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AGREEMENT FOR THE PROVISION OF STRATEGIC ADVISORY SERVICES

This agreement (the "Agreement") is made between

- (1) Magyar Villamos Művek Zártkörűen Működő Részvénytársaság (registered seat: 1031 Budapest, Szentendrei út 207-209., Hungary, registered by the Metropolitan Court acting as Court of Registration, company registration number: Cg. 01-10-041828; "MVM")
- (2) BNP PARIBAS Société Anonyme (registered seat: 16, Boulevard des Italiens - 75009 Paris, France, registered in France under company registration number: 662 042 449 RCS Paris (the "Strategic Advisor")

(hereinafter referred to individually as a "Party" and together as the "Parties")

at the place and on the date specified at the end of this Agreement and upon the following terms and conditions.

RECITALS

- (A) Whereas, MVM has invited proposals in the framework of a competitive tender process from qualified and experienced strategic advisors for rendering strategic advisory services with respect to the analysis of the potential business scenarios and risks connected to the establishment of the new nuclear power block(s) of the Nuclear Power Plant at Paks site,
- (B) Whereas, the Project will be implemented by a joint venture company in which MVM will hold minimum 51% and the prospective Strategic Partner(s) will hold maximum 49% of the shares;
- (C) Whereas, the Strategic Advisor has been selected by MVM as the winner of the competitive tender process referred to under Recital (A) above and is to be mandated to perform the services set out in this Agreement pursuant to the detailed terms and conditions set forth below;
- (D) Whereas, MVM wishes to mandate and the Strategic Advisor wishes to accept its engagement as the Strategic Advisor to MVM in relation to the preparation works of the Project; and
- (E) Whereas, capitalised terms shall have the same meanings as per defined in Clause 2 of the Request for Proposals in the competitive tender process referred to under Recital (A).

Having regard to the above, the Parties have agreed as follows.

## 1. Project summary

1.1 On 30 March 2009 the Hungarian parliament approved to start the preparation works for the establishment of a new nuclear power plant with 2 blocks located at the Paks Nuclear Power Plant. MVM intends to prepare the implementation of the new blocks so that those can effectively contribute to the sustainable development of the social economy with starting their commercial operation between 2020 and 2030. The Project will be implemented by a joint venture company in which MVM will hold minimum 51% and the prospective Strategic Partner(s) will hold maximum 49% of the shares.

1.2 In order to analyze and assess the possible business scenarios and the related risks connected to the establishment of the new nuclear power block(s), the completion of a feasibility study that can show all decision points and the possible feasible business scenarios of the Project became necessary. Aim of the abovementioned feasibility study is to introduce and analyze all possible feasible business scenarios of the Project based on rational and reasonable combination of its main fixed and variable parameters. This feasibility study completed by a strategic advisory firm should contain suggestions based on international benchmarks for the organizational frame, the structure and quantity of the resources and the method of operation regarding the Project. The work completed shall give a basis to move the Project further.

## 2. Role of the Strategic Advisor and the Mandate

2.1 Pursuant to the terms and conditions of this Agreement, MVM mandates the Strategic Advisor to act as strategic advisor to MVM (the "Mandate").

2.2 The Strategic Advisor shall analyse the potential business scenarios and risks connected to the establishment of the new nuclear power block(s) of the Nuclear Power Plant at Paks site. In providing strategic advisory services to MVM the Strategic Advisor shall perform the services set out in Appendix below.

If MVM decides at its own discretion to proceed with the Project after the fulfilment of the Mandate, MVM intends to organise a new tender process for additional strategic advisory services. The Strategic Advisor will be invited to such new tender and the services performed by it under this Agreement will be taken into consideration at the evaluation under the new tender.

2.3 Furthermore, if MVM and its prospective Strategic Partner(s) decide, at their own discretion, that the Joint Venture Company will enter into financing agreements with a future lending consortium (the "Bank Consortium"), consisting of reputable international and/or domestic commercial banks and/or multilateral financing institutions and/or sovereign financing agencies (the "Lenders") that will provide the external financing for the Project, then this Agreement shall not preclude the Strategic Advisor from participating in the Bank Consortium as one of the Lenders. However, should the Strategic Advisor become a member of the Bank Consortium, its activities as a Lender to the Joint Venture Company are not included in and are not covered in any way by this Agreement.

