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DRAFT

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— May 2012

Dr László Bánfi  
Deputy CEO for corporate affairs, Chief In-house Counsel  
MVM Zrt.  
1031 Budapest  
Szentendrei út 207-209.

RE: Engagement Letter

Dear Dr Bánfi,

1. Subject of the Engagement

- 1.1. This letter confirms our agreement that Kajtár Takács Hegymegi-Barakonyi Baker & McKenzie Ügyvédi Iroda (Chamber reg. No.: 432) ("Law Firm") and the other members of Baker & McKenzie International will provide legal advice to MVM Zrt. ("MVM" or "Principal") in connection with the Lévai Project (reference is made to Task No. 2. in your Request for Proposal dated 5 October 2011 (the "RfP") as follows:

Task No. 2.

- (1) A research report on the specific legal advantages and risks of widely used procurement structures of nuclear power plant projects (e.g. EPC, EPCM or project management structures). The precise scope and nature of this report will be agreed between the Principal and the Law Firm prior to the Law Firm commencing the report;
- (2) A legal review of tender documentation prepared by the Principal (the "Tender Documentation"), including the draft EPC agreement having special regard to nuclear power plant specific issues, including but not limited to insurance policies, delay and performance liquidated damages, limitation of liabilities (nuclear liabilities), advance payment, performance bond and defects guarantee bond and further nuclear power plant specific issues, and the term sheets of the fuel supply agreement and the O&M agreement. It is anticipated that the EPC agreement and the term sheets of the fuel supply agreement and the O&M agreement will be governed by Hungarian law. However, subject to further discussion with bidders, other advisors and the mandatory rules of Hungarian law on the choice of law, it may be governed by foreign law. The language of the Tender Documentation is English. The draft of the Tender Documentation (including the draft EPC agreement and the term sheets of the fuel supply agreement and the O&M agreement) is

approximately 1,200 pages long. The legal review of the Tender Documentation is also expected to take into consideration the requirements of tender documentation relating to the construction of nuclear power plants, as compared to non-nuclear power plants, identifying the specific issues of such market, and the relevant market specific practice. Consideration will also be given to the non-nuclear power plant construction projects of the 2000s;

- (3) Assisting MVM with the tendering procedure and the contractual negotiations of the Lévai Project (e.g. EPC agreement, O&M agreement and fuel supply agreement negotiations).

1.2. The Principal's deputy CEO for corporate affairs and chief legal officer or the Principal's deputy CEO for generation and the project director of Lévai Project are jointly entitled to verify the contractual performance of the Law Firm. The verification of the Law Firm's contractual performance shall be carried out retroactively, after the assigned tasks have been performed and shall be confirmed by the Principal's issue of a performance verification certificate. The performance verification shall be based on the Law Firm's detailed report addressed to the Principal's chief executive officer, which the Law Firm shall provide to the Principal prior to submitting any invoice and which shall describe the contractual performance of the tasks described in this Engagement Letter that the Law Firm intends to request payment for in its next invoice. The content of said report shall include the name of the person that participated in the provision of the related services, the date of performance of each task, the amount of time spent on the performance of each task and a detailed description of each task. The Principal is obliged to issue and forward to the Law Firm a written performance verification certificate at the latest within 10 (ten) business days from the date of the Principal's receipt of the Law Firm's report relating to the Law Firm's contractual performance; the performance verification certificate shall be issued from the Principal's SAP system.

1.3. The Law Firm is entitled to receive consideration for its contractual performance in the form of legal fees based on properly completed invoices to which one (1) original copy of the performance verification certificate issued by the Principal must be attached. Concerning Task No. 2 (3) the Law Firm may submit invoices on a monthly basis or such other interval as the Law Firm and the Principal agree. Each invoice must be prepared in accordance with the applicable accounting and tax regulations; furthermore, the invoice must under all circumstances contain the contract identification number of this Engagement Letter which number has been provided by the Principal. This invoice must also contain the names of the Principal's chief executive officer and the chief legal officer, who as the authorized representatives of the Principal are authorized to issue performance verification certificates. Furthermore and the statistical number assigned to the service provided by the Law Firm, this shall be included for internal record keeping purposes of the Law Firm. The invoice must be made out to the Principal ("MVM ZRt.") located at (1031 Budapest, Szentendrei út 207-209.) and shall be sent to the company handling the book keeping for the



Principal that is MVM KONTÓ Pénzügyi és Számviteli Szolgáltató Központ Zártkörűen Működő Részvénytársaság (hereinafter: the MVM KONTÓ ZRt.) located at (7031 Paks, Pf. 152.).

