 23.4.2 the total value of the consignment of Goods according to the Contractor;
 - 23.4.3 the type of package, sizes of cargo packages, gross and net weights;
 - 23.4.4 the mode of transport (railway, road, aircraft, marine);
 - 23.4.5 the number or registration number as appropriate;
 - 23.4.6 the name of the forwarding company;
 - 23.4.7 the place and the date of dispatch;
 - 23.4.8 the expected date of arrival;
 - 23.4.9 the number of cargo packages;
 - 23.4.10 any other data assumed to be relevant.
- 23.5 The Contractor shall indicate the cargo package number, item number, serial number within the item number and the number of packages according to Appendix 2.4 and the number of cargo packages in each above mentioned document. The Contractor shall deliver to the Owner the above documents at least 1 (one) day before the date specified for the arrival of the Goods to the Site. If the above documents fail to reach the Owner in the appropriate good quality by the specified deadline the latest, then all risk and costs, if any, resulting from such a delay shall be borne by Contractor.
- 23.6 The Contractor shall bear responsibility for the damage for all the roads, railways, buildings, infrastructure, etc. which is caused during the transportation of supplied Goods

Goods unloading on Site

- 23.7 Following the unloading of the Goods on the Site the Contractor together with the Owner shall inspect the cargo packages in order to detect any damage and to draw up a report. This report shall be signed by the Parties on the date of the unloading. If there are any comments which are reflected in the report, they shall be indicated in the corresponding transport document

Customs clearance

- 23.8 The Contractor shall arrange/carry out the customs clearance of the export of the Goods from a country of manufacture/shipment outside the EU including the obtaining of necessary documents from the respective Authorities for the export of the Goods and the payment of the customs duties. Irrespective of the

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origin of the Goods, all liabilities and costs in connection with the customs clearance of the Goods, including all risk and costs of customs formalities shall be borne by the Contractor.

Packaging and marking

- 23.9 The Contractor shall be responsible for having the Goods properly packed to prevent any damage or loss during their transportation to the Site pursuant to the Contract. The packing must provide appropriate protection against rough handling, extreme temperatures, precipitation, etc. during transportation and outdoor storage. The mode of packing shall ensure that any unauthorised opening of the package can be immediately detected.
- 23.10 The mode of packing and the external marking of the packages shall be in strict compliance with the provisions explicitly specified in this Article.
- 23.11 Prior to packing, the Contractor shall preserve and appropriately protect the Goods to withstand environmental conditions during the transportation and the subsequent storage at the Site for at least 6 (six) months.
- 23.12 If, for purposes of packing or transportation, any of the Goods needs to be disassembled, every single part of the same Goods shall be marked accordingly, by easily recognizable signs.
- 23.13 Each package must contain the accompanying documents of the Goods in a separate wallet in accordance with Clause 23.6 of this Contract. If the consignment consists of several packages, it is permissible to collect all the accompanying documents in one wallet and place them in a selected case. The consignment note in this selected case shall list the serial numbers of the packages pertaining to the accompanying documents. Every single package of the consignment shall be marked in accordance with Clause 23.15
- 23.14 Each package shall be marked and bear legible inscriptions and other traditional signs made in indelible ink.
- 23.15 The Contractor shall be responsible for marking and labeling the packages.
- 23.15.1 The packages shall bear the traditional signs, if applicable:
- (i) top of the package;
 - (ii) fixing points for lifting;
 - (iii) point of gravity;
 - (iv) warning signs, such as 'Fragile', 'Handle with care'.
- 23.15.2 The language of the signs on the packages shall be the English language and should indicate the following data:
- (i) Place of destination;

- (ii) Name and address of the sender;
- (iii) Name and address of the Owner, the title and number of this Contract;
- (iv) Dimensions of the package (cm x cm x cm);
- (v) Gross weight of the package (kg);
- (vi) Net weight of the package (kg);
- (vii) Item number / serial number within the item number / number of packages;
- (viii) Mode of storage (outdoor, open shed, closed unheated warehouse, closed heated warehouse);
- (ix) Documents accompanying the Goods can be found in package no. ...;
- (iy) KKS number.

The numbering of packages shall start from the number one (no. 1) upward, under the items listed in Appendix 3 (Breakdown of Contract Prices). The numbering of the packages to be delivered under the same item number shall be continuous.

- 23.16 The complete set of accompanying documents shall be transported in a water-proof package.
- 23.17 One (1) copy of the packing list shall be placed inside the packages, another one (1) copy shall be placed outside. The packing list must contain the above data listed in Clause 23.15.2; and also, the identification data of the packed Goods according to the following:
 - (a) short description of the Goods;
 - (b) quantity of the Goods.
- 23.18 The packing list must contain the list of documents accompanying the Goods within the given package, together with the identification data thereof, as well as the item number pursuant to the relevant Payment Schedule and the number of packages within the item number.

24. PROJECT MANAGEMENT AND QUALITY ASSURANCE

- 24.1 The Contractor shall establish, operate, assess, and continuously develop by progress of the Project Implementation an integrated management system for the complete management of the design, manufacturing, construction and commissioning process, including the scheduling of work and procurement and the control of the Subcontractors. The management system shall integrate safety, quality, security, health, environmental and project management elements in accordance with Appendices 1.1 and 1.5. The Owner, the Owner's

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Personnel and the Authority shall be entitled to quality audit any aspect of the integrated management system. At the Owner's request, the Contractor shall provide proof of any item of the integrated management system.

- 24.2 The documents of the integrated management system as specified in Appendix 1.5. shall be elaborated and submitted to the Owner for approval as defined in Appendix 1.5.
- 24.3 The Contractor shall provide an appropriate knowledge, practice and entitlement of the Subcontractors and the Contractor's Personnel involved in the Project Implementation.
- 24.4 The Contractor shall use appropriate computer hardware and software to establish, manage, and operate an information management system during the Project Implementation in accordance with Appendix 1.1 and 1.5. The Contractor shall provide the information management system available for joint use by the Owner, the Owner's Personnel and the Authority from the start of the design process and until the issuing of the Provisional Takeover Certificate of Unit 6.
- 24.5 The Contractor shall establish and maintain a technical database of the Project Implementation as an integral part of the information management system which shall include all the technical matter information generated during the Project Implementation and required by the Owner to operate and maintain the Facility. It shall also include information supplied by the Owner and required for the construction or the operation.
- 24.6 The Contractor shall establish, operate, assess, and continuously develop during the Project Implementation a specific quality assurance system as part of the integrated management system in accordance with Appendix 1.1 Chapter 2.15. and Appendix 1.11.
- 24.7 Quality Assurance requirements shall pursue a differential approach as set out in Appendix 1.11 and apply to the whole Project Implementation process, each stage thereof and all organizations participating therein.
- 24.8 The Contractor shall elaborate a quality assurance program QAP (G1) in respect of the Project in accordance with Appendix 1.1 Chapter 2.15.
- 24.9 In the process of the Project Implementation, the Contractor shall:
- 24.9.1 provide access for the Owner, the Owner's Personnel and/or the Authorities to documentation and quality information reasonable for the performance of their work at such time as agreed by the Parties pursuant to a relevant procedure in force; and
- 24.9.2 take corresponding measures in order to provide performance of all procedures for evaluation, checks, control and acceptance on demand, by order or upon request of the Authority, as well as performance of

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all quality assurance measures and inspections by the Owner on schedule and without restriction as set out in Appendix 1.11.

Testing

24.10 The Owner shall be entitled to participate in carrying out tests to verify the compliance of Goods and Services with the Owner's Requirements. The Contractor shall invite the Owner in due time (enabling the Owner to take the required organization measures necessary for its participation) to all scheduled tests and give the Owner the opportunity to attend the same. Such tests may include but not be limited to:

24.10.1 manufacturing related inspections and tests;

24.10.2 on-site construction and erection related inspections and tests; and

24.10.3 commissioning related tests.

24.11 For the purposes of participation in tests listed in Clause 24.10 in audits set forth in Clause 24.1, the persons specified in Clause 24.1 shall be entitled to visit manufacturing facilities of the Contractor and the Subcontractors and take photographs of the parts being manufactured subject to observation of the visit order stipulated by procedures of the Contractor and the Subcontractors in terms of access to their area.

Rejection

24.12 If, as a result of such a test any Good or Service is found to be defective or otherwise not in accordance with the Contract, the Owner may reject the Good or Service by giving notice to the Contractor, with reasons. The Contractor shall promptly make good the defect and ensure that the rejected item complies with the Contract. The Good or the Service shall be retested, the tests shall be repeated under the same terms and conditions. If the rejection and retesting cause the Owner to incur additional costs, the Contractor shall, subject to Clause 28.1, pay these costs to the Owner.

Remedial works

24.13 Notwithstanding any previous test or certification, the Owner may instruct the Contractor to remove from the Site and replace any Goods or remove and re-execute any other work which is not in accordance with the Contract, and execute any work which is urgently required for the safety of the Services, whether because of an accident, unforeseeable event or otherwise. If the Contractor fails to comply with any such instruction, which complies with Clause 6.12, the Owner shall be entitled to employ and pay other persons to carry out the work. Except to the extent that the Contractor would have been entitled to payment for the work, the Contractor shall, subject to Clause 28.1, pay to the Owner all costs arising from this failure.

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24.14 The Contractor shall elaborate an adequate system for the management of non-conformances in accordance with Appendices 1.1 and 1.11.

24.15 Compliance with the integrated management system shall not relieve the Contractor of any of its duties, obligations or responsibilities under the Contract.

25. CONSTRUCTION, ERECTION AND COMMISSIONING

Construction Work and erection:

25.1 Any construction or erection activity shall start only upon fulfillment of the following preconditions:

25.1.1 The Site necessary for the construction/erection works is available to the Contractor,

25.1.2 The necessary licenses, permits are obtained and available at the Site,

25.1.3 All relevant design documents, drawings, construction/erection procedures, method statements with the status of "released for construction" are available at the Site (an electronic version is handed over to the Owner) and at the site of the construction/erection works,

25.1.4 The relevant, approved quality control plan is available at the Site,

25.1.5 All the requirements prescribed in the labour safety plan, environment protection plan and fire protection plan prepared in compliance with the Applicable Laws and the Applicable Standards are fulfilled,

25.1.6 The Technical Manager is nominated as required by the Applicable Law,

25.1.7 The health, safety and environment coordinator is nominated and the Owner was officially informed about it,

25.1.8 The quality certificates of the Goods to be built in are available,

25.1.9 The construction logbook ("Építési napló" in Hungarian) is prepared and ready for use as required by the Applicable Laws.