## 3. Scope of work

Within the framework of the Mandate, the Strategic Advisor shall provide the following main activities in connection with the analysis of potential scenarios and risks.



The Strategic Advisor shall provide advisory services relating to the analysis of the potential business scenarios and risks connected to the establishment of the new nuclear power block(s) of the Paks Nuclear Power Plant site. While introducing and assessing possible feasible business scenarios the Strategic Advisor shall consider the actual and planned financial, market and technological status of MVM Group, as well as its role in the domestic and regional energy sector, its strategy and its ownership structure. The Strategic Advisor is expected to give all suggestions customised to MVM Group with regard to the abovementioned environmental and operational aspects.

### 3.1 Purpose of the work:

- (a) Analysis of the relationship (synergies, precludes, discrepancies, international affairs and this like, etc.) among the main fix and variable parameters of the planned new nuclear block(s);
- (b) Set up and introduce the possible feasible scenarios based on rational and reasonable combination of the below fix and variable parameters of the Project;
- (c) SWOT analysis of the possible feasible scenarios, high level project process description and feasibility analysis; and
- (d) The Strategic Advisor shall give suggestions - based on international benchmarks - about the organisational framework, about the structure and the quantity of the resources and about the method of operation of the Project;

### 3.2 Framework

- (a) Fixed parameters based on the previous feasibility and in-house study of the Project
  - (i) The location of the new blocks shall be at Paks Nuclear Power Plant site;
  - (ii) A state owned project company shall prepare and execute the permission process, the investment and the operation
  - (iii) The project company shall be established by MVM. Later MVM might put up for sale maximum 49% of its shares in the project company to Strategic Partners.
  - (iv) Possible suppliers:
    - Westinghouse
    - Atomstroyexport
    - Toshiba
    - AREVA
    - KEPCO
- (b) Variable parameters of the Project to be considered by the Strategic Advisor
  - (i) Ownership structure
    - Possible ownership structures with securing the majority of the shares to the state
    - Identification of potential financial and Strategic Partner(s)

- Possibilities for cooperation
- Identification of risks connected to the ownership structure and their management

(ii) Types of nuclear block(s)

- Technological parameters
- Identification of Potential suppliers
- Introduction to Potential suppliers
- Identification of risks connected to the type of block(s) used and risk management

(iii) Financing structure

- MVM's financing capabilities
- Financing need and financing possibilities
- Introduction to potential financing alternatives
- Relationship among potential financing alternatives
- Identification of risks connected to the financing structure and risk management

(iv) Off-take strategies

- Off-take possibilities and potential partners
- Possible contractual elements of the off-take (PPA)
- Estimated prices

(v) Fuel supply strategies

- Potential suppliers and supply strategies
- Estimated prices
- Identification of risks connected to the fuel supply and pricing

(vi) EPC

- Possible EPC structures
- Issues with regard to the main contractual parameters
- Identification of risks connected to the EPC potentials and risk management (with special regard to ACM)

(vii) Operation and Maintenance

- Possible O&M structures
- O&M issues of the possible technologies (cost level)

### 3.3 Basis to be provided to the Strategic Advisor immediately upon signing the Mandate

(a) Previously completed in-house study

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- (b) All relevant documents, presentations, consultant reports, etc. available for MVM including the information in respect of the MVM Group referred to in the second paragraph of Clause 3 above which are not known to the Strategic Advisor that are not protected by confidentiality undertakings.

### 3.4 Services provided by MVM during the term of the Mandate

- (a) Fixing the potential parameters to be analysed
- (b) Providing the fixed parameters of the possible scenarios
- (c) Providing opportunity for site visit
- (d) Sharing all Project relevant data in connection with the operation of Paks Nuclear Power Plant those are not qualified for state secret, business secret or confidential otherwise
- (e) Providing opportunities for consultancy

### 3.5 Sub-contracting

Assignment of any third-party with the provision of advisory services under this Agreement on behalf of the Strategic Advisor shall be subject to the prior written consent of MVM. The Strategic Advisor shall be liable for the performance of such sub-contractors as if the given service has been rendered by the Strategic Advisor itself.

