

Annex № 3 Draft agreement of the State Procurement

The form and conditions of the agreement on state procurement may be specified on the basis of negotiations between the parties at the moment of concluding a contract

Gardabani, -----, 2018

On the one hand, LLC "Gardabani TPP" (hereinafter referred to as the "Purchaser"), represented by Lasha Mgeladze, General Director, and on the other hand, ----- (hereinafter "Supplier"), ----- with face, In accordance with the circumstances, in the electronic procurement SPA procedure announced in accordance with sub section "" of paragraph 1 of Article 3 of the Law of Georgia on State Procurement 2018 with the price of Lari excluding VAT was declared the winner, parties hereby agree with the following:

1. Subject of the contract

1.1. This Agreement is the procurement of lubricating oil extraction equipment (hereinafter - goods) in compliance with the provisions of this Contract (CPV42912000).

1.2. The Goods names, characteristics, quantity and price of the goods are given in Annex No1 (the table of prices) of this Agreement, which is accompanied by an agreement and is an integral part thereof.

2. The rights and obligations of the Parties

2.1. "Purchaser" is authorized to request from the "Supplier" to perform the obligations undertaken by the Agreement.

2.2. "Purchaser" is obliged to provide settlement with the conditions under the contract;

2.3 "Supplier" is entitled to request from the "Purchaser" to perform the obligations undertaken by the Agreement.

2.4. "Supplier" is obliged to provide the purchaser with the Goods free of any defects and with the necessary documents related to it;

3. Terms of delivery of goods

3.1. The supplier is obliged to provide the supply of goods within __ calendar days after the contract is signed, at the following address: Gardabani, D. Aghmashenebeli 2b;

3.2. The purchaser is entitled to refuse the goods if they are defective or deemed defective by the inspection team.

4. Quality of goods

4.1. The supplier undertakes to ensure that the quality of goods is consistent with the agreed quality and technical indicators and the standards set forth in the contract.

4.2 The supplier at the time of delivery of goods shall present a document issued by the manufacturer and / or its official representative in order to which it is possible to identify the proposed and delivered goods.

5. Cost and settlement of the contract

5.1. The total value of the goods is ----- GEL without VAT (if supplier is a supplier at the moment of concluding the VAT payer in accordance with the requirements of the Georgian legislation, in case of submission of the relevant tax invoice the VAT rate will be reimbursed --- (-----)).

5.2. Document (s) required to carry out the settlement:

- Commercial Invoice;

- Tax invoice (see paragraph 5.1 above);

5.3. The settlement shall be conducted with the supplier, in the form of non-cash settlement, from the full delivery of goods and within 10 working days after fully submission of the document (s) provided in paragraph 5.2.

6. Advance bank guarantee

6.1. The supplier shall submit to the procuring entity an unconditional and irrevocable bank guarantee of the value of the advance. The term of validity of the bank guarantee shall exceed the date of signature of the delivery of goods and the final acceptance-delivery act no less than 30 (thirty) calendar days. The guarantor organization shall be registered in Georgia and licensed by National Bank of Georgia or by an insurance company registered by LEPL" insurance state supervision agency of Georgia".

6.2. Contract 6.1. The bank guarantee referred to in paragraph shall include the bank's unconditional obligation to pay the full or part of the bank guarantee upon the first request of the "Purchaser".

6.3. The "Purchaser" returns the prepaid bank guarantee to the supplier "within 30 calendar days from the complete delivery of the service and after the delivery of the Acceptance Act.

6.4. "Purchasing" is entitled to use 6.1. The Bank's guarantee of an advance referred to in paragraph if the "Supplier" breaches the terms of this Agreement or fails to ensure the proper implementation of the obligations under this Agreement.

6.5. The bank guarantee of advance payment must be presented in the enclosed form (Annex No.4.2)

7. Guarantee, responsibility and non-fulfillment of the contract terms

7.1. The supplier gives the guarantee that the goods supplied to the purchaser are in line with the technical characteristics specified by the buyer, meet the requirements of the purchaser and have no defect.

7.2. The warranty period for the goods supplied to the purchaser by the supplier is ----- months from the delivery of the goods certified by the handover act

7.3. In case of defects and / or defects indicated in serviced goods during the warranty, the supplier is obliged to ensure the removal of existing deficiencies and / or defects within the reasonable period determined by the purchaser at his own expense or the replacement of defects.

7.4. The seller guarantees that it will protect the purchaser from all claims made by third parties and / or reimburses any financial or administrative sanction to the procuring entity by a third party and / or state

7.5. Failure to comply with the terms and conditions of the contract by the Parties shall result in their liability in accordance with the procedure established by the Agreement and the applicable legislation.

7.6. The party may request compensation for damages inflicted by the other Party to the failure to fulfill its obligations or by improper performance.

7.7. In case of delay in delivery of the "Goods", the supplier is obliged to pay the Purchaser 0.1% of the value of the undelivered goods each overdue calendar day. The purchaser is entitled subtract the penalty during final the amount of the accrued penalty during payment.