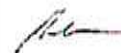
Since this Engagement Letter is subject to Section 55-56 § (1) of the Act on Value Added Tax concerning Task No. 2 (1) and (2) the date of the performance of the invoice must be the actual date of the performance.

Since this Engagement Letter is subject to Section 58 § (1) of the Act on Value Added Tax concerning Task No. 2 (3) the date of the performance of the invoice must be the due date of the payment.

- 1.4. The Principal is obliged to pay the amount of the legal fees indicated in the properly prepared invoice, (invoice complying with the applicable legal requirement in content and in form); payment shall be made within forty two (42) calendar days from the date MVM KONTÓ ZRt. receives the invoice and performance verification certificate; payment shall be made to the bank account number indicated on the relevant invoice.
- 1.5. Failure to pay the legal fees on time shall result in the Principal's obligation to pay late interest to the Law Firm for the period of delay, the amount of which shall be equal to the Hungarian Central Bank's base interest rate + 3%.
2. Legal Fees, performance verification, invoicing, payment conditions
- 2.1 The Law Firm's fees for services are based on the time spent on specific client matters, and are computed based on the hourly rates of those persons performing the services rendered. The hourly rates for lawyers in this office regarding this Engagement are as follows:

Budapest Lawyers	Discounted Hourly Rates
Pál P. Takács	HUF 105,000
Ákos Fehérváry	HUF 80,000
József Antal	HUF 70,000
Anna Ménes	HUF 55,000

London Lawyers	Discounted Hourly Rates
Neil Donoghue	EUR 605
Jeremy Winter	EUR 570
Marc Fèvre	EUR 570
Matthew Coleman	EUR 450
Tania Arora	EUR 330
Mark Richardson	EUR 300
Trainee	EUR 180



We undertake the assignment for discounted rates, as indicated above, and caps as follows:

**Task No. 2(1):**

Baker & McKenzie Budapest: HUF 850,000

Baker & McKenzie London: EUR 5,000

**Task No. 2(2):**

Baker & McKenzie Budapest: HUF 6,500,000

Baker & McKenzie London: EUR 67,500

**Task No. 2(3):**

- a) total cap: Baker & McKenzie Budapest: HUF 52,000,000; Baker & McKenzie London: EUR 370,000;
- b) monthly cap: Baker & McKenzie Budapest: HUF 2,476,000; Baker & McKenzie London: EUR 17,600, provided that if the amount of fees incurred in any month exceeds the monthly cap, the excess may be rolled over and billed in subsequent months (subject in all cases to the monthly caps for those months) and at the end of the engagement an invoice may be submitted for the aggregate of any remaining and excess amounts that have not been invoiced, up to the aggregate amount of any unused portions of the monthly fee caps during the term of the engagement;
- c) if after evaluating the bids parallel negotiations will be held with multiple bidders: The above Total caps and Monthly caps shall be increased by 10% per each additional bidder.

The above capped fees are on the basis of, and are subject to, the following assumptions:

- a) the timing of the Lévai Project will correspond to those set out in the RfP, and the Law Firm's mandate will be completed not later than 30 June 2014;
- b) no specific knowledge about laws other than Hungarian or English law (or Swiss law to review final version of certain limited number of contracts/agreements) will be required; if advising on other laws is required, the Law Firm and the Principal will agree a specific, separate fee offer for such advice;
- c) all meetings with the Principal, as well as any bidders, concerning the Project will occur in Budapest or Paks (Hungary), and participation at meetings by members of the Law Firm's team who are not resident in Hungary will be facilitated by conference call or video conference call to the extent possible;



- d) the first draft of the tender rules and the Tender Documentation will be prepared by the Principal, as set out in the RfP, and will be based on documents derived from international standard form contracts as may be reasonably expected in similar international transactions;
- e) tendering will be based on an EPC structure;
- f) the transaction documents will be drafted and negotiated in English;
- g) the Principal will be appropriately supported by technical and financial experts of international standing throughout the Project;
- h) the language of communication between the Law Firm and the Principal throughout the duration of the Engagement will be English;
- i) the Law Firm's scope of work is limited to the areas described in Task 2 above and, without limitation, does not include:
  - i. advice in relation to tax issues;
  - ii. review of any agreements to be entered into between a successful bidder and the Principal other than the EPC Contract, the O&M Agreement and the Fuel Supply Agreement;
  - iii. advice on any corporate, financing, joint venture or licensing matters;
  - iv. advice on EU competition and state aid issues; and
- j) in relation to Task 2(3) there will be a total of no more than five bids for review and tender clarification works and negotiations will be required with only one preferred bidder.