3.6 The Strategic Advisor will perform its advisory services hereunder with all due diligence. MVM acknowledges that in order for the Strategic Advisor to perform its services, it will rely on third party information generally considered reliable without verifying the accuracy, adequacy or completeness of such information. MVM acknowledges that the Strategic Advisor will not be liable in any way whatsoever for technical, legal, tax or other opinions or other appraisals, reports and studies prepared by third parties retained by MVM in connection with the Project.

## 4. Timing

The Strategic Advisor's Mandate under this Agreement shall begin on the date of the execution of this Agreement and shall end on the date when the Strategic Advisor has completed rendering its services in accordance with Clause 3 above, but in any event no later than 29 March 2011, such date to be extended (a) if the Strategic Advisor is delayed from completing its services as a result of a force majeure event or a third party's action or inaction (excluding sub-contractors' actions or inactions retained by the Strategic Advisor) in which case the date will be extended by a period equal to such delay; (b) by the period of any suspension, or (c) pro-rata temporis in case the date of the Mandate's execution occurs later than 1 February 2011.

The Strategic Advisor shall give a schedule for the work at the beginning of its mandate.

## 5. Deliverables:

The Strategic Advisor is expected to send status reports at least every fortnight.

A draft report shall be sent to the Contact Person by no later than 16 March 2011. Any comments from MVM to the Strategic Advisor to consider for the final report shall be communicated in writing no later



than by 23 March 2011. Such dates shall be extended pro-rata temporis in case the date of the Mandate's execution occurs later than 1 February 2011.

Three complete hard copies, plus one electronic copy in MSWord or PDF format on a CD, of the Strategic Advisor's final study must be delivered to the Contact Person until 29 March 2011.

## 6. Fees

6.1 In consideration of the services set out in Clause 3 and rendered in connection with the Project, the Strategic Advisor shall be entitled to the following lump sum, fixed fee (VAT will be arranged by reverse charge mechanism) which shall include all connected expenses and costs (such as fax, telephone, and photocopying charges, third party disbursements, including travel and accommodation expenses, translation work and the like, etc) (the "Fee"): EUR 225,000.

MVM will be responsible for payment of any taxes that are payable under the Hungarian tax legislation in relation to the Fee (other than payable by the Strategic Advisor on its overall income) and will ensure that the Fee received by the Strategic Advisor does not suffer any deduction because of such taxes, and, if it does, gross up the payment of the Fee to ensure that the sum received by the Strategic Advisor is an amount equal to the amount that it would have received had no such taxes been deducted with respect to such payments.

6.2 No Fee shall be payable to the Strategic Advisor during any period of suspension as defined in Clause 8 below.

6.3 In addition to the Fee, the Strategic Advisor shall not have the right to charge MVM with any further payment under this Agreement.

## 7. Invoicing

7.1 The Strategic Advisor can issue its invoice concerning the Fee to MVM upon the completion of rendering its services in accordance with Clause 3 and 4 above in one instalment. The invoice must be supported by 1 (one) original copy of a written certificate of performance printed from MVM's SAP system ("Certificate of Performance")

7.2 On behalf of MVM, Mr. György Kóbor Deputy Chief Executive, CFO and Mr. Gábor Lavich Finance Director (the "Signatories") shall be jointly entitled to certify performance of the Strategic Advisor. The Strategic Advisor's performance under this Agreement shall be certified by issuing the Certificate of Performance following the provision of all services as per detailed in Clause 3 and 4. The Certificate of Performance shall be issued (or shall be refused by the Signatories (acting reasonably) together with a reasonably detailed explanation for the refusal and shall give the Strategic Advisor a reasonable time to remedy such non-completion) within 14 days of notification by the Strategic Advisor that in its opinion it has completed its scope of work under the Mandate.

7.3 The invoice of the Strategic Advisor shall be issued in 1 (one) original copy, indicating the name ("MVM Zrt.") and the billing address (1031 Budapest, Szentendrei út 207-209.) of MVM. In addition to the mandatory substantive and formal elements of an invoice as stipulated by the applicable tax and accounting laws, the 10 (ten) digit reference number of the present Agreement as determined by MVM as well as the name and position of MVM's contact person as designated by this Agreement shall also be indicated on the invoice.

