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AGREEMENT

/No. by MVM: MVM_TEVH/11C00041-00/

dated 28 Dec 2011

between
MAGYAR VILLAMOS MŰVEK ZRT.
as MVM

and
DR ATAMBIR RAO
as the Consultant

**FOR THE REVIEW OF THE TENDER DOCUMENTATION OF THE LEVAI
PROJECT**

This agreement is made on [•] 2011 between

(A) **Magyar Villamos Művek Zrt.** having its registered seat at 1031, Budapest, Szentendrei út 207-209., Hungary (MVM); and

(B) **Dr Atambir Rao** having his address at 6763 Elwood Road, San Jose, California 95120, USA (the **Consultant**)

(Each of MVM and the Consultant is a **Party**; MVM and the Consultant together the **Parties**)

Whereas

(A) The Hungarian Parliament by its resolution no. 25/2009 dated 2 April issued pursuant to section 7(2) of Act CXVI of 1996 on Nuclear Power, has granted its approval-in-principle (in Hungarian: *elvi hozzájárulás*) for the commencement of the preparation of the construction of new nuclear units in the site of the Paks Nuclear Power Plant;

(B) MVM has established the Lévai project responsible for the preparation of the construction of the new nuclear units of the Paks Nuclear Power Plant (the **Lévai Project**);

(C) MVM is in the process of preparing the tender documentation for the design, manufacturing, supply and installation of the new nuclear units of the Paks Nuclear Power Plant (the **Tender Documentation**);

(D) As the Consultant has extensive experience and know-how in the field of new nuclear power projects, in particular in relation to the preparation of tender documentations, MVM has contacted the Consultant to provide consulting services in the preparation of the Tender Documentation; and

(E) The Consultant has confirmed his interest to participate in the preparation of the Tender Documentation and the Parties enter into the below agreement.

It is agreed as follows:

1. Role of the Consultant, Tender Documentation Review

For a period of 60 calendar days, unless terminated earlier by MVM or extended by the Parties, MVM will engage the Consultant and the Consultant will review the draft Tender Documentation of MVM and prepare a Tender Documentation Review (the **Tender Documentation Review**) in accordance with the terms and conditions below.

The requirements of MVM in relation to the Tender Documentation Review are specified in Schedule 1 of this agreement.

The Consultant must sign a confidentiality declaration the form of which is attached as Schedule 2 to this agreement prior to the review of the Tender Documentation.

The Tender Documentation will be reviewed at the Consultant's places or where MVM may require.

2. Duties of the Consultant

The Consultant must prepare the Tender Documentation Review within **60 calendar days** calculated from the date MVM has made the Tender Documentation available to the Consultant in electronic form through a secured Internet system.

The Consultant represents and warrants that he is appropriately qualified, skilled and experienced in the field of developing and construction and nuclear power plants, in particular in the preparation of tendering documentations of nuclear power plant.

The Consultant must

a) provide the full benefit of his knowledge, expertise and technical skill in connection with the preparation of the Tender Documentation Review and devote his time, attention and abilities for the proper preparation of the Tender Documentation Review; and

b) prepare the Tender Documentation Review in a safe and competent manner with (i) the degree of skill, diligence, prudence and foresight; and (ii) the use of those practices, methods, techniques and standards that are from time to time generally accepted for use in the international nuclear power plant industry, which would be reasonably expected to be observed and used by a skilled and experienced consultant acting with due and professional care engaged in reviewing the Tender Documentation or similar document of a nuclear power plant project under the same or similar circumstances.

3. Fee

MVM will pay a lump sum fee to the Consultant in the total amount of **EUR 21,600** (excluding value added tax) (the Fee).

The basis of the Fee calculation is 216 man-hours multiplied by EUR 100 per hour.

The Consultant must record his spent man-hours on a timesheet clearly indicating the carrying out of the Tender Documentation Review and send it to MVM when filing the final version of the Tender Documentation Review.

In addition to the total amount of the Fee the following costs and expenses arising during the review work will be reimbursed by MVM to the Consultant:

- a) travel expenses from London to Budapest (economy class flights) or Paks, assuming two round trips (3 day duration either); and
- b) hotel accommodation including meals and internet connection charges.

For the avoidance of doubt, no additional fee is payable by MVM for the revise of the Tender Documentation Review if such revision is required by the non-compliance of the Consultant with the requirements of MVM specified in Schedule 1 of this agreement (Clause 5 (Completion of Tender Documentation Review)).

