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## CONTRACT

between

ALSTOM  
Atomenergomash LLC

and

ALSTOM Power Systems  
SA

for the Supply of Turbine  
Hall Equipment

for BALTIC Nuclear  
Power Plant Unit 1 & 2

Dated: March 20th, 2012

Contract Ref:  
19/10/2012

Baltic NPP Unit 1 & Unit 2 - Equipment Supply Contract/ March 20th, 2012  
CONFIDENTIAL DOCUMENT

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## CONTENTS

Terms and Conditions of the Contract

Article 1. Definitions and Interpretations  
Article 2. Contract Effectiveness and Commencement of Work  
Article 3. Seller's Scope of Work  
Article 4. Buyer's Obligations  
Article 5. Price, Terms of Payment, Taxes & Duties, Financing  
Article 6. Delivery – Transfer of Title & Risk  
Article 7. Delivery Time - Extension of Time & Costs  
Article 8. Quality Assurance & Technical Documentation  
Article 9. Environmental & Safety Responsibilities  
Article 10. Inspection & Tests  
Article 11. Provisional Acceptance  
Article 12. Warranty & Defects Liability  
Article 13. Contractual Liquidated Damages and Performance Guarantee  
Article 14. Compensation  
Article 15. Nuclear Liability & Insurance  
Article 16. Limits of Liability

Baltic NPP Unit 1 & Unit 2 – Equipment Supply Contract/ March 20th, 2012  
CONFIDENTIAL DOCUMENT

Article 17. Insurance  
Article 18. Default, Suspension & Termination  
Article 19. Changes in Law & Change Orders

Article 20. Confidentiality  
Article 21. Intellectual Property Rights  
Article 22. Subcontract  
Article 23. Force Majeure  
Article 24. Applicable law & Dispute Resolution  
Article 25. Notice  
Article 26. General Provisions  
Article 27. Export Control  
Article 28. Legal Addresses and Banking Details of the Parties

List of Exhibits

Exhibit 1 - Technical Specifications  
Exhibit 2 - Delivery Schedule  
Exhibit 3 - Contract Schedule  
Exhibit 4 - Terms and Conditions of Payments  
Exhibit 5 - Quality Management  
Exhibit 6 - Performance Guarantee, Performance Test and Heat Balance  
Exhibit 7 - Termination Schedule  
Exhibit 8 - Advance Payment Bank Guarantee Form, Performance Bank Guarantee Form

Baltic NPP Unit 1 & Unit 2 – Equipment Supply Contract/ March 20th, 2012  
CONFIDENTIAL DOCUMENT

Exhibit 9 - Approved Subcontractors List  
Exhibit 10 - End User Certificate Template  
Exhibit 11 - Change Order Form

Exhibit 12 - Conditions of Staying Buyer's Customer's, Prime Contractor's, Buyer's Customer-Developer's and Buyer's Authorized Organization's Specialists at Buyer's/Seller's/Subcontractor's Production site

Exhibit 13 - Cost Calculation Form

[SIGNATURE]

Baltic NPP Unit 1 & Unit 2 – Equipment Supply Contract/ March 20th, 2012  
CONFIDENTIAL DOCUMENT

This Contract is made and entered into by and between

ALSTOM Atomenergomash LLC, a company organized under the laws of Russian Federation, having its registered office at 2, Zheleznodorozhnaya Ulitsa, Podolsk, Moscow Region 142103, Russian Federation, hereinafter referred to as "AAEM" or "Buyer",

and

ALSTOM Power Systems SA, a corporation organized under the laws of France, having its registered office at 2 quai Michelet 3, 92300 Levallois-Perret, France, hereinafter referred to as "Alstom" or "Seller".

Seller and Buyer may be referred to individually as a "Party" or collectively as the "Parties".