7.4 The invoice, issued to the name and address of MVM, shall be conveyed to the address of MVM KONTÓ Pénzügyi és Számviteli Szolgáltató Központ Zártkörűen Működő Részvénytársaság (hereinafter referred to as "MVM KONTÓ ZRt.") (address: 7031 Paks, Pf. 152., Hungary) which is MVM's subsidiary being in charge of handling invoices issued by or to MVM.

7.5 The Strategic Advisor's invoice shall be settled by MVM within 30 (thirty) days of receipt by MVM KONTÓ ZRt.. All invoices shall be denominated and paid in EUR.

## 8. Suspension

8.1 MVM may decide at any time at its own discretion to suspend this Agreement (the "Suspension"), by giving at least 5 (five) working days prior written notice to the Strategic Advisor. MVM may terminate the suspension and instruct the Strategic Advisor to continue performing this Agreement by giving at least 5 working days prior written notice to the Strategic Advisor. Such Suspension shall not exceed one month and only one Suspension is permitted.

8.2 During the notice periods referred to in Clause 8.1 above the Parties shall continue performing this Agreement and such notice periods shall not be included into the period of Suspension for the purposes of Clause 6.2.

## 9. Confidentiality

9.1 Each Party and its agents, employees and officers shall manage all information, documentation and/or data received regarding the Project (the "Confidential Information") as confidential and shall not disclose or use such Confidential Information without the prior written consent of the other Party (such consent not to be unreasonably withheld or delayed), unless such information

- (a) is already in the public domain;
- (b) comes into the public domain otherwise than by breach of this Agreement;
- (c) is already held by the receiving Party not subject to a duty of confidentiality;
- (d) has been obtained by the receiving Party from a third person who is not prohibited from transmitting such information; and
- (e) is required to be disclosed by law, any authority, recognised stock exchange or court of competent jurisdiction.

9.2 The receiving Party agrees that it shall limit the number of persons within its respective organisation to whom the Confidential Information is disclosed to the absolute minimum required to fulfil its obligations under this Agreement.

9.3 The Strategic Advisor shall not be entitled to refer to or to publish either partially or in whole the subject matter of this Agreement without the prior written approval of MVM. The aforementioned shall not apply to any announcement or circular required by law or any regulatory body or the rules of any recognised stock exchange but the Strategic Advisor shall notify MVM in advance thereof.



## 10. Termination

10.1 This Agreement shall terminate upon the ending of the Strategic Advisor's Mandate pursuant to Clause 4

10.2 This Agreement may be terminated by MVM at any time, in writing, with 15 days' prior notice.

10.3 This Agreement may be terminated by either MVM or by the Strategic Advisor, in writing, with immediate effect (i) if the other Party has committed a material breach of this Agreement which is not capable of remedy or, if capable of remedy, has not been remedied within 30 days of the receipt of the non-defaulting Party's written request to remedy such breach; or (ii) if MVM has applied a Suspension exceeding one month.

Should any of the Parties terminate the present Agreement pursuant to Clauses 10.2 or 10.3, the Strategic Advisor shall, within one working day of the receipt of the termination notice, shred all project related document received from MVM and hand over to MVM's Contact Person at H-1031 Budapest, Szentendrei út 207-209. all and every document prepared in course of the fulfilment of the Mandate (except to the extent that it is required to keep for legal, regulatory or audit purposes).

Only those printed documents will be considered to have been received in due time which have been duly signed in the name and on behalf of the Strategic Advisor. All documents failing to comply with the aforementioned shall not be accepted and shall be returned to the Strategic Advisor. In order to avoid any dispute, a hand over protocol with an itemised document list shall be recorded on-site.

Parties hereby agree that in case of termination pursuant to Clauses 10.2 or 10.3, the Strategic Advisor shall be entitled to an appropriate Fee proportional to the level of fulfilment of the Mandate.

The Parties hereto hereby express their intent to resolve any dispute that may arise out of or in connection with the above proportional Fee in an amicable manner. Should the Parties fail to settle their dispute within 15 (fifteen) calendar days mutually, each of the Parties shall be entitled to refer the dispute to the Arbitration Court as per Clause 15 of the present Agreement.