25.2 During construction and erection the Contractor shall

25.2.1 observe the health, safety and environment regulations,

25.2.2 ensure that the built-in Goods are certified as required,

25.2.3 make all licenses/permits for temporary structures available at Site as required by the Applicable Law,

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- 25.2.4 provide safe access in accordance with the Site rules and regulations for the Engineer and/or Owner's Personnel, in order to perform regular control (inspections, quality control, etc.) of Site activity,
- 25.2.5 take all necessary actions to protect already constructed, erected structures from damages,
- 25.2.6 keep the Site clean and in order,
- 25.2.7 organize weekly general Site inspection and invite the Owner or the Owner's Representative in order to control if the Site activity complies with the Site rules and regulations.

Quality inspections (according to the agreed quality control plan): the Contractor shall send a written notice 2 (two) days in advance to the Owner on the scheduled quality inspections indicating the exact subject, place, date and time. These inspections shall be organized in normal working time.

Concealed Work:

- 25.3 The Contractor shall invite the Owner, and provide the relevant parts of the Technical Documentation, to inspect any Concealed Work not later than 3 (three) days before the commencement of the performance of the relevant Concealed Work. If the Owner refuses to sign the protocol about the inspection of the Concealed Works without cause, the Contractor is entitled to proceed with the performance of the Contract. If the Owner does not attend the inspection of the Concealed Work notified in accordance with this Clause, the Contractor is entitled to proceed with the performance of the Contract.

In the event that the Contractor fails to invite the Owner or to provide the relevant parts of the Technical Documentation and the Contractor proceeds with the performance of the relevant Concealed Work, the Owner is entitled to instruct the opening of part or all of the concerned Concealed Work at the Contractor's costs.

The inspection of the Owner concerning any Concealed Work shall not have impact on the Contractor's obligations related to the execution of its construction and erection works or the Contractor's deadlines.

Construction/erection completion:

- 25.4 The construction/erection works of any structure or system is completed if it is ready for use or for the next stage of construction/erection or for the Commissioning.
- 25.5 Upon the completion of the construction/erection works of any structure or system the Contractor shall notify the Owner 3 (three) days in advance of the planned inspection indicating the exact subject, place, date and time of the inspection. These inspections shall be organized in normal working time. Preconditions of such inspections are as follows:

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- 25.5.1 All quality inspection of relevant structure/system is completed, the relevant documentation is prepared.
- 25.5.2 The necessary Authority procedures and inspections have been performed and documented. These documents shall be available at the Site.
- 25.5.3 The Contractor has a full set of all the relevant documents/drawings at the Site indicating the “as-built” status of the structure/system.
- 25.5.4 The Contractor declared in writing that the construction/erection works of the structure or system is completed.
- 25.5.5 The area of the relevant structure/system is cleaned, all temporary structures, equipment are removed, except those which are needed for the final inspection and Commissioning.
- 25.5.6 Safe access for the inspection is provided.
- 25.6 Having these conditions fulfilled the Owner and the Contractor will conduct an inspection of the subject structure/system. All non-compliances, deviations, incompleteness detected shall be listed. Having rectified the listed items by the Contractor the inspection shall be repeated (in the same way as the previous inspection was organized). Upon successful inspection an construction/erection completion certificate (in accordance with the Applicable Laws and the Applicable Standards) shall be signed stating that the subject structure/system is ready for use or for the next stage of construction/erection or for starting the subsequent Commissioning.

Commissioning:

- 25.7 Commissioning shall be performed in accordance with Appendix 1.1. Chapter 2.13. and Appendix 1.17..
- 25.8 The Contractor shall notify the Owner 3 (three) Business Days in advance about the commencement of the Commissioning of any systems.
- 25.9 The Contractor shall invite the Owner 3 (three) Business Days prior to any commissioning test to be demonstrated to the Owner/Authority. The Contractor shall ensure the presence of the relevant Authority, as necessary.
- 25.10 The Contractor shall be responsible for the Commissioning. The Owner shall organize and ensure its operating personnel (to the extent required for the normal operation) for performing operation activities during the Commissioning under the responsibility and leadership of the Contractor. The operating personnel of the Owner shall strictly observe the instructions given by the Contractor's commissioning staff.
- 25.11 The Contractor shall duly record all tests and events of the Commissioning, including all modifications made to the Facility or any relevant part thereof.

- 25.12 The preliminary measurement of guaranteed values stipulated in Appendix 1.18 and essential technical parameters stipulated in Appendix 1.17 shall be performed during the Commissioning prior to commencing the Trial Operation of the relevant Unit. Should any of the relevant Absolute Guarantees fail to be attained, the Contractor shall rectify the cause(s) of such failure, whereupon the measurement shall be resumed.

Training:

- 25.13 The Contractor shall provide training for the Owner's operating and maintenance personnel in accordance with Appendix 1.1. Chapter 2.14. and Appendix 1.8. in due time prior to commencing Commissioning and - in case of on-the-job training in the course of Commissioning, as set out in details therein.
- 25.14 The Owner shall provide the qualified personnel for the training. The Contractor shall define the necessary qualification, which can be obtained in Hungary.
- 25.15 The training shall be scheduled so as to allow training modules to be repeated in accordance with the availability of trainees, in particular, the shift operators.
- 25.16 The training shall enable the Owner's operating personnel to operate the Facility or the relevant part thereof, as the case may be, in accordance with the operating manual and any other established operating procedures
- 24.1 The training shall enable the Owner's maintenance personnel to maintain the Facility, or the relevant part thereof, as the case may be, in accordance with the maintenance manuals and any other established maintenance procedures.
- 25.17 The Contractor shall duly certify that the trainees have learned such skills and competences.
- 25.18 Each lecture of training has to be documented by the Contractor.
- 25.19 A protocol on completion of training shall be signed by the Parties.

26. ACCEPTANCE OF THE FACILITY

Provisions of this Clause shall apply separately to Unit 5 and Unit 6, each as a whole; and separate acceptance of any part of Unit 5 or Unit 6 is not permitted and shall not qualify as acceptance.

Trial Operation**26.1 Prerequisites of the Trial Operation**

- 26.1.1 Each and all prerequisite of commencing the trial operation, as set out in Appendix 1.1. Chapter 2.13.6.1. shall be met.

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- 26.1.2 The Owner shall provide the expected load schedule to the Contractor for approval five (5) months prior to the commencement of the Trial Operation.
- 26.1.3 The trial operation program shall be drawn up by the Contractor, on the basis of the load schedule provided by the Owner, and shall be approved by the Owner in accordance with this Clause and Appendix 1.1. Chapter 2.12. The trial operation program shall be submitted to the Owner by the Contractor for approval three (3) months prior to the commencement of the trial operation. Nevertheless, during the trial operation the Units shall fulfill all the demands of the load dispatch center as if they were in normal commercial operation.
- 26.1.4 There shall not be any outstanding non-compliance, deficiency or shortcoming whatsoever of the Unit which may in any manner prevent or hinder the commencement of the normal operation thereof.
- 26.2 The list of outstanding minor deficiency items has been drawn up, identified in the course of the Commissioning, specifying the dates of rectification thereof by the Contractor. Documentation of the trial operation
- 26.2.1 A protocol shall be drawn up by the Parties on the commencement (protocol on commencement of trial operation) and the completion of the successful Trial Operation (protocol on completion of trial operation), setting out the relevant technical details in connection with the evaluation of success criteria of the trial operation in accordance with Appendix 1.1. Chapter 2.13.6.3. Such relevant technical details shall be submitted to the Owner by the Contractor on a daily basis during the trial operation. The protocols shall be signed by the Parties on the same day as the commencement or completion of the trial operation takes place, respectively.
- 26.2.2 All events of the trial operation shall be recorded in the operational logbook by the operational staff of the Owner under the supervision of the Contractor.
- 26.2.3 The Owner shall draw up a list of deficiency items identified in the course of the trial operation and shall send it to the Contractor.
- 26.3 Conduct of the Trial Operation
- 26.3.1 The trial operation shall be performed upon, and in strict accordance with the trial operation program.
- 26.3.2 The trial operation shall be performed by the operating staff of the Owner, under the sole supervision, responsibility and risk of the Contractor, and the Owner shall be entitled to attend thereon. The trial operation shall be performed in accordance with the operating and maintenance manuals. Settings of the Unit used during the trial

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operation shall be the same as used for the normal operation. No different or special settings for the trial operation are permitted.

26.3.3 The Owner's connecting systems, as specified in Appendix 1.13., shall be operated by the Owner in accordance with the trial operation program.

26.3.4 The Contractor shall rectify the deficiencies listed pursuant to Clause 26.2.3 and shall demonstrate it, to meet the requirements of the Contract.

26.4 Completion of the Trial Operation

26.4.1 Should the trial operation fail to be successful for any reason attributable to the Contractor, the Contractor shall carry out rectification on the respective Unit and shall request the repeat of the trial operation. All risk and costs of the repeated trial operation, except for costs of operational staff, shall be borne by the Contractor.

26.4.2 Should the trial operation fail to be successful for a reason attributable to the Owner, the provisions of Article 33 shall apply.

26.4.3 The respective Unit shall be thoroughly inspected by the Owner for nonconformities at the end of each trial operation of each Unit, and the list of such nonconformities, if any, shall be added to the list of deficiency items and attached to the protocol on completion of the trial operation. Such list of nonconformities shall not in any way affect the Owner's rights under Article 14.

Guarantee Tests

The Guarantee Tests shall be performed in accordance with Appendix 1.1. Chapter 2.13.7 and Appendices 1.17 and 1.18. During the Guarantee Tests the Functional Guarantees shall be measured and the "0" condition measurement of the technical reliability parameters shall be performed.