The Law Firm and the Principal may revise the scope of work or revise any of the assumptions, subject to agreeing appropriate changes to the capped fees.

Taking into account discounted hourly rates and caps, the limit of liability of the Law Firm (except for willful misconduct or gross negligence or the result of criminal activity) is an amount of EUR 25 Million.

The above rates do not include value added tax (VAT) and are subject to a change mutually agreed upon between the Principal and the Law Firm until the 1st of July each year.

It is anticipated that Pál P. Takács, partner will be the partner supervising the Law Firm's work on the Engagement. Ákos Fehérvári, partner, József Antal, partner, and Anna Ménes, attorney will primarily advise on this Engagement in the Budapest office. Furthermore, Neil Donoghue, Jeremy Winter, and Marc Fèvre, partners, Matthew Coleman, senior associate, Tania Arora, and Mark Richardson, associates and a trainee lawyer to be allocated from time to time will advise on this Engagement in the London office. The Law Firm undertakes if it becomes necessary to involve other attorneys and in all cases, it shall endeavor to match the best qualified attorney at the least cost with the particular assignment.

The Law Firm will incur various expenses associated with performing the legal services which are covered by this engagement. The Law Firm will include charges for those expenses (with VAT if applicable) in its invoices, in addition to the Law Firm's fees. These expenses include accommodation and travel costs. The following caps shall apply to the costs: Baker & McKenzie Budapest: HUF 1,000,000; and Baker & McKenzie London: EUR 18,000. Hungarian value added tax applies at the rate of 27 % to the Law Firm's legal fees, costs and disbursements.

3. The duration, termination and amendment of the Engagement

3.1. This Engagement shall enter into force when the duly authorized representatives of the Parties sign it.

3.2. Termination of the Engagement:

- (a) upon performance of this Engagement, when both Parties have fully performed their obligations arising from this Engagement;
- (b) based on a mutual agreement of the Parties;
- (c) by the Principal pursuant to Section 3.3 of this Engagement;
- (d) by the Law Firm pursuant to Section 3.4 of this Engagement.

3.3. This Engagement may be unilaterally terminated by the Principal with immediate effect at any time by providing a written termination notice to the Law Firm; in this case the Principal shall be obliged to pay compensation to the Law Firm for any work performed up to the date of the termination of this Engagement.

3.4. This Engagement may be unilaterally terminated by the Law Firm at any time by providing a written termination notice to the Principal; the termination period must provide sufficient time to ensure that the Principal is able to arrange the handling of this matter. In case of a serious breach by the Law Firm, the Principal may terminate this Engagement with immediate effect without paying any compensation to the Law Firm.

3.5. This Engagement may only be amended in writing with the mutual agreement of the Parties. For the avoidance of doubt, the Parties expressly declare that the rules set out in Section 3.5 of this Engagement in relation to the amendment of this Engagement shall be applicable to the hourly fees indicated in Section 2.1 of this Engagement letter.

4. Conflict of Interest

4.1. Based on the internal conflict of interest check conducted by the Law Firm, currently the Law Firm is not representing the interest of any parties against the Principal. On the other hand, the Principal acknowledges that the Law Firm and its partner offices are entitled to represent the interest of their existing clients or new clients even if the interest of such clients are in direct conflict with the interest of the Principal, regardless of the nature and importance of these matters,



included here are matters involving arbitration and law suits. The law clerks and other colleagues of the attorneys of the Law Firm's Budapest office who are assigned to provide services to the Principal based on this Engagement shall not provide legal services simultaneously to any clients of the Law Firm whose interests are in conflict with the Principal's interest in relation to the Engagement. The Principal and Law Firm stipulate that pursuant to Section 25 of Act XI of 1998 on Attorneys, the Law Firm, during the performance of this Engagement, is prohibited from accepting any assignments from any third party against the Principal.