10.4 The termination of this Agreement for any reason does not affect the provisions hereof relating to confidentiality (Clause 9), relationship (Clause 11), governing law (Clause 14), dispute resolution (Clause 15), language (Clause 16), this Clause 10.4 and any accrued liability of either Party under this Agreement.

## 11. Relationship

### 11.1 Managing the relationship by the Strategic Advisor

The Strategic Advisor shall appoint a dedicated leader of its team who shall have the overall responsibility for managing the Strategic Advisor's Mandate, including the co-ordination of the prompt and effective communication of the Strategic Advisor's team and for the general supervision of the services to be provided by the Strategic Advisor in connection with the Mandate. The names and contact details of the members of the Strategic Advisor's team working on the Mandate are set out in Annex 1 of this Agreement.



## 11.2 Managing the relationship by MVM

From the part of MVM, MVM shall appoint a primary contact person who shall have the overall responsibility for managing MVM's relationship with the Strategic Advisor.

## 11.3 Notices

11.3.1 Any notice or other communication in connection with this Agreement shall be in writing in English and delivered by hand, fax, registered post with return receipt or courier using an internationally recognised courier company.

11.3.2 The notices will be deemed to have been received (i) if delivered personally at the time of the delivery, (ii) if delivered by courier or sent by registered post with return receipt at the time shown on the receipt document, or (ii) if sent by fax at the time shown on the receipt document issued by the sender's fax machine. In all such cases if the day so calculated would fall on a non-working day (or it would be after 16:00 on a non-working day) then the next working day shall be deemed as the day of receipt.

11.3.3 A notice to MVM shall be sent to the following address:

Contact Person: Gabor Lavich  
Address: Szentendrei út 207-209, Budapest H-1031 Hungary  
Phone: +36 1 304-2118  
Fax: +36 1 201-9528  
Email: [glavich@mvm.hu](mailto:glavich@mvm.hu)

11.3.4 A notice to the Strategic Advisor shall be sent to the following address:

Contact Person: Pierre Bonin  
Address: Roosevelt tér 7-8, Budapest, Hungary, H-1051  
Phone: +36-1-374-6456  
Fax: +36-1-374-6346  
Email: [pierre.bonin@bnpparibas.com](mailto:pierre.bonin@bnpparibas.com)

11.3.5 Should any of the contact details as per listed in Clauses 11.3.3 and 11.3.4 change, the Party at whom the change occurred shall within 8 days of the change notify the other Party of the new contact details.

## 12. Amendment

No amendment of this Agreement will be effective unless in writing and signed mutually by the Parties.

## 13. No assignment

None of the Parties shall assign any of its rights and/or transfer any of its obligations under this Agreement to a third party without the prior written consent of the other Party.

## 14. Governing law

The provisions of this Agreement shall be governed by and construed in accordance with the laws of the Republic of Hungary.

## 15. Dispute resolution

Any dispute arising out of or in connection with the RFP shall be settled amicably. If, however, the dispute cannot be settled within 60 (sixty) calendar days by discussions, each of the Parties hereto agrees that the Arbitration Court attached to the Hungarian Chamber of Commerce and Industry shall have jurisdiction to hear and determine any suit, action or proceeding which may arise out of or in connection with this Agreement. The language of any proceedings before the Arbitration Court shall be English. The number of the arbitrators shall be three.




## 16. Miscellaneous

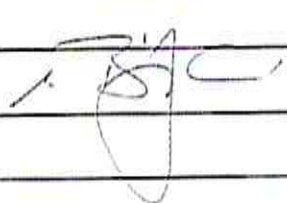
For the purpose of meeting the requirements as established by the Act CXXII of 2009 on the more economic operation of publicly owned companies (hereinafter referred to as the "Act"), the Strategic Advisor, as MVM's contracting partner, unconditionally and irrevocably agrees that MVM may disclose information concerning this Agreement to the public as stipulated by Section 2(3) of the Act, provided that the value of the Agreement exceeds the value threshold as determined under Section 2(3) of the Act. This Section 16 shall also apply in case several contracts are concluded between MVM and the Strategic Advisor concerning the same services within a fiscal year the total value of which exceeds the value threshold as determined under Section 2(3) of the Act.