WITNESSED

Whereas, Seller is in the business of designing, manufacturing and supplying various equipment and services for the nuclear power generation industry, and

Whereas, Buyer wishes to purchase equipment and services from Seller based on ARABELLE™ technology to be used for a nuclear power plant project to be located at Kaliningrad Region of the Russian Federation (the "Project" or "Baltic Project"), and

Whereas, to that end, Seller has made a proposal to Buyer on December 22nd, 2011

Baltic NPP Unit 1 & Unit 2 – Equipment Supply Contract/ March 20th, 2012  
CONFIDENTIAL DOCUMENT

for the supply of equipment and services and Buyer has accepted such proposal, and

Whereas, the Parties now wish to set forth the terms and conditions that shall apply to this Contract.

THEREFORE IT IS HEREBY AGREED as follows:

## Article 1. DEFINITIONS and INTERPRETATIONS

### 1.1 Definitions

In this Contract, the following capitalized words and expressions shall, unless the context otherwise requires, bear the meanings hereinafter ascribed to them.

"Affiliate" shall mean, as to any Party, an entity that directly or indirectly controls or is controlled by or is under common control with, that Party; the term "control" being used in the sense of power to elect or appoint a majority of directors or to direct the management of a company.

"Applicable Laws" shall mean the governing law of this Contract as stated in Article 24.1 as well as any statute, law, regulation, ordinance, rule, judgment, order, decree, directive, mandatory guideline or policy, or any similar form of decision of or determination by, or any interpretation or administration of any of the foregoing by the government, any political subdivision or any governmental, quasi-governmental, judicial, public or statutory instrumentality, administrative agency, authority, body or other entity having jurisdiction over the Work in effect at the date of Alstom's proposal to Buyer.

Baltic NPP Unit 1 & Unit 2 – Equipment Supply Contract/ March 20th, 2012

CONFIDENTIAL DOCUMENT

"Applicable Codes" shall mean all applicable design codes as specified in the Technical Specifications for the Work.

"Buyer's Approvals" shall mean all licenses, permits, and other authorizations and approvals from all applicable governmental bodies and agencies required for the import, certification, installation, commissioning, maintenance and operation of the Equipment.

"Buyer's Customer" shall mean Open Joint Stock Company Consolidated NPP equipment procurement Directorate (CEPD OJSC).

"Buyer Risks" shall mean loss, damage and/or delay arising from any of the following causes:

- a) Force Majeure impacting the Buyer;
- b) pressure waves caused by aircraft or other aerial devices traveling at sonic or supersonic speeds;
- c) the use or occupation of the Site by the Equipment for the purposes of the Contract;
- d) interference, whether temporary or permanent with any right of way, light, air, or water or with any easement

wayleaves or right of a similar nature which is the inevitable result of the construction of the Works in accordance with the Contract;

e) acts, omissions, delay, breach of contract or of statutory duty of the Buyer and/or Buyer's other contractors and/or third parties not under the control of Seller;

f) damage which is the result of the installation of the Equipment in accordance with the Contract;

g) use of the Works or any part thereof or a failure to follow Seller's installation, operation and maintenance recommendations and good industry practice;

h) fault, error, defect or omission in the design of any part of the Equipment or any information furnished by the Buyer or Buyer's other contractors and/or third parties not under the control of Seller;

i) handling, storage or onward transportation after Delivery.

"Buyer's Scope of Supply" or "Buyer's Scope" shall mean all of Buyer's obligations contained herein.

"Change in Laws" shall mean a change in the Applicable Laws, Applicable Codes, tax or any other applicable regulation (including mandatory technical standards) coming into force after the date of signature of the Main Contract which make performance of the Work more onerous or results in delays to the Delivery Schedule.

"Commencement Date" shall mean the date at which all the conditions set forth in Article 2.2 herein are fulfilled and on which the Parties shall begin performance of their respective Scopes of Supply/Work.

"Commercial Operation" shall mean the use of a Unit for producing electricity for sale.

Baltic NPP Unit 1 & Unit 2 – Equipment Supply Contract/ March 20th, 2012  
CONFIDENTIAL DOCUMENT

"Component" shall mean those items of Equipment (as per Exhibit 1: 1.2.1 – "Division of Work", column "Equipment") identified as subject to Equipment Delay Liquidated Damages in Exhibit 2.