4.2. The relevant professional responsibility requirements prescribe that the Law Firm is obliged to keep confidential all information obtained during the representation of its clients. Thus, if the Law Firm receives confidential information from any of its other clients it is not authorized to disclose such information to the Principal, even if such information might be important to the Principal in relation to its Hungarian representation.

4.3. The legal activities of the Law Firm are regulated by the effective Hungarian laws and regulations relating to attorneys, this entails particularly but not limited to the obligation to keep confidential without time limitation all information obtained in relation to the performance of an engagement.

#### 5. Identification of the Principal

5.1. The Parties declare that pursuant to Act CXXXVI of 2007 on the Prevention and Combating of Money Laundering and Terrorist Financing prior to the signing of this Engagement the Law Firm completed the necessary client identification procedure. For the purpose of identification, the Law Firm is entitled to review data available in records maintained by the authorities.

#### 6. Miscellaneous

6.1. Questions not regulated by this Engagement are subject to the applicable Hungarian laws, in particular Act IV of 1959 on the Civil Code and Act XI of 1998 on Attorneys.

6.2. For the purpose of resolving any disputes arising out of or in connection with this Engagement such as breach of contract, termination validity or interpretation, regardless of the amount in controversy or the subject of the law suit, the Parties assign the exclusive jurisdiction of the Buda Central District Court. If the legal dispute falls under the jurisdiction of the County Court, then the Parties, pursuant to Section 36 paragraph 2 of Act III of 1952 on Civil Procedure, undertake to file such claim in the court having jurisdiction over the place where this Engagement is signed.

6.3. By the conclusion of this Engagement Letter, the Law Firm as the contractual partner of the Principal, grants its consent to the Principal to disclose, in the

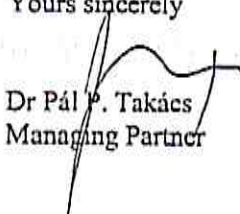


frame of the Principal's disclosure obligation, the data prescribed under Section 2 paragraph (3) of Act CXXII of 2009 on the economically efficient operation of publicly owned companies (hereinafter EOPC), if the value of the engagement or the combined value of agreements between the contractual partners in one financial year relating to the same or similar subject exceed the value specified in Section 2 paragraph (3) of the EOPC.

- 6.4. Except as otherwise informed by the Principal to the Law Firm, and subject to any confidentiality undertakings under this Engagement Letter or between the Principal and any other party with respect to a particular transaction, the Principal agrees that the Law Firm may include, in lists of transactions which the Law Firm uses for promotional and internal purposes, a description of any elements of the Lévai Project which have been publicly disclosed from time to time..
- 6.5. The contact persons of the present engagement are: on behalf of the Principal: Dr László Bánfi, deputy CEO for corporate affairs and Chief In-house Counsel, and on behalf of the Law Firm: Dr Pál P Takács, Managing Partner.

Please sign and return a copy of this letter. Unless otherwise agreed by the Parties in writing, the terms of this letter and the Law Firm's Standard Terms of Engagement for Legal Services will govern this engagement and any future assignments that the Law Firm accepts from the Principal.

Yours sincerely

  
Dr Pál P. Takács  
Managing Partner

02/07/2012

Agreed, on behalf of MVM Zrt.:

By: 

Name: Csaba Sándor Baji

Title: Chairman of the Board and the  
Chief Executive Officer

Date: 21/06/2012

By: 

Name: Sándor Nagy

Title: Deputy Chief Executive for  
Generation

Date: 21/06/2012

Enclosure: Baker & McKenzie Standard Terms of Engagement for Legal Services  
cc: Erika Airizer, Billing Coordinator

1.   
MVM\_TEVH/12C00013-00: Nagy Sándor MVM\_TEVH|Gombkötő Zsuzsanna MVM\_SZO|Lavich  
Gábor MVM\_PÜO|Dr. Bánfi László MVM\_JIO|Mező Dezső MVM\_PKO



Szignálási információ	
Nagy Sándor	MVM TEVH
Gombkötő Zsuzsanna	MVM SZO
Lavich Gábor	MVM PÚO
Dr. Bánfi László	MVM JIO
Mező Dezső	MVM PKO