The language of the communication between the Parties shall be English.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives in a manner legally binding upon them as of the date written below.

Budapest, 15 February 2011

    
Bács Zalán      Lavich Gábor      Aymar de Liedekerke Beaufort, David Cole  
MVM Zrt.      BNP Paribas SA

Szignálási információ	
Gombkötő Zsuzsa	SZO
Lavich Gábor	PÜO
Dr. Bánfi László	JIG 



## Appendix Services

The Strategic Advisor shall provide the following Advisory Services relating to the analysis of the potential business scenarios and risks connected to the establishment of the new nuclear power block(s) of the Paks Nuclear Power Plant site. While introducing and assessing possible feasible business scenarios the Strategic Advisor shall consider the actual and planned financial, market and technological status of MVM Group, as well as its role in the domestic and regional energy sector, its strategy and its ownership structure. The Strategic Advisor is expected to give all suggestions customised to MVM Group with regard to the abovementioned environmental and operational aspects.

### 1. Purpose of the work:

- (f) Analysis of the relationship (synergies, precludes, discrepancies, international affairs and this like, etc.) among the key fix and variable parameters of the planned new nuclear block(s);
- (g) Set up and introduce the possible feasible scenarios based on rational and reasonable combination of the fix and variable parameters of the Project (below);
- (h) SWOT analysis of the possible feasible scenarios, high level project process description and feasibility analysis;
- (i) The Strategic advisor shall give suggestions - based on international benchmarks - about the organisational framework, about the structure and the quantity of the resources and about the method of operation of the Project;

### 2. Framework

- (j) Fixed parameters based on the previous feasibility and in-house study of the Project

- (viii) The location of the new blocks shall be at Paks Nuclear Power Plant site;

- (ix) A state owned project company shall prepare and execute the permission process, the investment and the operation

- (x) The project company shall be established by MVM. Later MVM might put up for sale maximum 49% of its shares in the project company to Strategic Partner(s).

- (xi) Possible suppliers:

- Westinghouse
    - Atomstrojexport
    - Toshiba
    - AREVA
    - KEPCO

- (k) Variable parameters of the Project to be considered by the Strategic Advisor

- (xii) Ownership structure

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- Possible ownership structures with securing the majority of the shares to the state
  - Identification of potential financial and strategic partners
  - Possibilities for cooperation
  - Identification of risks connected to the ownership structure and risk management
- (xiii) Types of nuclear block(s)
- Technological parameters
  - Identification of Potential suppliers
  - Introduction to Potential suppliers
  - Identification of risks connected to the type of block(s) used and their management
- (xiv) Financing structure
- MVM's financing capabilities
  - Financing need and financing possibilities
  - Introduction to potential financing alternatives
  - Relationship among potential financing alternatives
  - Identification of risks connected to the financing structure and risk management
- (xv) Off-take strategies
- Off-take possibilities and potential partners
  - Possible contractual elements of the off-take (PPA)
  - Estimated prices
- (xvi) Fuel supply strategies
- Potential suppliers and supply strategies
  - Estimated prices
  - Identification of risks connected to the fuel supply and pricing
- (xvii) EPC
- Possible EPC structures
  - Issues with regard to the main contractual parameters
  - Identification of risks connected to the EPC potentials and risk management (with special regard to ACM)
- (xviii) Operation and Maintenance
- Possible O&M structures
  - O&M issues of the possible technologies (cost level)

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 [Signature]  
 [Signature]



### 3. Basis provided to the Strategic Advisor at the beginning of its Mandate

- (l) Previously completed in-house study
- (m) All mandate relevant documents, presentations, consultant reports, etc. those are available for MVM and are not protected by confidentiality undertakings.

### 4. Services provided by MVM during completion of the work

- (n) Fixing the potential parameters to be analysed
- (o) Providing the fixed parameters of the possible scenarios
- (p) Providing opportunity for site visit
- (q) Sharing all Project relevant data in connection with the operation of Paks Nuclear Power Plant those are not qualified for state secret, business secret or confidential otherwise.
- (r) Providing opportunities for consultancy

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