26.5 The Guarantee Tests shall be commenced upon the meeting, by the Contractor, of each of the following conditions:

26.5.1 the lack of any outstanding non-compliance, deficiency or shortcoming of the Unit whatsoever, which in any manner prevents or hinders the commencement of the normal operation thereof;

26.5.2 the list of outstanding minor deficiency items has been drawn up, identified in the course of the Commissioning and the Trial Operation, specifying the dates of rectification thereof by the Contractor;

26.5.3 the measurement plan for the Guarantee Tests is available in accordance with Clause 26.7.

- 26.6 The measuring activities during the Guarantee Tests shall be performed by an independent expert on behalf of the Owner, engaged by the Owner (hereinafter referred to in this Article as “expert”), in accordance with the measurement plan for the Guarantee Tests as approved by the Owner.
- 26.7 The draft measurement plan for the Guarantee Tests shall be compiled and submitted to the Owner for approval, by the Contractor. Should the Owner fail to make any comments thereon within ten (10) Business Days from its receipt, the draft measurement plan for the Guarantee Tests shall be regarded approved. Upon the approved draft of the measurement plan for the Guarantee Tests the expert shall finalize the measurement plan for the Guarantee Tests with the support of the Contractor and submit it to the Owner for approval. Should the Owner fail to make any comments thereon within ten (10) Business Days from its receipt, the measurement plan for the Guarantee Tests shall be regarded approved. The approved measurement plan for the Guarantee Tests shall be available three (3) months prior to the commencement of the Guarantee Tests.
- 26.8 During the Guarantee Tests the respective Unit shall be operated by the operating staff of the Owner in accordance with the operating and maintenance manuals, under the sole supervision, responsibility and risk of the Contractor, and the Owner shall be entitled to attend thereon. The settings of the Unit used during the Guarantee Tests shall be the same as those used for the normal operation. No special settings for the Guarantee Tests shall be allowed. The operation modes of the systems of the Unit shall be adjusted for the Guarantee Tests in accordance with Appendix 1.18.
- 26.9 All measurement points and measurement sections required for the Guarantee Tests shall be provided by the Contractor.
- Special materials and instruments required for the Guarantee Tests shall be provided by the expert, however temporary facilities (i.e. nozzles for measuring instruments, the equipment for sample taking, platforms, etc.) shall be provided and installed by the Contractor and the removal of those and the restitution of the Unit to the state existing prior to the commencement of the Guarantee Tests shall be provided by the Contractor.
- 26.10 All measurement sheets shall be signed by both Parties.
- 26.11 The Parties shall draw protocols on the results of the Guarantee Tests measurements, including the date, time and place of the measurements, the measurement sheets, the procedure of the measurements, all circumstances and statements, as requested, by any of the Parties.

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On the basis of the aforementioned protocols the expert shall hand over its evaluation report on the Guarantee Tests measurement results simultaneously to both of the Parties within 5 (five) Business Days of the completion of the measurements. The report shall be considered as accepted by the Parties, if none of them makes any objection to it within 7 (seven) Business Days from the date of its receipt.

- 26.12 Should any of the evaluated test results fail to attain the relevant Absolute Guarantee, the Contractor shall take appropriate corrective measures and request the repetition of the Guarantee Tests (i.e. 3rd Guarantee Tests) under the same conditions (as set out in Clause 26.5); in which case (i) all costs due to the repetition of the Guarantee Tests as per this Clause, and (ii) the costs of exchange, repair and/or upgrading any part of the respective Unit shall be borne by the Contractor. Should any of the evaluated test results fail to attain the relevant Absolute Guarantee during the 3rd Guarantee Tests, the Owner shall be entitled (i) to call upon the Contractor to take appropriate corrective measures, or (ii) to apply Clause 36.2.2.
- 26.13 Should any of the evaluated test results fail to attain the relevant Functional Guarantee, the Contractor may take appropriate corrective measures and request the repetition of the Guarantee Tests (i.e. 2nd Guarantee Tests) under the same conditions (as set out in Clause 26.5); in which case (i) all costs incurred due to the repetition of the Guarantee Tests as per this Clause, and (ii) the costs of exchange, repair and/or upgrading any part of the respective Unit shall be borne by the Contractor. Should any of the evaluated test results fail to attain the relevant Functional Guarantee during the 2nd Guarantee Tests, the provisions of Article 11 shall apply.
- 26.14 Should any of the Parties dispute the evaluation of the results of the Guarantee Tests, Clause 6.13 shall apply.
- 26.15 Upon the mutual agreement of the Parties the environmental parameters of the Functional Guarantees may be measured during the trial operation in accordance with the measurement plan for the Guarantee Tests if the provisions for performing the Guarantee Tests are taken into consideration respectively.
- 26.16 Guarantee Tests shall be performed in accordance with Appendix 1.1. and Appendix 1.17.

Provisional Takeover

- 26.17 The signing of the Provisional Takeover Certificate of the respective Unit as set out in Appendix 2.1.3 shall be subject to the satisfaction of the following prerequisites:

26.17.1 in accordance with the Guarantee Tests evaluation report the Guarantee Tests have been successfully completed;

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- 26.17.2 in accordance with the Guarantee Tests evaluation report all the Absolute Guarantees of Functional Guarantees have been attained;
- 26.17.3 on the basis of the joint inspection of the Parties, the Unit is free of any outstanding non-compliance, deficiency or shortcoming whatsoever, which in any manner prevents or hinders the commencement of the normal operation thereof;
- 26.17.4 on the basis of the joint inspection of the Parties the list of outstanding minor deficiency items has been drawn up as an attachment of the Provisional Takeover Certificate, specifying the dates of rectification by the Contractor and the consequences of non-compliance of those, which does not in any manner prevent or hinder the commencement of the normal operation thereof;
- 26.17.5 the Contractor has handed over the As-built Documentation and the updated operation and maintenance manuals to the Owner;
- 26.17.6 the Contractor has declared in writing that all safety requirements set out by the Applicable Laws applicable in Hungary and the Applicable Standards and the Contract have been met;
- 26.17.7 the Contractor has delivered to the Owner the Defects Liability Bank Guarantee for the respective Unit;
- 26.17.8 a protocol signed by the Parties demonstrating that all the documents, quality records and data, including but not limited to the documents required to obtain the necessary Authority Approvals, to be supplied under this Contract, has been handed over to the Owner in the agreed number and form and to the satisfaction of the Owner.
- 26.18 Upon meeting all prerequisites, specified in Clause 26.17, the Contractor shall be entitled to request the Owner to issue of the Provisional Takeover Certificate substantially in the form as set out in Appendix 2.1.3.
- 26.19 Should the Provisional Takeover fail to be affected within a reasonable period of time for any reason not attributable to the Contractor, the Parties shall agree amicably on the consequences thereof and the Owner shall proceed in accordance with Clause 6.13.
- 26.20 Should the delay of the Provisional Take-over for any reason attributable to the Contractor, other than prerequisites in Clause 26.15.1 and Clause 26.15.2, be in excess of 10 (ten) Business Days of the successful completion of the Guarantee Tests, the Owner shall be entitled, to the technically possible extent, to use / operate the Facility or any part thereof, and such use / operation shall not be deemed to constitute the Provisional Takeover.
- 26.21 If any of the conditions under Clause 26.17.1 or Clause 26.17.2 has not been met even after three Guarantee Tests, the Owner shall be entitled to:

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26.21.1 order further repetition of the Guarantee Tests; or

26.21.2 if the failure deprives the Owner of substantially the whole benefit of the Unit, reject the Unit, in which event the Owner shall have the same remedies as are provided in Clauses 14.18.1-14.18.3; or

26.21.3 sign a Provisional Takeover Certificate.

In the event of Clause 26.21.3, the Contractor shall proceed in accordance with all other obligations under the Contract, and the Contract Price shall be reduced by such amount as shall be appropriate to cover the reduced value to the Owner as a result of this failure. The Owner may require the reduction to be (i) agreed by both Parties (in full satisfaction of this failure only) and paid before this Provisional Takeover Certificate is issued, or (ii) determined and paid under Clause 28.2 and Clause 6.13.

26.22 Upon, and on the date of, the due signing of the Provisional Takeover Certificate:

26.22.1 the title of the respective Unit without any restriction shall be transferred to the Owner in accordance with Clause 16.5;

26.22.2 the Owner shall be entitled to commence the commercial operation of the respective Unit without any restriction;

26.22.3 the risk of operation shall transfer to the Owner,

26.22.4 the Contractor's obligation for the supervision of the commissioning and operation of the respective Unit terminates and

26.22.5 the Defects Liability Period of the respective Unit commences.

Final Takeover

26.23 The signing of the Final Takeover Certificate shall be subject to meeting each of the following prerequisites:

26.23.1 the expiry of the general Defects Liability Period, provided that the Contractor has met all of its obligations under the general Defects Liability Period in accordance with Article 14, and

26.23.2 the evaluation of the Availability Guarantee has been completed as stipulated in Appendix 1.18.3, and

26.23.3 the deposition into escrow has been performed, by way of an escrow agreement materially in the form attached hereto as Appendix 4.9 of

26.23.3.1 the Source Code of system software delivered and installed in I&C hardware of nuclear safety class I, II or III (in this clause referred to as system software components)

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- 26.23.3.2 developing tools of system software components
- 26.23.3.3 compilers used to produce the machine codes and the recompilers used to reproduce the source codes from the machine codes or procedures to justify that the running machine codes are in conformance with the source codes.
- 26.24 The Contractor shall be entitled to request in writing the Owner to sign the Final Takeover Certificate upon meeting each of the prerequisites set out in Clause 26.23.3.
- 26.25 If, in the Owner's opinion, the Contractor has failed to meet an obligations under Clause 26.23, the Owner shall notify the Contractor of its outstanding obligations within 10 (ten) Business Days from the Contractor's request under Clause 26.24, whereupon the Contractor shall meet the respective outstanding obligation prior to requesting the signing of the Final Takeover Certificate again. The Defects Liability Period will automatically be extended up to the fulfilment of the respective Contractor's obligation.
- 26.26 Should the Final Takeover fail to take place within 60 days of the expiry of the Defects Liability Period as set out in Clause 14.6, the Parties shall agree amicably on the consequences thereof. For this purpose, the Contractor gives to the Owner notice that the Parties shall try to find an amicable agreement as per this Clause. Should the Parties fail to reach an agreement then the Owner shall proceed in accordance with Clause 6.13.
- 26.27 Should any of the Absolute Guarantees relevant to the Final Take-over fail to be attained due to the Contractor's fault then Clause 36.2.2 shall apply.
- 26.28 The performance of the Project Implementation for a Unit prior to the issuance of the Final Takeover Certificate for a Unit shall not be considered to have been completed until the Owner has signed the Final Takeover Certificate for the Unit.
- 26.29 After the Final Takeover Certificate for a Unit has been signed, each Party shall remain liable for the fulfilment of any obligation which remains unperformed at that time. For the purposes of determining the nature and extent of unperformed obligations, the Contract shall be deemed to remain in force.
- 26.30 Upon signing the Final Takeover Certificate for a Unit, the Contractor shall remove any remaining Contractor's Equipment, Temporary Installations surplus material, wreckage, rubbish and temporary works in relation to the Unit concerned from the Site. If all these items have not been removed within 20 (twenty) Business Days after the signing of the Final Takeover Certificate for the respective Unit, the Owner may sell or otherwise dispose of any remaining items. The Owner shall be entitled to be paid the costs incurred in connection with, or attributable to, such sale or disposal and restoring the Site.