7.8. In case of "Purchaser", delays to pay duly the "Supplier" shall be entitled to penalty amount of 0.1% of the unpaid amount each calendar day it is delayed.

7.9. If the contract is terminated due to the supplier's failure to fulfill the obligations undertaken by this contract (for the reason of the supplier / fault), and if at the moment of termination of the contract the supplier has only partially delivered the goods to be purchased, the purchaser shall be entitled to charge the supplier Not more than 10% of the relevant value.

7.10. If the contract is terminated by the supplier as a result of failure or improper performance of contractual obligations (of feeder / fault), In addition, at the time of termination of the contract the supplier has only delivered only a negligible (fraction) of the goods for the Purchaser will be entitled to charge supplier penalty of not more than 20% of the cost of the contract.

7.11. Payment of a penalty by the "Supplier" shall not exempt him from the duties of performing the obligations under the contract, except in cases envisaged by the Civil Code.

7.12. In case of adequate prerequisites, the purchaser will be entitled to charge the supplier as a penalty under Article 7.7 and at the same time 7.9. And 7.10. Penalties provided by the articles.

8. Dismissal from the responsibility of the Parties

8.1. The Parties shall not be liable for the full or partial failure of the obligations in the event of a Force-Majeure (earthquake, flood, state coup and other circumstances which are not dependent on the parties and are considered as majestic circumstances).

8.2. The Party which has been affected by Force-Majeure shall immediately notify the other Party of the circumstances and the estimated time of its elimination. Otherwise, it will not be exempt from responsibility for complete or partial failure to fulfill the contract terms.

8.3. The facts indicated in the notification shall be confirmed by the competent authority. Confirmation is not required if these facts are known publicly.

8.4. The Parties shall renew their obligations upon the termination of force-majeure circumstances.

9. Conditions of contract inspection

- 9.1. A procuring entity or a person authorized by him shall be entitled to control and / or test the goods.
- 9.2. The Supplier fulfilment of contract terms and its annexes are controlled by the Purchasers inspection team.
- 9.3. The inspection team are in charge of:
 - 9.3.1. Compliance with the requirements of Services volume, quality and timeframe in accordance with this Agreement. To conduct appropriate control and supervision for the purpose of determination;
 - 9.3.2. Check the serviced goods before accepting it and refuse to accept it in case of poor quality.
 - 9.3.3. Implementation of other actions for the fulfilment of this Agreement.
- 9.4. Reimbursement of expenses related to the elimination of each identified defect by inspection is covered by the supplier.

10. Amendments to the Agreement

- 10.1. No Contracting Parties shall have the right to change the terms of the contract unilaterally.
- 10.2. It is inadmissible to make amendments to the contract as a result of which the contract' value increases or worsens the conditions of the contract to the Purchaser except for the cases prescribed by Article 398 of the Civil Code of Georgia.
 - 10.2.1. In case of the conditions provided for in Article 398 of the Civil Code of Georgia, it is inadmissible to increase the total value of the contract by more than 10%.
- 10.3. Any amendment to the terms of the contract shall be concluded in a written form of an agreement which will be attached to the contract and shall be deemed to be its integral part.
- 10.4. All amendments to the Agreement shall acquire legal force only from the date of its signature.

11. The entry into force of the contract and the term of validity

- 11.1. The Agreement shall enter into force on the date of its signature by the Parties and shall be in effect **on 2018** ----- contract term of validity – delivery term added 30 calendar days.)
- 11.2. The relevant articles of the Treaty remain in force until the expiry of the obligations taken by the Parties.

12. Termination of the contract

- 12.1. Parties may terminate this Agreement at any stage of its operation by mutually agreement.
- 12.2. Any Party may unilaterally terminate the contract on the basis of a written notification to the other Party if:
 - (A) Any Party or Party has violated the terms of this Agreement entirely or partially;
 - B) One of the Contracting Parties systematically violates the terms of this Agreement;
 - C) In the case envisaged by Article 398 of the CCG.
- 12.3. The purchaser is entitled to terminate this Agreement at any stage of its operation unilaterally. The Agreement shall be terminated in accordance with the period specified in the notification sent by the buyer.

13. Dispute resolution, regulatory justice

- 13.1. Any dispute arising out of the Parties shall be settled by means of mitigation by the Parties.
- 13.2. In case of failure to reach agreement, all controversial issues are resolved in the Georgian court.
- 13.3. The agreement is made according with the legislation of Georgia and will be interpreted according to the legislation of Georgia.

14. Final Provisions

- 14.1. The agreement is composed in Georgian language, as 2 (two) copies with equal legal force.
- 14.2. The annulment or invalidation of a separate article and / or paragraph of the contract shall not affect the validity of the entire contract or its annexes.
- 14.3. Any notification pursuant to this Agreement shall be carried out in writing either through written or through e-mail.
- 14.4. None of the Contracting Parties shall be entitled to delegate fully or partially its rights and obligations under this Agreement to a third party without the written consent of the other party.

15. The requisites and signatures of the parties