"Confidential Information" shall mean any and all information in any form (whether oral, documentary, magnetic, electronic, graphic or digitized), containing or consisting of information or material of a commercial, financial or technical nature or in the nature of intellectual property of any kind and relating (wholly or in part) to design, engineering, manufacture or business of the Alstom products and/or the Buyer products and includes without limitation designs, drawings, photographs, circuits, calculations, measurements, techniques, processes, markets, suppliers, organization, personnel, facilities, assets, financial condition or results and other data relating thereto, exchanged during the negotiation or performance of the Contract by the Parties.

"Contract" shall mean the present agreement, together with the Exhibits hereto.

"Contract Price" shall mean the total amount payable to the Seller in accordance with clause 5.1.1 in respect of the Work performed by Seller pursuant to this Contract.

"Contract Schedule" shall mean the schedule set forth in Exhibit 3 that details the dates corresponding to the performance of a particular obligation by a Party.

"Control Points" shall mean a point in the process of manufacturing or assembling the

Equipment at which Buyer may witness a test or inspect the Equipment, as described in said Exhibit 5.

"Critical Documentation" shall mean the Documentation subject to Documentation Delay Liquidated Damages and identified as such in Exhibit 2.

"Defects Liability Period" shall mean the period of time during which Seller is responsible for remedy or repair of defects in the Equipment in accordance with Article 12.

"Delivery" shall mean delivery of the Equipment as set forth therefore in Articles 6 and 7 of this Contract.

"Delivery Schedule" shall mean the schedule set forth in Exhibit 2 that details the dates of Delivery of the Documents and Equipment.

"Delivery Term" shall have the meaning defined in Article 6 of this Contract.

"Documentation" shall mean those documents identified in Exhibit 2 and required to be submitted to Buyer by Seller.

"End User Certificate" shall mean the certificate described in Article 27.2.

"Equipment" shall mean the steam turbine, generator, MSR, HP Heaters, Extraction condensate pumps before polishing (or any part thereof) as further defined in Exhibit 1.

"Facility" shall mean the power generation plant in which the Equipment is to be installed.

"Force Majeure" shall mean an event or

Baltic NPP Unit 1 & Unit 2 – Equipment Supply Contract/ March 20th, 2012

#### CONFIDENTIAL DOCUMENT

circumstance beyond the control of a party, which that party could not reasonably have foreseen or avoided and which was not substantially attributable to that party, including but not limited to:

- (a) War including the war in the neighbouring countries, hostilities (whether war be declared or not), invasion, act of foreign enemies, mobilization for war, requisition or embargo;
- (b) Rebellion, terrorism, revolution, insurrection, military or usurped power, or civil war;
- (c) Riot, commotion or disorder, unless restricted solely to employees of Seller or of its subcontractors.
- (d) Ionizing radiation or contamination by radio-activity except as may be attributable to Seller's use of such radiation or radio-activity;
- (e) Contamination by or other hazardous effects of any toxic substance except as may be attributable to Seller's use of such substance;
- (f) Operation of the forces of nature such as earthquake, hurricane, monsoon, lightning, tornado, or volcanic activity, drought, flood, landslide, fire, storms;
- (g) National or regional industrial disputes or targeted disputes which are part of a national or regional campaign and which it is not reasonably within the powers of a party to prevent or stop;
- (h) Explosion, accident, structural collapse or chemical contamination;
- (i) Transport accident, air crash, shipwreck, train wreck or failure or delay of transportation due to mentioned Force Majeure events;
- (j) Strike, work-to-rule actions, go-slows or similar labor difficulties (excluding such events which are attributable to Seller);
- (k) Major difficulties in procurement of raw materials as evidenced by reasonable supporting documentation;

(l) Epidemics, diseases, plagues, quarantine measures;

(m) Discovery of historically significant artefacts on the site;

(n) Failure by a Government entity to grant any authorization, consent or permit within reasonable time after application therefore having been duly made, or revocation by a Government entity of any authorization, consent or permit (unless such revocation is due to a default of the affected Party).