4. Completion of Tender Documentation Review

The Consultant must submit a printed final version of the Tender Documentation Review to MVM within the deadline provided in clause 2. Only Tender Documentation Review with the signature of the Consultant and without any mark indicating in any manner that the Tender Documentation Review is not the final version will be accepted for the purpose of this clause.

MVM will investigate the final version of the Tender Documentation Review submitted by the Consultant and inform within 15 business days as of the submission of the Tender Documentation Review the Consultant whether the final version of Tender Documentation

Review is acceptable and comply with the requirements of MVM or not acceptable and must be revised.

For the avoidance of doubt, MVM will investigate the Tender Documentation Review only to determine that the Consultant has complied with the requirements of MVM specified in Schedule 1 of this agreement.

If MVM does not inform the Consultant within 15 business days as of the submission of the Tender Documentation Review whether the Tender Documentation Review is acceptable or not acceptable, the Tender Documentation Review will be regarded as acceptable.

If the Tender Documentation Review submitted by the Consultant does not comply with the requirements of MVM specified in Schedule 1 of this agreement MVM will request the Consultant to revise the Tender Documentation Review.

The revised Tender Documentation Review must be submitted by the Consultant to MVM within 15 days as of the receipt of MVM's request. Only a revised Tender Documentation Review with the signature of the Consultant and without any mark indicating in any manner that the Tender Documentation Review is not the final version will be accepted for the purposes of this clause.

If MVM's request to revise the Tender Documentation Review is not acceptable to the Consultant, the Consultant must provide a detailed reasoning with the signature of the Consultant to MVM within 15 days as of the receipt of MVM's request. The detailed reasoning must be prepared in an adequate form and content.

MVM will investigate the revised Tender Documentation Review submitted by the Consultant and inform within 15 business days as of the submission of the Tender Documentation Review the Consultant whether the revised version of Tender Documentation Review is acceptable and comply with the requirements of MVM or not acceptable.

If the Consultant fails to

- a) submit the Tender Documentation Review until the deadline provided in clause 2 or the submitted Tender Documentation Review does not materially comply with the requirements of MVM specified in Schedule 1 of this agreement;
- b) revise and submit the Tender Documentation Review within 15 days as of the receipt of MVM's request or submit a detailed reasoning within 15 days as of the receipt of MVM's request; or
- c) revise the Tender Documentation Review in order to comply with the requirements of MVM specified in Schedule 1 of this agreement,

the Consultant must, without notice is being required, pay to MVM for each such breach a penalty equal to an amount of EUR 1,600 (as a penalty for delay or breach of agreement), plus a penalty of EUR 200 for each day such breach occurs and continues, notwithstanding the right of MVM to claim full damages. The total amount of penalty payable under this clause cannot exceed EUR 3,200. MVM is entitled to set-off any of its penalty claims against any fee payable to the Consultant.

If the submitted Tender Documentation Review or the revised Tender Documentation Review (as applicable) is acceptable by MVM or MVM does not inform the Consultant within 15 business days as of the submission of the Tender Documentation Review whether the Tender Documentation Review is acceptable or not acceptable, MVM will not later than 30 days as of the submission of the accepted Tender Documentation Review issue a performance certificate to the Consultant.

If MVM decides to use any part of the Tender Documentation Review and accordingly amend the Tender Documentation it will rely on the Tender Documentation Review of the Consultant.

5. Payment of services

The Consultant may invoice MVM monthly for the Fee upon MVM's acceptance of the Tender Documentation Review and the receipt of the MVM's performance certificate.

The invoice issued for the name of MVM in one original and the original printed from the Client's SAP system performance certificate signed by MVM as its attachment must be sent to the address of MVM KONTÓ Zrt. (7031 Paks, P.O. Box 152).

The invoice will be paid by bank transfer within 30 banking days from receipt.

The condition of paying invoices within the specified time limit is that the invoice

- includes the number of order or contract number and the name of the relevant contract manager,
- meets the relevant valid legal requirements,
- has the original performance certificate signed by MVM attached, and
- includes the following data:
 - full name, address, registered seat of the Consultant,
 - the date of invoicing,
 - the invoice number,
 - the number/date of the contract,
 - amount of the invoice, currency
 - the terms of payment,
 - the bank account number of the Consultant, address of the bank, bank identification numbers: SWIFT code, IBAN
 - community tax number
 - signature, name, date, stamp.

If an invoice is not submitted as specified in the contract MVM KONTÓ Zrt. is entitled to return it without payment and without any legal consequences of delayed payment.