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- 26.31 Any balance of the moneys from the sale shall be paid to the Contractor. If these moneys are less than the Owner's costs, the Contractor shall pay the outstanding balance to the Owner.

27. GOVERNING LAW

- 27.1 This Contract, including the Parties' agreement with respect to the settlement of disputes as provided in Article 28, and any non-contractual obligations arising out of or in connection with this Contract shall be governed by and construed in accordance with the laws of Switzerland without regard to its choice of law provisions.

- 27.2 The UN Convention on Contracts for the International Sale of Goods of 1980 shall not be applicable to the Parties' relations, rights or obligations in connection with this Contract.

28. SETTLEMENT OF CLAIMS, DISPUTES AND ARBITRATION

Claims

- 28.1 If the Owner considers itself to be entitled to any payment under any Clause of this Contract or otherwise in connection with the Contract, and/or to any extension of the Defects Liability Period, it shall give notice and particulars to the Contractor. However, notice is not required for services requested by the Contractor from the Owner.

The notice shall be given as soon as practicable after the Owner became aware of the event or circumstances giving rise to the claim. A notice relating to any extension of the Defects Liability Period shall be given before the expiry of such period.

The particulars shall specify the Clause or other basis of the claim, and shall include substantiation of the amount and/or extension to which the Owner considers itself to be entitled in connection with this Contract. The Owner shall then proceed in accordance with Clause 6.13 to agree or determine (i) the amount (if any) which the Owner is entitled to be paid by the Contractor, and/or (ii) the extension (if any) of the Defects Liability Period in accordance with Clause 14.8.

The Contractor shall open, immediately but not later than 3 (three) Business Days from the receipt of the notice, a separate bank account at a bank seated in Russian Federation and shall place the disputed amount of money thereon which account shall not be used for any other purposes. In the event that the Owner does not initiate a lawsuit against the Contractor claiming the so separated amount within 60 (sixty) Business Days from the receipt of the Owner's notice, the Contractor shall become entitled to drawdown the separated amount. However, in case that the Owner brings a lawsuit against the Contractor within the 60 (sixty) Business Days mentioned above, the Contractor will be entitled to drawdown the separated amount as directed by

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an arbitration award or other final ruling of a competent court provided that such claim is not drawn by the Owner.

- 28.2 If the Contractor considers itself to be entitled to any extension of the time for completion and/or any additional payment, under any Clause of these Conditions or otherwise in connection with this Contract, the Contractor shall give notice to the Owner, describing the event or circumstance giving rise to the claim. The notice shall be given as soon as practicable, and not later than 28 (twenty-eight) days after the Contractor became aware, or should have become aware, of the event or circumstance.

If the Contractor fails to give notice of a claim within such period of 28(twenty-eight) days, the time for completion shall not be extended, the Contractor shall not be entitled to additional payment, and the Owner shall be discharged from all liability in connection with the claim. Otherwise, the following provisions of this Clause shall apply.

The Contractor shall also submit any other notices which are required by this Contract, and supporting particulars for the claim, all as relevant to such event or circumstance.

The Contractor shall keep such contemporary records as may be necessary to substantiate any claim, either on the Site or at another location acceptable to the Owner. Without admitting liability, the Owner may, after receiving any notice under this Clause, monitor the record-keeping and/or instruct the Contractor to keep further contemporary records. The Contractor shall permit the Owner to inspect all these records, and shall (if instructed) submit copies to the Owner.

Within 42 (forty-two) days after the Contractor became aware (or should have become aware) of the event or circumstance giving rise to the claim, or within such other period as may be proposed by the Contractor and approved by the Owner, the Contractor shall send to the Owner a fully detailed claim which includes full supporting particulars of the basis of the claim and of the extension of time and/or additional payment claimed. If the event or circumstance giving rise to the claim has a continuing effect:

- (a) this fully detailed claim shall be considered as interim;
- (b) the Contractor shall send further interim claims at monthly intervals, giving the accumulated delay and/or amount claimed, and such further particulars as the Owner may reasonably require; and
- (c) the Contractor shall send a final claim within 28 (twenty eight) days after the end of the effects resulting from the event or circumstance, or within such other period as may be proposed by the Contractor and approved by the Owner.

Within 42 (forty-two) days after receiving a claim or any further particulars supporting a previous claim, or within such other period as may be proposed

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by the Owner and approved by the Contractor, the Owner shall respond with approval, or with disapproval and detailed comments. The Owner may also request any necessary further particulars, but shall nevertheless give its response on the principles of the claim within such time.

Each interim payment shall include such amounts for any claim as have been reasonably substantiated as due under the relevant provision of this Contract. Unless and until the particulars supplied are sufficient to substantiate the whole of the claim, the Contractor shall only be entitled to payment for such part of the claim as he has been able to substantiate.

The Owner shall proceed in accordance with Clause 6.13 to agree or determine (i) the extension (if any) of the time for completion (before or after its expiry) in accordance with Clause 33.2, and/or (ii) the additional payment (if any) to which the Contractor is entitled under this Contract.

The requirements of this Clause are in addition to those of any other Clause which may apply to a claim. If the Contractor fails to comply with this or another Clause in relation to any claim, any extension of time and/or additional payment shall take account of the extent (if any) to which the failure has prevented or prejudiced proper investigation of the claim, unless the claim is excluded under the second paragraph of this Clause.

Amicable Settlement of Disputes

28.3 In the event of any dispute, controversy or claim arising out of or in connection with this Contract (including any questions regarding the existence, validity, invalidity, breach or termination thereof) or any non-contractual obligations arising out of or in connection with this Contract (the "Dispute"), the Parties shall, upon written notice from either of them, enter into negotiations with a view to resolving the Dispute within 45 (forty five) days.

28.4 If the Parties are unable to resolve the Dispute within the said period of 45 (forty five) days of a notice requesting that they meet for this purpose, either party may submit the Dispute to the DAB to Article 28.5.

Dispute Adjudication Board (DAB)

28.5 Disputes of technical or commercial nature shall be adjudicated by a DAB in accordance with Clause 28.7. The Parties shall jointly appoint a DAB by the date 28 (twenty-eight) days after a Party gives notice to the other Party of its intention to refer a dispute to a DAB in accordance with Clause 28.7.

The DAB shall comprise three suitably qualified persons ("the members").

Each Party shall nominate one member for the approval of the other Party. The Parties shall consult both these members and agree upon the third member, who shall be appointed to act as chairman.

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The agreement between the Parties and each of the three members shall incorporate by reference the General Conditions of Dispute Adjudication Agreement contained as Appendix 4.10 to this Contract, with such amendments as are agreed between them.

The terms of the remuneration of each of the three members, shall be mutually agreed upon by the Parties when agreeing the terms of appointment. Each Party shall be responsible for paying one-half of this remuneration.

If at any time the Parties so agree, they may appoint a suitably qualified person or persons to replace any one or more members of the DAB. Unless the Parties agree otherwise, the appointment will come into effect if a member declines to act or is unable to act as a result of death, disability, resignation or termination of appointment. The replacement shall be appointed in the same manner as the replaced person was required to have been nominated or agreed upon, as described in this Clause.

The appointment of any member may be terminated by mutual agreement of both Parties, but not by the Owner or the Contractor acting alone. Unless otherwise agreed by both Parties, the appointment of the DAB (including each member) shall expire when the DAB has given its decision on the dispute referred to it under Clause 28.7, unless other disputes have been referred to the DAB by that time under Clause 28.7, in which event the relevant date shall be when the DAB has also given decisions on those disputes.

28.6 If any of the following conditions apply, namely:

- (a) either Party fails to nominate a member (for approval by the other Party) of a DAB of three persons by such date,
- (b) the Parties fail to agree upon the appointment of the third member (to act as chairman) of the DAB by such date, or
- (c) the Parties fail to agree upon the appointment of a replacement person within 42 (forty two) days after the date on which the three members declines to act or is unable to act as a result of death, disability, resignation or termination of appointment,

then the appointing entity shall, upon the request of either or both of the Parties and after due consultation with both Parties, appoint this member of the DAB. This appointment shall be final and conclusive. Each Party shall be responsible for paying one-half of the remuneration of the appointing entity or official.

28.7 If a dispute of technical or commercial nature arises between the Parties in connection with, or arising out of, this Contract or the Project Implementation, including any dispute as to certificate, determination, instruction, opinion or valuation of the Owner, then after a DAB has been appointed pursuant to Clauses 28.5 and 28.6, either Party may refer the dispute in writing to the

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DAB for its decision, with a copy to the other Party. Such reference shall state that it is given under this Clause.

The DAB shall be deemed to have received such reference on the date when it is received by the chairman of the DAB.

Both Parties shall promptly make available to the DAB all information, access to the Site, and appropriate facilities, as the DAB may require for the purposes of making a decision on such dispute. The DAB shall be deemed to be not acting as arbitrator(s).