“Hazardous Substances” shall mean any material, the generation, handling, transportation, or storage of which is regulated by Applicable Laws, rules, or regulations applicable to hazardous or toxic materials, or any material that, in the absence of appropriate protective equipment, is harmful to human health and safety, including asbestos.

Baltic NPP Unit 1 & Unit 2 – Equipment Supply Contract/ March 20th, 2012

#### CONFIDENTIAL DOCUMENT

“Incoming Control Certificate” shall mean certificate to be issued after inspection of the Equipment on Site in accordance with clause 4.4 herein.

“Intellectual Property Rights” shall mean any patent, registered design, copyright, trade mark, trade name, trade secret, know-how, know-why or other intellectual or industrial property right relating to the Work.

“Main Contract” shall mean Contract N° 2012-■■■■-002/2/07/2012 signed between ALSTOM Atomenergomash and CEPD OJSC on 02.02.2012 for the supply of Turbine Hall equipment for Baltic Nuclear Power Plant Unit 1&2.

“NTP” or “Notice To Proceed” shall mean the written notice sent by Buyer to Seller authorizing Seller to proceed with the Work.

“Nuclear Damage” shall mean any damage, loss or claim (including damage to the nuclear power plant for which the Work is being performed and any property on or off the Site) resulting directly or indirectly from a Nuclear Incident in such nuclear power plant and includes any incidental or consequential damages, losses, costs or expenses flowing from any of the foregoing.

“Nuclear Fuel” shall mean any material that is capable of producing energy by a self-sustaining chain process of nuclear fission.

“Nuclear Incident” shall mean any occurrence or succession of occurrences having the same origin which causes damage,

provided that such occurrence or succession of occurrences, or any of the damage caused by, arises out of or results from the radioactive properties, or a combination of radioactive properties with toxic, explosive or other hazardous properties of Nuclear Fuel or radioactive products or wastes or with any of them.

“Nuclear Material” shall mean: (i) Nuclear Fuel, other than natural uranium and depleted uranium, capable of producing energy by a self-sustaining chain process of nuclear fission outside a nuclear reactor, either alone or in combination with some other material, and (ii) radioactive products or waste (which means any radioactive material produced in, or any material made radioactive by exposure to the radiation incidental to, the production or utilization of Nuclear Fuel, but does not include radioisotopes which have reached the final stage of fabrication so as to be usable for any scientific, medical, agricultural, commercial or industrial purpose).

“Owner” shall mean the owner and/or operator of the facility into which the Equipment is to be incorporated, i.e. Open Joint Stock Company Rosenergoatom.

“Performance Guarantee” shall mean the guaranteed performance of the Equipment set forth in Exhibit 6.

“Prime Contractor” –shall mean Open Joint Stock Company NIZHNY NOVGOROD ENGINEERING ATOMENERGOPROEKT (NIAEP OJSC).

Baltic NPP Unit 1 & Unit 2 – Equipment Supply Contract/ March 20th, 2012

#### CONFIDENTIAL DOCUMENT

“Prime Designer” shall mean Open Joint Stock Company Saint-Petersburg Research & Design Institute ATOMENERGOPROEKT (CPbAEP OJSC).

“Provisional Acceptance” shall mean occurrence of the conditions for provisional acceptance or deemed provisional acceptance specified in Article 11 herein.

“Secondary Loop Package” shall mean the Steam Turbine and auxiliaries, Generator and auxiliaries, Moisture Separator Reheater, Condenser, Condenser Ball Cleaning System, Low Pressure and High Pressure Heaters, Feedwater Storage and Deaerator Tank, District Heaters, Closed Cooling Circuit components, Extraction Condensate Pumps, Feedwater Pumps, Vacuum Pumps, By Pass Valves, Electrical equipment, Piping and Valves (or any part thereof) as further defined in Exhibit 1.

“Seller’s Scope of Work” or “Work” shall mean the Equipment and Services to be provided to Buyer by Seller under this Contract.

“Seller’s Approvals” shall mean all licenses, permits, and other authorizations and approvals from all applicable governmental bodies and agencies required to be in Seller’s name.