The Parties agree that all bank charges occurring in Hungary in connection with bank transfer will be borne by MVM and all other bank charges occurring outside Hungary will be borne by the Consultant.

VAT occurring in Hungary will be paid by MVM.

In the case of delayed payment due to any reasons attributable to MVM, the default interest rate is 3 month EURIBOR plus 3% p.a.

6. Competition

The Consultant cannot directly or indirectly during the term of this agreement and for a two year period after the completion or termination of this agreement for any reason be employed

by or perform any services for or be interested in any manner in any other entity which is or may be participating in the tender published on the basis of the Tender Documentation as a supplier (including a sub-contractor of a supplier) except with the prior written consent of MVM.

The Parties have taken this requirement into account when determining the amount of the Fee.

7. Intellectual property rights

For the purposes of this agreement Intellectual Property Rights (IPRs) have the following meaning and collectively include: a formula, process, invention, improvement, utility model, trade mark, service mark, business name, copyright, design right, patent, know-how, data, analysis, raw data, databases, internal regulation, trade secret and any other intellectual property right of any nature whatsoever throughout the world (whether registered or unregistered and including all applications and rights to apply for the same), including any concept and idea disclosed by MVM (including any affiliate of MVM) to the Consultant or which are first acquired, created, developed or invented by the Consultant in connection with the Tender Documentation and the Tender Documentation.

All IPR will remain the exclusive property of MVM without any payment to the Consultant or the employee of the Consultant for them.

The Consultant and its employees, associates and/or contractors must hand over to MVM at any time on demand all tangible items of IPR in its possession or under its control. No unauthorised copy or other record of such IPR may be made or retained by the Consultant or its employees, associates and/or contractors.

The Consultant

- (a) acknowledges that MVM is the exclusive owner of the IPRs;
- (b) has no right to use any IPR without the prior written consent of MVM;
- (c) has no publication rights in connection with any IPR and all publication rights belong exclusively to MVM.
- (d) must refrain from registering in any country or organisation any of the IPRs; and
- (e) must promptly notify MVM of any actual or suspected infringement of any IPR.

The Consultant must indemnify in full and hold harmless MVM (including any affiliate of MVM) from and against all losses, costs, damages, charges and expenses (including legal expenses incurred) which MVM or any of its affiliates may suffer or incur from time to time in any such case arising out of the non-compliance of the Consultant or any of its employees, associates and/or contractors with the above provisions.

If the Consultant fails to comply with the above provisions, the Consultant must, without notice is being required, pay to MVM for each such breach a penalty equal to an amount of EUR 1,600 (as a penalty for delay or breach of agreement), plus a penalty of EUR 200 for each day such breach occurs and continues, notwithstanding the right of MVM to claim full damages. MVM is entitled to set-off any of its penalty claims against any fee payable to the Consultant.

The obligations of the Consultant and its employees, associates and/or contractors under this agreement will continue to apply after the termination of this agreement (whether terminated lawfully or not). Each of those obligations is enforceable independently of each of the others and its validity will not be affected if any of the others is unenforceable to any extent.

The above provisions will continue to be in force after the termination of this agreement.

8. No employment and agency

The Consultant will be a private person performing the agreement. Nothing in this agreement constitutes an employment relationship, partnership, joint venture or other joint relationship between any of the Parties nor constitutes any Party the agent of any other Party for any purpose.

9. Suspension

MVM may at any time at its own discretion immediately suspend the preparation of the Tender Document Review under this agreement by written notice to the Consultant.

Other than the preparation of the Tender Document Review, the Consultant must comply with all other obligations provided by this agreement.

No fee payable by MVM for the period of suspension.

MVM may at any time at its own discretion immediately terminate the suspension of the preparation of the Tender Document Review and instruct the Consultant to continue the preparation of the Tender Document Review.

The deadline for the submission of the Tender Document Review will automatically be extended with the period of the suspension.

10. Termination

The termination of this agreement for any reason will be without prejudice to any rights and obligations which have accrued before termination and will not destroy and diminish the binding force of any of the provisions of this agreement which are expressly provided to come into force on, or continue in force after such termination.

This agreement will automatically terminate upon MVM's acceptance of the Tender Document Review and the payment of the fee of the Consultant.

MVM may at any time immediately terminate this agreement by written notice to the Consultant.

Unless the termination of this agreement by MVM is due to a breach of the Consultant of any provisions of this agreement, the Consultant is entitled, subject to its compliance with clause 5 (Payment of Services), to receive an appropriate fee proportional to the level of the preparation of the Tender Document Review. The invoice must be filed with MVM within 15 days as of the termination notice of MVM.