Within 84 (eighty four) days after receiving such reference, or within such other period as may be proposed by the DAB and approved by both Parties, the DAB shall give its decision, which shall be reasoned and shall state that it is given under this Clause. However, if neither of the Parties has paid in full the invoices submitted by each member pursuant to the DAB Rules, the DAB shall not be obliged to give its decision until such invoices have been paid in full. The decision shall be binding on both Parties, who shall promptly give effect to it. Unless the Contract has already been abandoned, repudiated or terminated, the Contractor shall continue to proceed with the Services in accordance with the Contract.

28.8 For the avoidance of doubt and notwithstanding anything to the contrary in this Contract the Parties shall refer only technical and commercial disputes before the DAB and the DAB's competence and decisions shall extend only to such technical or commercial disputes.

28.9 Should the Parties fail to agree on the price, extension of time or other consequences of or issues in connection with a Variation proposed, requested or claimed by any of the Parties within 60 days after such proposal, request or claim, any of the Parties may refer the relevant issue to the DAB. The DAB shall take a decision on the disputed issue in relation to the Variation which was referred to it for resolution, and such decision of the DAB shall be final and binding on the Parties.

28.10 If the issue in dispute referred to the DAB is the price of a Variation, the decision of the DAB shall specify a target price for such Variation. The Contractor shall use open book policy in respect of pricing and procurement of the Goods and Services relating to the performance of such Variation. Shall the Contractor's actual costs of performance of the Variation be lower than the target price decided by the DAB, then, in addition to such actual costs, the Owner shall pay to the Contractor the difference between these actual costs and the target price decided by the DAB. Shall the Contractor's actual costs of performance of the Variation be higher than the target price decided by the DAB, then the amount which the Owner shall pay to the Contractor for the relevant Variation shall be the aggregate of the following: (i) the target price of the Variation decided by the DAB; and (ii) the difference between the target price decided by the DAB and the Contractor's actual costs of performance of

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the Variation. The Contractor shall not be required to start works in relation to the Variation before such estimate decision is issued.

Arbitration

28.11 Unless settled amicably, any dispute, controversy or claim, whether contractual or non-contractual, arising out of, or in relation to, this Contract, including the validity, invalidity, breach, or termination thereof, in respect of which the DAB's decision, if any, has not become final and binding shall be finally resolved by international arbitration in accordance with the Swiss Rules of International Arbitration of the Swiss Chambers' Arbitration Institution in force on the date on which the Notice of Arbitration is submitted in accordance with these Rules.

The number of arbitrators shall be three. The seat of the arbitration shall be Zurich, Switzerland. The arbitral proceedings shall be conducted in English.

The arbitrator(s) shall have full power to open up, review and revise any certificate, determination, instruction, opinion or valuation of (or on behalf of) the Owner and the Contractor, and any decision of the DAB, relevant to the dispute.

Neither Party shall be limited in the proceedings before the arbitrator(s) to the evidence or arguments previously put before the DAB to obtain its decision, or to the reasons for dissatisfaction given in its notice of dissatisfaction. Any decision of the DAB shall be admissible in evidence in the arbitration.

Arbitration may be commenced prior to or after completion of the Services. The obligations of the Parties and the DAB shall not be altered by reason of any arbitration being conducted during the progress of the Services.

28.12 In the event that:

(a) neither Party has given notice of dissatisfaction within the period stated in Clause 28.7,

the DAB's related decision (if any) has become final and binding, and

a Party fails to comply with this decision,

then the other Party may, without prejudice to any other rights it may have, refer the failure itself to arbitration under Clause 28.12 Clause 28.7 and Clause 28.3 shall not apply to this reference.

28.13 If a dispute arises between the Parties in connection with, or arising out of, this Contract or the execution of the Services and there is no DAB in place, whether by reason of the expiry of the DAB's appointment or otherwise:

(a) Clause 28.7 and Clause 28.3 shall not apply, and

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(b) the dispute may be referred directly to arbitration under Clause 28.12.

Sovereign Immunity

28.14 The Parties acknowledge article 177 section 2 of the Swiss International Private Law Statute and hereby undertake not to raise the sovereign immunity defense in connection with any arbitration pursuant to this Article 28 in particular but without limitation the Parties undertake not to invoke their own law to contest the arbitrability of a dispute or their capacity to be subject to arbitration.

29. INTELLECTUAL PROPERTY

29.1 The Parties hereto agree that the Contractor shall list all items of Intellectual Property under this Contract in Appendix 4.4, starting at the Completion Date for Phase 1 and supplemented every time as necessary, prior to their being used or applied for the Project Implementation, with the details regarding the rights attached to them, which details shall be construed together with the provisions of this Article 29.

29.2 The Contractor warrants that it is the exclusive proprietor of and is entitled to use and supply any and all Intellectual Property used or supplied by the Contractor under this Contract, as required to meet its obligations under this Contract.

29.3 The Contractor hereby grants to the Owner full scope, unlimited, perpetual and irrevocable, license rights, as consideration for the Contract Price to use, amend, sub-licence, transfer, copy and exploit, any and all Intellectual Property to the extent required to meet its obligations under this Contract whereupon the Owner shall be entitled to use, amend, sub-licence or transfer, as the case may be, any and all Intellectual Property supplied by the Contractor under this Contract to the extent required for the Project Implementation, use, completion, maintenance, repair, and potential conversion, extension (but not the duplication), decommissioning, dismantling and the sale of the Facility. The Contractor is not entitled to claim any further royalty or any other charges in return for the transfer or the licence of rights in the Intellectual Property used or supplied by the Contractor under this Contract.

29.4 The Contractor warrants that there are no facts, circumstances or rights of third parties that would in any way exclude, restrict, undermine or hinder the acquisition and contractual exercise of any rights of the Owner under this Article 29. The Contractor warrants that it will enter into agreements with all its employees, Subcontractors and other contributors (and cause its Subcontractors and other contributors to enter into agreements with their employees and contributors) under terms and conditions a result of which all rights of all Intellectual Properties created by such persons shall belong completely and exclusively to the Contractor and the Contractor is entitled to transfer such rights or grant licenses regarding such rights to the Owner in accordance with this Article 29, all the foregoing to the extent required by

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Clause 29.3 for the performance of the obligations of the Contractor. The Contractor warrants that the Intellectual Properties used or supplied by the Contractor under this Contract do not violate any intellectual property rights of third parties.

- 29.5 Subject to compliance by the Owner with the provisions of Clause 29.7, the Contractor shall indemnify the Owner and the Owner's Personnel, and indemnify them in terms of all claims, demands, lawsuits, measures, public administration and other procedures, any and all damages and costs, any and all legal and patent administration fees and expenses incurred by the Owner and/or the Owner's Personnel resulting as a direct or indirect consequence of actual or alleged unlawful use in the European Union and/or the country of origin, modification or licensing of any Intellectual Property used or supplied by the Contractor under the Contract.
- 29.6 Should any action, claim, demand, lawsuit or measure be imposed or any public administration, court or other proceeding commenced, pending or threatening against the Owner and/or the Owner's Personnel, the Owner shall with no delay notify the Contractor thereon, and, unless the Owner provides otherwise, the Contractor shall, upon the Owner's request, in agreement with the Owner, participate in such procedures on behalf of the Owner at its own expense, and conduct negotiations in order to settle such claims and demands.
- 29.7 Should the Contractor fail to start such negotiations, or participate in such proceedings within 30 (thirty) days from the receipt of the Owner's notice, the Owner shall be entitled to proceed alone in such negotiations and proceedings, the risks and cost of which are to be borne by the Contractor; however the Owner shall keep the Contractor informed on the measures taken, and the Contractor shall provide professional support as required by the Owner.
- 29.8 The Contractor shall take all measures (including the installation of other Facility and obtaining the necessary licences) without any delay, which are required to enable the Owner to achieve the purpose of this Contract, if any third party initiates a claim, demand, lawsuit or measure against the Contractor or the Owner with respect to the actual or alleged unlawful use, modification or licensing of any Intellectual Property used or supplied by the Contractor under this Contract, or if any public administration or other proceedings are initiated. As between the Parties, the Owner shall retain all rights, title and interest and other intellectual property rights in the Owner's Requirements and other documents made by (or on behalf of) the Owner. Such rights shall, at all times, vest (free of liens or charges under any Applicable Laws) in and be the exclusive property of the Owner. These shall not, without the Owner's consent, be copied, used or communicated to a third party by the Contractor, except as necessary for the purposes of this Contract.
- 29.9 All rights, title and interest to the Contractors Documents shall, at all times, vest (free of liens or charges under the Governing Law and any Applicable Laws) in and be the exclusive property of the Owner.

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- 29.10 The Source Codes and other items as per Clause 26.23.3 shall be deposited in escrow in accordance with the terms and conditions of an escrow agreement to be entered into by the Parties materially in the form set out in Appendix 4.9 as a condition precedent for the issuance of the Final Takeover Certificate.

30. CONFIDENTIAL INFORMATION

- 30.1 All provisions with respect to confidential information of the Project Act shall be applicable in respect of both Parties, the Contractor hereby expressly submits itself to the Project Act. The present Article 30 shall be construed in accordance with the provisions of the Project Act.
- 30.2 The Contractor committed itself to ensure that all of its Subcontractors and any other third person engaged by the Contractor concerning the performance of this Contract will observe and be subject to the confidential information related provisions of the Project Act, (with special regard to the rules related to classified information) by concluding a confidentiality agreement between the Contractor and such third parties. Pursuant to Clause 5.9., the Contractor is liable to the Owner for any act and omission of all Subcontractors or any other third parties engaged by the Contractor, thus for any act or omission which can be deemed as a breach of the confidential information related regulations of the Project Act.
- 30.3 Confidential information includes the entire contents of and any detail or part of this Contract (including the Fuel Provisions of the EPC Contract and its Appendices), all and any financial, commercial, technical information and data in relation to this Contract (including the Project Implementation), in any form, including information representing a commercial secret (the "Confidential Information").
- 30.4 The provisions of this Article 30 shall be applied to any Confidential Information regardless of whether it is marked by the Parties as "confidential" or not.
- 30.5 Each Party shall treat confidentially the Confidential Information and refrain from its disclosure in any part to any third parties including but not limited to the general public or any sector thereof and to any actor of mass media (with the exception set forth in this Article 30), and shall make every effort to prevent any disclosure of any Confidential Information without the prior written consent of the other Party for at least the time period set out in the Project Act; irrespective of the fact whether such pieces of information were prior to, on or after the Effective Date.
- 30.6 The Parties agree to make Confidential Information available to their employees, executive officers, professional external consultants, advisors, banks, subcontractors who are involved in the performance of this Contract in the event that this is necessary for the performance of this Contract or in connection with it, to the extent that it is required for implementing this Contract (including the Project Implementation), as well to auditors and Affiliates, provided that the Party making such information available causes

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such persons to treat the information confidentially by concluding a confidentiality agreement with each such persons on conditions not less stringent than those set forth in this Article 30; or if such persons are bound by professional duty of confidence.