“Services” shall mean the engineering, project management and transport services provided by Seller to Buyer in accordance with the Contract.

“Site” shall mean the place where the Facility

is located, as identified in the Contract.

“Subcontractor” shall mean, as to a Party, any contractor, vendor, or supplier that provides equipment or other goods or services to that Party.

“Territory” shall mean the country of Russia (Kaliningrad Oblast), where the Site is located.

“Unit” shall mean an individual set forming part of the Equipment related to Seller’s Scope of Work to be supplied for each Baltic NPP unit.

“Unit Price” shall mean that portion of the Contract Price payable in respect of an individual Unit as defined hereinabove.

#### 1.2 Interpretations

In this Contract,

- The singular includes the plural and the masculine includes the feminine and neuter and vice versa;
- References to persons shall include bodies corporate, unincorporated associations and partnerships;
- References to articles are, unless expressly identified otherwise, references to the articles of this Contract;
- The heading and sub-headings of this Contract are inserted for convenience only and shall not affect the construction or interpretation thereof; and

- The preamble forms part of this Contract.

Baltic NPP Unit 1 & Unit 2 – Equipment Supply Contract/ March 20th, 2012

## CONFIDENTIAL DOCUMENT

### 1.3 Precedence

The Contract shall consist of these terms and conditions of Contract and the Exhibits. These terms and conditions of Contract shall prevail over any conflicting term of the Exhibits, and the higher alphabetically denominated Exhibit shall prevail over any conflicting term in any lower alphabetically denominated Exhibit (such that Exhibit 1 has the highest precedence of any Exhibit, Exhibit 2 the second highest and so on). Any conditions or requirements not expressly incorporated into the Contract shall have no force or effect.

## Article 2. Contract Effectiveness and Commencement of Work

2.1. This Contract shall become effective upon signature by the authorized representatives of all Parties.

2.2. The Contract commencement date shall be the date of signature of the Contract by the authorized representatives of the Buyer and the Seller ("the Commencement Date").

### 2.3. Subsequent Condition

Within 30 days from the Commencement Date, the following conditions shall be fulfilled:

Baltic NPP Unit 1 & Unit 2 - Equipment Supply Contract / March 20th, 2012

## CONFIDENTIAL DOCUMENT

a) Further to proper notification by a) Seller of this present Contract to the relevant Governmental body of France and of the Russian Federation in accordance with the Bilateral Liability Agreement on Third Party Liability for Nuclear Damage caused in connection with Deliveries from the French Republic for Nuclear Installations in the Russian Federation signed on 20th June 2000 between France and the Russian Federation: receipt by the Seller from the Russian authorities of the relevant notification letter, duly executed with the Russian Authority approval.

Should the condition a) here above not be fulfilled within thirty (30) days from Commencement Date, Seller shall be entitled to suspend the Work according to Clause 18 of the present Contract.

Should the condition a) here above not be fulfilled within ninety (90) days from the Commencement Date, the Seller may terminate the Contract according to Clause 18 -Termination by Seller- without incurring any liability whatsoever towards the Buyer nor any other party to the Project. The Buyer shall hold harmless the Seller from any claims from other party of the Project caused by such termination.

Baltic NPP Unit 1 & Unit 2 - Equipment Supply Contract / March 20th, 2012

## CONFIDENTIAL DOCUMENT

In such case the Parties shall:

- (i) assess the substantiated costs of all work performed and commitments entered into prior to such termination and the reasonable costs of demobilization incurred by the Seller,
- (ii) balance these costs against the advance payment received, if any.

## Article 3. Seller's Scope of Work

3.1 This Contract is for the design and supply of Equipment and Services. The supply by Seller of the Work shall be in conformance with this Contract and in particular the Technical Specifications (Exhibit 1) and the Quality Management (Exhibit 5) and the applicable Mandatory Normative Legal Acts of Russian Federation which shall be



provided by the Buyer.