If the termination of this agreement by MVM is due to a breach of the Consultant of any of its obligation of this agreement, MVM is entitled to set-off any of its claims (including damages,

penalty, costs and expenses incurred) arising out of the breach of the Consultant against any fee payable to the Consultant.

Upon the termination of this agreement for any reason, the Consultant will return within five business days all documents provided to it by MVM or any of MVM's affiliates or any person associated with MVM in connection with this agreement with a written certification confirming the Consultant's compliance with this provision. The Consultant will procure that each of its employees, associates and/or contractors comply with this provision.

The Consultant may at any time terminate this agreement by a 30 days prior written notice to MVM.

11. Liability and Insurance

The Consultant will be responsible for, and indemnify MVM and any affiliated company in respect of, any damage, loss or liability (whether criminal or civil) of or suffered by (including costs and expenses properly incurred in connection with any claim) MVM or any affiliated company (or its officers or employees) in connection with any act or default of the Consultant or any other employee or agent of the Consultant under the terms of this agreement.

The Consultant must maintain at its own cost a comprehensive policy of insurance to cover the Consultant's liability in respect of any act or default for which it may become liable to indemnify MVM under the terms of this agreement. The Consultant must present the copy of such insurance policy immediately to MVM upon the request of MVM anytime during the term of this agreement.

12. Gratuities

The Consultant cannot, and will procure that none of its employees or agents will directly or indirectly accept or provide any commission, rebate, discount or gratuity, in cash or in kind, from and to any person who has or is likely to have a business relationship with MVM.

13. Confidentiality

The Consultant must keep, and must procure that each of its employees, associates and/or contractors will keep all information, whether marked confidential or not, disclosed by whatever means either directly by MVM or any of its affiliates or any person associated with MVM or any of its affiliates in connection with this agreement and includes the provisions and subject matter of this agreement.

If the Consultant fails to comply with the above provisions, the Consultant must, without notice is being required, pay to MVM for each such breach a penalty equal to an amount of EUR 1,600 (as a penalty for delay or breach of agreement), plus a penalty of EUR 200 for each day such breach occurs and continues, notwithstanding the right of MVM to claim full damages. MVM is entitled to set-off any of its penalty claims against any fee payable to the Consultant.

The Consultant must indemnify in full and hold harmless MVM or any of its affiliates from and against all losses, costs, damages, charges and expenses (including legal expenses incurred) which MVM or any of its affiliates may suffer or incur from time to time in any such case arising out of the non-compliance of the Consultant or any of his employees, associates and/or contractors with the above confidentiality provisions.

The above provisions will continue to be in force after the termination of this agreement.

MVM may disclose any information relating to this agreement to any third party without the prior written consent of the Consultant.

14. Language

The language of this agreement is English and all notices, other documents or communications will be in English. If this agreement or any other related documents are translated into another language, the English version will prevail.

15. Assignment

None of the rights and obligations of the Consultant under this agreement may be assigned, sub-contracted or transferred without the prior written consent of MVM.

MVM may at any time assign or transfer any of its rights and obligations under this agreement to any third party, in particular to any of its affiliates or the company carrying out construction or operation of the new nuclear units of MVM.

16. Notices, contact persons

Any notice to be given under this agreement must be in writing which includes fax and may be delivered or sent by post to the party to be served as follows:

to MVM at:

address: Budapest, Szentendrei út 207-209.

Authorized for certifying performances and acting in relation to other technical issues:

Sándor Nagy, Deputy Chief Executive for Generation

phone: +36 1 304 2215

Csilla Tóth, Project Director

phone: +36 1 304 2308

Authorized in general contractual issues resulting in no contract modification:

Zsuzsa Kern, Economic Area Manager

phone: +36 75 508 448

to the Consultant at:

address: 6763 Elwood Road, San Jose, California 95120, USA

phone: +1 408 627 7876

for the attention of Dr Atambir Rao

Any notice or other document sent by post under this agreement must be sent by recorded delivery (in Hungarian: *tértivevény*). No copy of the Tender Documentation Review may be sent by post.

The Tender Documentation Review must be handed over by the Consultant to the above-mentioned contact person of MVM and certified by a mutual signing of a hand-over protocol.

17. Severability

The provisions contained in each clause and sub-clause of this agreement will be enforceable independently of each of the others and their validity will not be affected if any of the others are invalid.

18. Prior agreements

This agreement supersedes all previous agreements between MVM and the Consultant.