30.7 According to the Article 30.4 the Parties shall keep and handle all the Confidential Information provided by the other Party, and shall make all reasonable efforts to protect such Confidential Information as if their own, in particular to:

30.7.1 limit the access to it only for those own personnel who need the Confidential Information in order to perform this Contract or in connection with this Contract;

30.7.2 oblige those own personnel to treat this information as confidential.

30.8 Obligations specified in this Article 30 shall not apply to the Confidential Information:

30.8.1 which was known or available on a legitimate ground to the other Party, its employees, experts or Affiliates before the date of the execution of this Contract;

30.8.2 which was came into the public domain before the date of the execution of this Contract;

30.8.3 the disclosure of which is required by Applicable Laws and the Applicable Standards, resolution of any authority, decision of court or arbitration, including the case where the disclosure is required for Authorities taking part in performing the Financing Agreement;

30.8.4 the disclosure of which is permitted pursuant to Clause 30.6.

30.9 Where the circumstances referred to in this Clause 30.9 apply, the Party subject to either such requirement shall, where reasonably practicable, notify the other Party of the applicable requirements and of a disclosed Confidential Information.

Unless provided otherwise in this Contract, in case of termination of this Contract by either Party, each Party shall, with no delay, return all documents including Confidential Information received from the other Party under this Contract, upon the first notice thereof.

30.10 The provisions of this Article 30 shall remain in effect for an unlimited time during the term of this Contract and thereafter from the date of the termination of this Contract for any reasons and in any manner, and/or from the date when this Contract ceased to be valid for any reason and in any manner.

31. FORCE MAJEURE

- 31.1 Neither Party shall be responsible for performing its obligations due to exceptional events or circumstance such as
- 31.1.1 natural disasters as, typhoon, earthquake, flood, hurricane, volcanic activity,
 - 31.1.2 war (declared or not), hostilities, invasion, act of foreign enemies,
 - 31.1.3 rebellion, terrorism, revolution, insurrection, military or usurped power, or civil war, and
 - 31.1.4 riot, commotion, disorder, strike or lockout by persons other than the Contractor's Personnel
- 31.2 so long as the events and circumstances above are beyond a Party's reasonable control and influence, could not reasonably have been taken care of before entering into this Contract and could not have been reasonably predicted with the utmost professional care, avoided or overcome once having arisen and the occurrence of which is not attributable to a Party.
- 31.3 The affected Party shall notify the other Party of occurrence of such a Force Majeure event or circumstance by specifying the nature of the Force Majeure and the obligations the performance of which is or will be prevented, the beginning thereof as well as the estimated duration thereof within 7 (seven) Business Days following the Party became aware or should have become aware of the relevant event or circumstance. Force Majeure shall not include such natural hazards that should be taken into account when planning the Project Implementation.
- 31.4 The affected Party shall, having given notice, be excused performance of such obligations for so long as such Force Majeure prevents it from performing them. Each Party shall at all times use all reasonable endeavours to minimize any delay in the performance of the Contract as a result of Force Majeure. However, the affected Party shall inform the other Party about the termination or elimination of the event of Force Majeure within 7 (seven) Business Days.
- 31.5 The affected Party shall confirm Force Majeure events with a document issued by a competent authority of the country or locality where such event happened or an equivalent document able to verify such event or circumstance, as soon as possible.
- 31.6 If any Subcontractor is entitled under any contract or agreement relating to this Contract to relief from force majeure on terms additional to or broader than those specified in this Article, such additional or broader force majeure events or circumstances shall not excuse the Contractor's non-performance or entitle him to relief under this Article.

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31.7 If the execution of substantially all the Services in progress is prevented for a continuous period of 180 (one hundred and eighty) days by reason of Force Majeure of which notice has been given under Clause 31.3, or for multiple periods which total more than 360 (three hundred and sixty) days due to the same notified Force Majeure, then the Owner may give to the Contractor a notice of termination of the Contract. In this event, the termination shall take effect 7 (seven) days after the notice is given, and the Contractor shall proceed in accordance with Clause 36.6. If the Contractor is prevented from performing any of his obligations under the Contract by Force Majeure of which notice has been given under Clause 31.3, and suffers delay and/or incurs Cost by reason of such Force Majeure, the Contractor shall be entitled, subject to Clause 28.2, to:

31.7.1 an extension of time for any such delay, if completion is or will be delayed, under Clause 33.1., and

31.7.2 if the event or circumstance is of the kind described in Clauses 31.1.2-31.1.4 and, in the case of Clauses 31.1.3-31.1.4 it occurs in Hungary, payment of any such Cost, and

after receiving this notice, the owner shall proceed in accordance with Clause 6.13 to agree or determine these matters.

32. VARIATIONS

Variations initiated by the Owner

32.1 The Owner shall be entitled to initiate a Variation at any time prior to the date of the issuance of the Provisional Takeover Certificate for Unit 5 or Unit 6, respectively, by an instruction to the Contractor in accordance with Clause 6.12 or by a request for the Contractor to submit a proposal. The Contractor shall be bound by the provision set out in Clause 6.12, and shall have the right to claim the instruction to be a Variation and follow the procedure under Clause 6.13 if the Owner's instruction under this Clause 32.1 is not marked by the Owner as a Variation.

32.2 Subject to Clause 28.10 the Contractor shall execute and shall be bound by each Variation unless the Contractor promptly gives notice to the Owner stating (with supporting particulars) that (i) the Contractor cannot readily obtain the Goods required for the Variation (ii) it will reduce the safety or suitability of the Services, or (iii) it will have an adverse impact on the achievement of the Guaranteed Performance as per Appendix 1.18 or (iv) it will prejudice the compliance with the Applicable Laws, the Applicable Standards, or otherwise meeting the requirements of this Contract. Upon receiving this notice, the Owner shall cancel, confirm or vary the instruction. If the Owner requests a proposal, prior to instructing a Variation, the Contractor shall respond in writing as soon as practicable, either by giving reasons why it cannot comply (if this is the case) or by submitting a proposal in accordance with Clause 32.8.

- 32.3 The Owner shall, as soon as practicable after receiving the Contractor's proposal as per Clause 32.2 above or otherwise, respond with approval, disapproval or comments. The Contractor shall not delay any work under the Contract whilst awaiting a response.
- 32.4 Each instruction to execute a Variation, with any requirements for the recording of Costs, shall be issued by the Owner to the Contractor, who shall acknowledge the receipt.
- 32.5 Upon instructing or approving a Variation, the Owner shall proceed in accordance with Clause 6.13 to agree or determine adjustments to the Contract Price and the Payment Schedule.
- 32.6 All Applicable Laws shall, in respect of the Services, the Goods and each Phase, be those prevailing when Unit 5 or Unit 6 are taken over by the Owner by the issuance of the Provisional Takeover Certificate.

Variations initiated by the Contractor

- 32.7 If a change of Legislation occurs in Hungary that in the Contractor's professional judgment could affect the Project Implementation, the Contractor shall give notice to the Owner and (if appropriate) submit a notice for compliance. In the event that the Owner determines that compliance is required, then the Owner shall initiate a Variation in accordance with Clause 32.1.
- 32.8 The Contractor shall send to the Owner a written proposal, if the Contractor considers a Variation desirable and/or necessary, for:
- 32.8.1 the acceleration of the Project Implementation and/or completion;
- 32.8.2 the reduction of the Facility's operational and/or maintenance costs;
or
- 32.8.3 any other considerations to the benefit of the Owner.
- 32.9 The Contractor's proposal as per Clause 32.7 and Clause 32.8 shall be prepared at the cost of the Contractor.
- 32.10 In the response to the Owner's request for a Variation proposal as per Clause 32.1 and in the Variations proposals submitted to the Owner as per Clause 32.7 and Clause 32.8, the Contractor shall specify the following which is to be considered to be the Contractor's proposal to the Owner for the purposes of this Contract:
- 32.10.1 the detailed description of the proposed Variation (what technical solutions will be required, how the technical parameters of the Goods will change, etc.);
- 32.10.2 the impact of the proposed Variation on the Project Schedule;

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32.10.3 the impact of the proposed Variation on the Contract Price (specifying the costs incurred by the Contractor in connection with the proposed Variation under cost items) and the Payment Schedule;

32.10.4 the impact of the proposed Variation on the Guaranteed Performance; and

32.10.5 the impact of the proposed Variation on the other provisions of this Contract, if applicable

32.11 Following the receipt of such proposal the Parties shall proceed as set out in Clause 32.5 above.

DAB estimates

32.12 The Parties agree to refer their dispute regarding a Variation to the DAB in accordance with Clause 28.10.

33. EXTENSION OF TIME FOR THE COMPLETION DATES

33.1 The Contractor shall complete the Services for Phase 1 and Unit 5 and Unit 6 for the respective Completion Dates.

33.2 The Contractor may be entitled in accordance with this Contract, and subject to Clause 28.2, to an extension of time for the Completion Date for Phase 1 or the Completion Date for each of Unit 5 or Unit 6 if and to the extent that for the purposes of the issuance of the respective Provisional Takeover Certificate the completion of Unit 5 or Unit 6 is or will be delayed by any of the following causes:

33.2.1 a Variation (unless an adjustment to the Completion Date for Unit 5 or Unit 6 has been agreed by the Parties pursuant to Article 32);

33.2.2 any causes which this Contract expressly states that entitles the Contractor to an extension of time; or

33.2.3 any delay, impediment or prevention caused by or attributable to the Owner, the Owner's Personnel, or the Owner's other contractors on the Site.

