**In the name of God**

**Tehran 29.12.2015**

**PROTOCOL**

**On Commencement of the BNPP-2 Contract**

**No. NPP/4100/5500-2,3 dated 11.11.2015**

Nuclear Power production and Development Co. of Iran (NPPD) duly represented by Dr. M. Ahmadian as the vice president of AEOI and managing director of NPPD hereinafter referred to as the Principal, Party of the first part and NIAEP, JSC Atomstroyexport Managing Organization duly represented by Dr. V.I. Limarenko as the president, hereinafter referred to as the Contractor, Party of the second part, in accordance with Article 42 to the BNPP-2 Contract hereinafter referred to as the Contract hereto hereby came to undivided opinion and agreed as to sign the Protocol.

**Whereas** the “Parties” are definitely desirous and keen to cooperate with each other and has entered into a Contract to secure “Construction of Bushehr Nuclear Power Plant (BNPP-2) No. NPP/4100/5500-2,3 in good faith and willingness and wish to clarify certain parts and modify certain stipulations of the Contract in particular with respect to Paragraph 42.3 of the Contract.

**Whereas** the “Parties” are well aware of each other’s capacities and capabilities for implementing the Project and both will do their utmost to make viable efforts and expertise to start commencing the Project.

**Whereas** The “Parties” are willing to commence the works under the Contract in 2015.

**Whereas** the Contractor in its letter No.007/0943/03-05 dated 20.07.2015 notified the Principal that it has received all approvals and permits envisaged by the Paragraph 42.3 of the Contract required to commence the Contract.

**Whereas** the Principal has notified the Contractor that it has received all approvals and permits envisaged by the Paragraph 42.3 of the Contract required to commence the Contract concurrently with its terms described hereunder.

Now therefore in consideration of the above, the mutual covenants of the Parties herein after set forth, and intended to be legally bound thereby, the Parties hereto hereby come to undivided opinion and agree as follows:

1. By 31.03.2016 and based on the Contractor’s proposal specified in Attachment No.1 to this Protocol the Principal shall take a decision on the utilization of the said LMC Equipment for BNPP-2 Project. , which was manufactured for the other NPP Project of the Type “AES-92”.

The Principal shall notify in writing the Contractor on the decision taken.

1. The Principal shall be solely entitled and have the right to decide on the utilization of the said LMC Equipment.
2. As to the sake of the Principal decision making regarding utilization of the mentioned LMCE, the Contractor shall be committed to render it’s cooperation and bestow it’s assistance for the facilitation of the Principal decision making in as much as that decision making of the Principal would not be possible without cooperation and assistance of the Contractor.
3. The Principal accepts the State Atomic Corporation “Rosatom” Guarantees and Comfort Letters of the Ministry of Economic Development instead of the bank guarantees of the good performance and advanced payment guarantee as ensuring of the Contract in compliance with Paragraphs13.11, 13.14 and 13.15. The Principals shall accept forms of such guarantee and comfort letter within ten working days as soon as it is officially received from the Contractor.
4. As soon as invoice and ensuring stipulated by item 4 of this Protocol is received, the Principal shall effect payment of the part of advance payment under BNPP-2 Contract in the amount of 5,000,000 Euro (five million Euro). The date of receiving of these funds to the Contractor’s account will be considered as Commencement Date under the Contract (То).
5. In the event that the Principal concludes to use the said LMCE mentioned in item 1, the Parties shall introduce the required amendments into the text and/or Appendices of the Contract where ever found to be necessary.
6. In the event that the Principal concludes not to utilize the said LMC Equipment or there failed to make a decision on the utilization of the said LMC Equipment at the end of the deadline specified in item No.1 to this Protocol, then the Principal shall be obliged to effect payment of the remaining amount of advance payment in the amount of 201 million Euro and Commencement Date under the Contract (То) shall be moved to the date of receiving of the whole amount of advance payment (206 million Euro) under the Contractor by the Contractor.
7. The Principal also has the right to propose the Contractor to utilize a part of LMCE mentioned in item 1 of this Protocol. In this case the Parties shall conduct meeting on this issue within one month. The Contractor has the sole right to accept or reject such Principal’s proposal. If the Contractor rejects the Principal’s proposal on partial utilization of LMCE mentioned in item 1 of this Protocol, then the Principal shall be obliged to effect payment of the remaining amount of advance payment in the amount of 201 million Euro and Commencement Date under the Contract (То) shall be moved to the date of receiving of the whole amount of advance payment (206 million Euro) under the Contractor by the Contractor.
8. The Present Protocol has been signed on 29.12.2015 in Tehran.
9. The present Protocol shall have the same priority as the General Provisions of the Contract.

In Witness Whereof, the Parties hereto have caused this Protocol to be executed in two identical duplicates by their duly authorized representatives as of the date first written above and each Party shall keep one copy, respectively.

**on behalf of the Principal** **on behalf of the Contractor**