19. Governing law

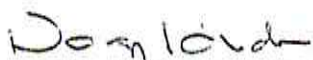
This agreement is governed by Hungarian law.

20. Jurisdiction

All disputes arising from or in connection with this agreement, its breach, termination, validity or interpretation, will be exclusively decided by Hungarian courts.

For the purpose of meeting the requirements as established by the Hungarian Act CXXII of 2009 on the more economic operation of publicly owned companies (hereinafter referred to as: the Act) Dr Atambir Rao, as the Client's contracting partner, hereby unconditionally and irrevocably agrees to that the Client may disclose certain 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 shall also apply in case several contracts are concluded between the Parties concerning services of identical or similar nature within a fiscal year the aggregated value of which exceeds the value threshold as determined under Section 2(3) of the Act.

This agreement has been signed by the parties on the date stated on the beginning of this agreement.



By: Sándor Nagy
Position: Deputy Chief
Executive for Generation



By: Csilla Tóth
Position: Project Director



By: Dr Atambir Rao
Position: Consultant

Magyar Villamos Művek Zrt.

Szigetelési információ	
Nagy Sándor	MVM_TEVH
Gombkötő Zsuzsanna	MVM_SZO
Lavich Gábor	MVM_PÜO
Dr. Bánfi László	MVM_JIO
Krausz Zoltán	MVM_PKO

SCHEDULE 2

Confidentiality Declaration

MVM requested a proposal from **Dr Atambir Rao**, having its registered seat at 6763 Elwood Road, San Jose, California 95120, USA (the Consultant) for the review of the tender documentation (Tender Documentation) prepared by MVM for the design, supply, construction and installation of new nuclear units.

The Consultant, taking into account the importance and the need to guarantee confidentiality of the Tender Documentation in the future, provides MVM with this binding confidentiality declaration (the Confidentiality Declaration).

For the purposes of this Confidentiality Declaration, Confidential Information means all information, fact, data or document (whether marked confidential or not) by whatever means by MVM either directly or from any person associated with MVM to the Consultant, includes the provisions and subject matter of this Confidentiality Declaration and the fact that MVM has contacted to the Consultant to request a proposal for the review of the Tender Documentation.

The Consultant agrees that any disclosure of Confidential Information may cause significant loss or damage to MVM or distort competition or adversely affect trust in the tendering process of new nuclear units.

The Consultant agrees and undertakes that it will keep the Confidential Information strictly confidential and not disclose it to any person, other than as permitted under this Confidentiality Declaration.

The Consultant agrees and undertakes not to disclose the Confidential Information to, without any limitation, any of its employees and/or advisers except on a strict "need to know" basis only to those employees who agree to be personally bound by the terms and conditions of this Confidentiality Declaration and agree not to disclose the Confidential Information. Furthermore, prior to the disclosure of Confidential Information to any of its employees, the Consultant must provide the name of the relevant employee to MVM and ensure that each of its relevant employees enters into a written confidentiality undertaking with the Consultant on equivalent terms to this Confidentiality Declaration a copy of which must be provided to MVM upon request.

The Consultant may use the Confidential Information disclosed by MVM exclusively for the preparation of its proposal to review the Tender Documentation or to prepare the Tender Documentation Review.

The Consultant agrees that no disclosure of Confidential Information may be construed as granting a licence under any of MVM's present or future intellectual property rights.

The obligation of the Consultant does not apply to the disclosure of Confidential Information if and to the extent

- (a) required by any law;
- (b) required by the rules of any competent authority;

- (c) required by any court of competent jurisdiction or any competent judicial, governmental, supervisory or regulatory body; or
- (d) that such information is in the public domain other than through the breach of this Confidentiality Declaration or the act or omission of the Consultant,

provided that the Consultant must promptly notify in writing MVM and co-operating with MVM regarding the timing and content of such disclosure and any action which MVM may wish to take to challenge the validity of such requirement.

The Consultant agrees and undertakes that upon MVM's request the Consultant must return all Confidential Information to MVM and destroy or cause to be destroyed all copies and reproductions (in whatever form) in its and its employees possession. The Consultant agrees that no return or destroy of Confidential Information releases the Consultant from its obligations under this Confidentiality Declaration.

The Consultant will be responsible for any loss and damage caused to MVM by breaching this Confidentiality Declaration.

The obligations of the Consultant under this Confidentiality Declaration are valid for an indefinite term.

This Confidentiality Declaration is governed by Hungarian law.

Signed in *London*, on *Dec 28, 2011*



Name: Dr Atambir Rao

Position: Consultant