33.3 If the Contractor becomes aware of the occurrence of an event giving the right to an extension of time for the Completion Dates in accordance with Clause 33.2, the Contractor shall provide the Owner with a notice in accordance with Clause 28.2 containing the following information:

33.3.1 a description of the event giving the right to an extension of time for the Completion Dates;

33.3.2 the starting date of the event giving the right to an extension of time for the Completion Dates;

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33.3.3 the impact on the Project Schedule of the event giving the right to and extension of time for the Completion Dates; and

33.3.4 the impact on the Contract Price under the procedure set out in Appendix 3.1 and the Payment Schedule of the event giving the right to an extension of time for the Completion Dates.

33.4 When determining each extension of time under Clause 28.2, the Owner shall review previous determinations and may increase, but shall not decrease, the total extension of time. After the Parties agree on the Contractor's change proposal regarding the extension of time for completion, the Parties shall sign the corresponding amendment to this Contract.

33.5 If the following conditions apply, namely:

33.5.1 the Contractor has diligently followed the procedures laid down by the relevant legally constituted public authorities in Hungary,

33.5.2 these authorities delay or disrupt the Contractor's work, and

33.5.3 the delay or disruption was not reasonably foreseeable by an experienced contractor before the date of the Contract,

then this delay or disruption will be considered as a cause of delay under Clause 33.2.2.

34. REPRESENTATIONS AND WARRANTIES, INDEMNITIES

Representations and warranties of the Contractor

34.1 The Contractor represents and warrants that:

34.1.1 it is the Russian Authorised Organisation in the meaning of Article 3 point 1 of the Cooperation Intergovernmental Agreement;

34.1.2 it is a joint stock company duly incorporated and validly existing under the Applicable Laws of the Russian Federation;

34.1.3 it holds all requisite capacity, power and authority for the fulfillment of the Contract, and also fulfilling the obligations under this Contract in accordance with the Applicable Laws;

34.1.4 the execution of the Contract by the Contractor: (i) has been authorized in accordance with internal procedures of the Contractor; (ii) without prejudice, does not cause breaches or default of any contracts, agreements, arrangements, regulations or orders binding on Contractor or that extend to its property or assets;

34.1.5 this Contract is the legal, valid and binding obligation of the Contractor in accordance with its terms and conditions, exclusions or

limitations set up by Russian mandatory legislative provisions of bankruptcy, creditor's rights, etc.;

- 34.1.6 the Contractor possesses, or will in time possess, the technical, management and financial capacities, and know-how and wherewithal to perform, direct and oversee the Project Implementation;
- 34.1.7 on the Effective Date the Contractor is capable to perform this Contract in accordance with the terms thereof on the basis of the data supplied by the Owner, information obtained in the course of its visits to the Site, and on the basis of such additional data related to the Project Implementation that were available to it prior to the Effective Date.
- 34.1.8 it has or will in time have, become familiar with all data and information necessary for the Project Implementation prior to the Effective Date,
- 34.1.9 except as provided for in Clause 7.37.4, no failure to acquire any data or information from any source, including, but not limited to the Owner, or incompleteness or inaccuracy of such data or information shall constitute grounds for exemption either from its responsibilities for the correct assessment of the difficulties and costs in connection with the successful completion of the Project Implementation, or from its obligation to duly perform this Contract in accordance with the terms thereof.

Representations and Warranties of the Owner

34.2 The Owner represents and warrants that:

- 34.2.1 it is a company limited by shares duly incorporated and validly existing under the Applicable Laws of Hungary;
- 34.2.2 it holds all requisite capacity, power and authority to fulfill its obligations under this Contract;
- 34.2.3 the execution of this Contract by the Owner is: (i) has been duly authorized for a proper purpose in accordance with the internal procedures of the Owner; (ii) without prejudice, does not result in breach or default of its obligations in accordance with any contracts, agreements, arrangements, regulations or orders binding on Owner or that extend to its property or assets;
- 34.2.4 this Contract is the legal and binding obligation of the Owner in accordance with its terms and conditions, exclusions or limitations set up by mandatory legislative provisions of bankruptcy, creditor's rights, etc.;

34.2.5 the Owner, shall guarantee that the Goods of double purpose and the relevant technologies applicable for nuclear purposes, which will be imported from the Russian Federation under this Contract, and any of their reproduced copies shall:

34.2.5.1 be used only for the declared purposes not related to the activity on nuclear explosives production or any military goal achievement;

34.2.5.2 not be used for production of armament, military equipment, chemical, bacteriological (biological), toxin weapon;

34.2.5.3 not be used for carrying out activity in the field of nuclear fuel cycle being under no guarantee of IAEA;

34.2.5.4 not be copied, modified, re-exported or transferred to anybody without the Contractor's written consent agreed with a competent state authority of the Russian Federation.

Indemnities

34.3 The Contractor shall indemnify and hold harmless the Owner, the Owner's Personnel, and their respective agents, against and from all claims, damages, losses and expenses (including legal fees and expenses) in respect of:

34.3.1 bodily injury, sickness, disease or death, of any person whatsoever arising out of, or in the course of or by reason of the design, execution and completion of the Services and the remedying of any Defects, unless attributable to any negligence, willful act or breach of Contract by the Owner, the Owner's Personnel, or any of their respective agents, and

34.3.2 damage to or loss of any property, real or personal (other than the Services, to the extent that such damage or loss:

34.3.2.1 arises out of or in the course of or by reason of the design, execution and completion of the Services and the remedying of any Defects, and

34.3.2.2 is not attributable to any negligence, willful act or breach of the Contract by the Owner, the Owner's Personnel.

34.4 The Owner shall indemnify and hold harmless the Contractor, the Contractor's Personnel, and their respective agents, against and from all claims, damages, losses and expenses (including legal fees and expenses) in respect of bodily injury, sickness, disease or death, the Contractor's and Subcontractors' property which is attributable to any negligence, willful act or breach of the Contract by the Owner, the Owner's Personnel, or any of their respective agents.

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- 34.5 The Contractor shall indemnify and defend, or at its option settle, any action brought against the Owner, its Related Contractors, Owner's Personnel to the extent based on a claim that any Goods or Services constitutes an infringement or misappropriation of any intellectual property rights of any third party including, without limitation any patents, copyrights, trade secrets, trademark rights, confidentiality rights or other intellectual property rights and, if timely notified in writing and given authority and reasonable assistance for the defense of same, the Contractor shall pay the damages, liabilities, costs, losses and expenses (including attorneys' fees) awarded therein against the Owner. If a claim of infringement is made, the Contractor may, or if the use of the item is enjoined, Contractor shall, at its expense and option, (a) procure for the Owner's the right to continue using such item, (b) replace such item with a non-infringing item that meets the requirements of this Contract, or (c) modify such item such that it becomes noninfringing while still meeting the requirements of this Contract. These provisions do not apply to the extent any item furnished hereunder is modified or combined by the Owner or others with items not furnished by the Contractor.

35. SUSPENSION

Suspension initiated by the Owner

- 35.1 The Owner shall be entitled at any time to instruct the Contractor in writing to suspend the progress of part or all of Contractor's performance under the Contract, indicating the obligations to be so suspended, the starting and the estimated finishing date of such suspension. The Owner may also notify the cause of the suspension. If and to the extent that the cause is notified and is the responsibility of the Contractor, Clauses 35.3 and 35.4 shall not apply. Except as otherwise instructed by the Owner, during such suspension the Contractor shall protect, store and secure such part of the Services against any deterioration, loss or damage.
- 35.2 The Contractor shall confirm the Owner's written instruction and suspend the progress of the relevant performance in strict compliance therewith until the receipt of the Owner's written instruction to continue the progress and performance.
- 35.3 If the Owner's suspension under Clause 35.1 affects the whole of the Services and has continued for more than 150 (one hundred and fifty) days in aggregate or more than 90 (ninety) continuous days, the Contractor shall have the right to terminate this Contract on a 15 (fifteen) days' notice and Clause 36.5.3 and Clause 36.6 shall apply.
- 35.4 If the Contractor suffers delay and/or incurs Cost from complying with the Owner's instructions under Clause 35.1 and/or from resuming the Project Implementation the Contractor shall give notice to the Owner and shall be entitled, subject to Clause 28.2, to:

- 35.4.1 payment of any such documented Costs (e.g. Contractor's Personnel being idle at the Site, extended rent times, safe-keeping at the Site,

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cost payable to Subcontractors for suspension) of the Contractor plus 5 % (five percent) profit on such Costs; and

35.4.2 an extension of time for completion for any such delay in accordance with Article 33.

35.5 The Contractor shall not be entitled to an extension of time for, or to payment of the Cost incurred in, making good the consequences of the Contractor's faulty design, workmanship or materials, or of the Contractor's failure to protect, store or secure in accordance with Clause 35.1. After the instruction by the Owner to proceed is given, the Parties shall jointly examine the Services and the Facility and materials affected by the suspension. The Contractor shall make good any deterioration or Defect in or loss of the Services, the Facility or the Goods, which has occurred during the suspension.

Suspension initiated by the Contractor

35.6 Should the Owner fail its payment obligations when due pursuant to Clause 9.16 and is delayed in its payment obligations for more than 120 (one hundred and twenty) days the Contractor is entitled to suspend all works, after giving not less than 60 (sixty) days' notice to the Owner, unless and until the Contractor has received payment.

35.7 If the Contractor suffers delay and/or incurs Cost as a result from suspending the work in accordance with Clause 35.6 the Contractor shall give notice to the Owner and shall be entitled, subject to Clause 28.2, to:

35.7.1 payment of any such documented Costs as per Clause 35.4.1 plus 5 % (five percent) profit on such Costs; and

35.7.2 an extension of time for completion for any such delay in accordance with Article 33. After receiving this notice the Owner shall proceed in accordance with Clause 6.13 to agree or determine these matters.