3.2 The Seller must obtain and maintain all Seller Approvals that are required to be issued in Seller's name in accordance with all Applicable Laws. Upon the Seller's reasonable written request, the Buyer must make reasonable steps to assist the Seller to obtain and/or maintain the Seller Approvals and support the Seller in its dealings with the relevant authorities in connection with obtaining any such Seller Approvals.

3.3 In undertaking its obligations under the Contract and agreeing to the Contract Schedule, Seller relies upon Buyer performing its obligations in a timely manner.

Baltic NPP Unit 1 & Unit 2 – Equipment Supply Contract/ March 20th, 2012

#### CONFIDENTIAL DOCUMENT

3.4 Seller's design shall be based upon the information provided to Seller by Buyer (including, but not limited to initial and interface data) and Seller shall be entitled to rely upon the completeness and accuracy of such information provided to him. The Seller shall not be liable for Site preparation works, construction, installation, commissioning, start-up, testing and operation of the Equipment and the correctness of all data and information provided to Seller by Buyer (or its other contractors) under or in connection with this Contract.

To the extent of occurrence of any change in the information provided by Buyer to Seller and which Seller has relied upon in preparing the Technical Specifications or in performing the design and such variations impact Seller's Performance Guarantee or the operability of the Equipment or causes additional work, cost or time then Seller shall be entitled to an equitable adjustment of the Contract Price and Contract Schedule. Such adjustment shall be considered as a Change Order made in accordance with Article 19.1 herein.

3.5 Seller shall not provide any Site services.

3.6 Notwithstanding the foregoing and any conflicting term of this Contract (including its Exhibits), Seller shall have no liability for the acts and/or omissions of any party performing the installation, commissioning, start-up,

testing and operation of the Equipment. Seller gives no guarantee and accepts no liability for the Contract Schedule for completion of the installation, commissioning, start-up, testing and operation of the Equipment or the quality of workmanship of, or information provided by, the installation or commissioning contractor or any party not a Subcontractor of Seller.

3.7 Notwithstanding anything to the contrary stated in the present Contract, both Parties agree that Seller/Buyer obligations or activity covered by the License and Technology Transfer Agreement ("LTTA") signed between ALSTOM Power Systems SA (formerly ALSTOM Power Turbomachines), ALSTOM Atomenergomash LLC, Machine Building Plant "ZIO-Podolsk" OJSC, Atomenergomash OJSC, ALSTOM Holdings and ALSTOM Power Holdings SA on December 13th, 2007, shall be governed exclusively by the LTTA. Liability in respect of such obligations or activities shall be exclusively dealt with under and in accordance with LTTA. Transfer of documentation in relation with LTTA is governed exclusively by the LTTA. Transfer of documentation in relation with this Contract is governed exclusively by this Contract.

3.8 Any other obligation contained in the Contract, although not expressly set forth in this Article 3.

Baltic NPP Unit 1 & Unit 2 - Equipment Supply Contract/ March 20th, 2012

#### CONFIDENTIAL DOCUMENT

#### ### Article 4. Buyer's Obligations

4.1 Buyer shall be responsible for obtaining and maintaining all Buyer's Approvals. Upon the Buyer's reasonable written request, the Parties shall cooperate in dealings with the relevant authorities in connection with obtaining any

such Buyer Approvals until obtaining of such Buyer Approvals.

4.2 The Buyer must pay the Seller the Contract Price and other amounts payable under this Contract in accordance with Clause 5.

4.3 Buyer must take Delivery of the Equipment in accordance with Article 6 and Exhibit 2 (Delivery Schedule).

4.4 Buyer undertakes to obtain preliminary acceptance of the Equipment by Buyer's Customer and issuance of Incoming Control Certificate without any reserve within seventy (70) days after Delivery in accordance with clause 6.1 of the Contract.

4.5 On or before the issuance of the Notice to Proceed, the Buyer must appoint a representative to be the contact for the Seller with respect to the performance of the Work, who will be authorized to act and administer this Contract on the Buyer's behalf. The Buyer may change the Buyer's representative by written notice to the Seller.

4.6 More generally, Buyer will guarantee the quality, delivery time schedule and all other aspects for the performance