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37. ASSIGNMENT AND TRANSFER OF CONTRACT

- 37.1 Without the express written consent of the Owner (such consent not to be unreasonably withheld or unreasonably hindered), the Contractor may not assign or transfer any of its rights, or claims in respect of this Contract or any part thereof, or delegate any duty or obligation or any part thereof to a third party. For the avoidance of doubt, the provisions of this Article 37 shall not affect the Contractor's rights to engage Subcontractors in accordance with this Agreement.
- 37.2 A condition for the Owner to consent to such assignment by the Contractor, the Contractor shall deliver to the Owner the Closing Certificate in the form of Appendix 4.1.
- 37.3 As a condition to any assignment the Parties shall agree regarding, at least, their arrangements with respect to any outstanding liabilities of the assignor, existing or pending Authority Approvals, Bank Guarantees, the Parent Company Guarantee, insurances, pending or threatened administrative, court or arbitration procedures, Subcontracts and any and all rights and obligations of the assignor with third parties that may affect the completion of the Project.
- 37.4 As a condition to an assignment by the Contractor the Contractor shall deliver to the Owner a Closing Certificate of the assignee and the Guarantor in the form of Appendix 4.1.
- 37.5 The provisions of Clause 38.3.4 shall apply to an assignment with respect to the assignee.
- 37.6 Such permitted assignment or delegation shall, however, not relieve the Contractor of its responsibilities and liabilities hereunder, and the Contractor shall remain jointly and severally liable to the Owner for and guarantees the fulfilment of the contractual obligations by its assignee under this Contract (independent performance guarantee in the sense of article 111 CO).
- 37.7 Furthermore, any permitted assignment or transfer pursuant to this Article 37 shall only be effective towards the Owner upon the written notification of the Owner by the Contractor. Unless otherwise provided for in this Article 37 or this Contract, any attempted assignment of rights or delegation or subcontracting of duties without the prior written consent of the Owner shall be void and ineffective.

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- 37.8 In case of a permitted assignment or delegation pursuant to this Article 37, the Contractor is obliged to impose on any permitted assignee or delegee all restrictions as per this Article.

38. MISCELLANEOUS

Effective Date

- 38.1 This Contract shall enter into effect on the Effective Date.

Conditions Subsequent to this Contract

- 38.2 This Contract shall cease to be effective on June 29, 2015 if Appendix 3.2 re the Payment Schedule is not agreed by the Parties strictly in accordance with the provisions of Clause 2.4.

- 38.3 This Contract shall cease to be effective on December 01, 2015 if any one of the following conditions subsequent listed in Clauses 38.3.1-38.3.8 has not been fulfilled to the satisfaction of the Owner or the Contractor, as the case may be, on or before such date (conditions subsequent):

- 38.3.1 The Fuel/Spent Fuel Contract has become effective in accordance with its terms.

- 38.3.2 Each of the Ministry for National Economy of Hungary and the Ministry of Finance of the Russian Federation has given its approval pursuant to Article 8 point 1 of the Financial Intergovernmental Agreement.

- 38.3.3 The Owner has conducted and completed the evaluation of the Detailed Technical Offer (Description) received as per Clause 38.4.2 and the Owner is satisfied that the Detailed Technical Offer (Description) (i) fully corresponds to and satisfies the Owner's Requirements and (ii) is complete in offering technical solutions to each of the requirements of the Owner's Requirements.

- 38.3.4 The Contractor has delivered to the Owner each of the Legal Opinions duly signed.

- 38.3.5 The Contractor has delivered to the Owner the Parent Company Guarantee.

- 38.3.6 The Owner has delivered to the Contractor the Comfort Letter.

- 38.3.7 The Contractor has delivered to the Owner the Closing Certificate to the effect that

- 38.3.7.1 the execution and delivery of, and the performance of the Contractor's obligations under, this Contract (i) will not violate the Contractor's certificate of incorporation and

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bylaws, (ii) will not violate any provision of Russian or Swiss law or governmental regulation applicable to the Contractor, (iii) will not result in the material breach of the provisions of or constitute a material default under any indenture or other agreement to which the Contractor is a party, or by which it is bound or to which it or any of its property is subject, and (iv) will not conflict with or result in the breach of any order, judgment, decree, ruling or finding of any court or governmental agency or entity exercising such power by which the Contractor or the Guarantor is bound;

- 38.3.7.2 since the Effective Date there has not been any material adverse change in the business, financial condition or the results of operations of the Contractor and its Affiliates taken as a whole from the day of this Contract;
- 38.3.7.3 the Cooperation Intergovernmental Agreement and the Financial Intergovernmental Agreement are effective, and the Parties may rely on their enforceability as an essential part of the Contractor's warranties;
- 38.3.7.4 the representations and warranties of the Contractor contained in this Contract and in any Appendix delivered pursuant hereto shall be true, correct and in full compliance with any Applicable Laws in all material respects;
- 38.3.7.5 as essence of Contract, and subject to Article 7 the Contractor represents, warrants and covenants to the Owner that it scrutinized the Owner's Requirements, and that those Owner's Requirements and the Contractor's Detailed Technical Offer (Description) are accurate and complete and are in full compliance with any Applicable Laws and the Applicable Standards in all material respects; and that, notwithstanding anything to the contrary in this Contract and, subject to the provisions of Clause 7.3, the Owner shall not be responsible for any error, inaccuracy or omission of any kind in the Owner's Requirements as appended to this Contract and shall not be deemed to have given any representation of accuracy or completeness of any data or information; and that any data or information received by the Contractor, from the Owner or otherwise, shall not relieve the Contractor from its responsibility for the design and the execution of the Services;
- 38.3.7.6 when completed, the Services shall be fit for the purposes for which the Services are intended as defined in this Contract, and the Facility shall be fit to receive the Nuclear Fuel, and those Services include any work necessary to

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satisfy the Owner's Requirements, or implied by this Contract, and all works which (although not mentioned in this Contract) are necessary for the stability or for the completion and for safe proper operation, of the Services;

38.3.7.7 as essence of the contract, the Contractor represents, warrants and covenants to the Owner that any and all Authority Approvals required to the commencement or the completion hereof by any Applicable Laws or Applicable Standards shall have been duly given or will be obtained for the Owner by the Contractor in due time;

38.3.7.8 ~~the Contract and the other two Implementation Agreements are entered into force simultaneously and are operative as provided for in such contracts, each of such conditions being a condition concurrent;~~

38.3.7.9 no court or other government body or public authority or entity exercising such power shall have issued an order which when being effective shall then be in effect restraining or prohibiting the commencement or completion of the Services contemplated hereby;

38.3.7.10 copies of the Closing Certificate may be delivered by the Owner to its direct and indirect parents, banks financing the Owner's operations who may rely upon such Closing Certificate as if it were addressed to them.

38.3.8 The Contractor has notified the Owner that it has visited, inspected and is familiar with the Site, its physical conditions (soil, weather, etc.), roads, access rights, utilities, topographical conditions and air quality conditions, and prior to December 01, 2015, has performed all reasonable investigations necessary to determine that the Site is suitable for the Project Implementation,

Undertakings of the Parties

38.4 Each Party undertakes to deliver to the other Party the documents in accordance with Clauses 38.4.1-38.4.2 below on or before June 29, 2015:

38.4.1 The Parties shall sign and deliver and append to this Contract each of the Appendices listed in the List of Appendices Appended at a Later Date, and in the case of Appendix 1.6 the deadline is April 30, 2015.

38.4.2 The Contractor shall deliver to the Owner the Detailed Technical Offer (Description) in its complete form.

Amendments to the Contract

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- 38.5 Amendments to this Contract will be made by the Parties in writing specifying the date of such amendments duly signed by both Parties.
- 38.6 Appending of Appendices listed in List of Appendices Appended at a Later Date in accordance with Clause 2.3 shall qualify as amendments to this Contract. The Parties agree to cooperate and proceed to amend Appendix 1.15 following the Effective Date. The Parties shall agree to, sign and append Appendix 1.21 hereto until April 30, 2015.
- 38.7 Adjustments of the Contract Price or the Completion Dates shall qualify as amendments to this Contract.
- 38.8 The approval of each of the Ministry for National Economy of Hungary and the Ministry of Finance of the Russian Federation pursuant to Article 8 of the Financial Intergovernmental Agreement shall be required for any amendment of this Contract.

Exercise of Rights

- 38.9 The rights of each Party under this Contract:
- 38.9.1 may be exercised as often as necessary;
- 38.9.2 unless otherwise expressly provided in this Contract, are cumulative and not exclusive of rights and remedies provided by the Applicable Laws; and
- 38.9.3 may be waived only in writing and specifically.
- 38.10 Delay in the exercise or non-exercise by a Party of any right under or in connection with this Contract is not a waiver of that right.
- 38.11 A waiver (whether express or implied) by one of the Parties of any of the provisions of this Contract or of any breach of or default by the other Party in performing any of those provisions shall not constitute a continuing waiver and that waiver shall not prevent the waiving Party from subsequently enforcing any of the provisions of this Contract not waived or from acting on any subsequent breach of or default by the other Party under any of the provisions of this Contract.

Entire Agreement

- 38.12 This Contract, including and containing the Fuel Provisions of the EPC Contract, contains the whole agreement between the Parties relating to the transactions contemplated by this Contract and supersedes all previous agreements, arrangements or negotiations between the Parties relating to their subject matter

Severability~~Korlátozott terjesztésű!~~

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38.13 In case of invalidity, illegality or impossibility of enforcing any provisions of this Contract:

38.13.1 it shall not affect the validity, legality and possibility of enforcing the remaining provisions; and

38.13.2 the Parties shall conduct negotiations in good faith as soon as possible related to the change of such provisions with valid ones taking into account the achievement of the purpose of this Contract to the maximum extent possible as specified in Article 4.

38.14 This Contract and any amendment to it may be executed in counterparts and shall be concluded on the date of the last signature.

38.15 This Contract is signed in 2 (two) original copies, 1 (one) for the Owner and 1 (one) for the Contractor.

SIGNED BY: Jag LohSIGNED BY: [Signature]

NUK PAKS II. ATOMERŐ MŰ FELÉRTŐ
ZÁRTKÖZÖS KÖZÖS RÉHIVATÁR

for and on behalf of the Owner

for and on behalf of the Contractor

Senior Vice-President

NIAEP JSC

SIGNED BY: _____

for and on behalf of the Owner

ORIGINAL

Ellenjegyzem!

[Signature]

2014. 12. 09.

~~Korlátozott terjesztésű!~~

Minősítés törölve!

