

## AGREEMENT ON PROVIDING SERVICES

This Agreement is made on the 12th day of December 2013 between the "MINISTRY OF ECONOMY AND SUSTAINABLE DEVELOPMENT OF GEORGIA" (Chanturia str. 12, 0108, Tbilisi, Georgia) ("CUSTOMER") and "IGNATIOS SPANOPOULOS NAFTILIAKI-EMPORIKI & TECHNIKI ANONIMI ETERIA (S.A.)", existing and organised under the laws of Greece, whose registered address is Kato Pounta - Ampelakia Salamis 18902 - Greece VAT No. 094383485 Tax. Office E' Piraeus ("IGNATIOS S.A."), on the bases of resolution N1596 of the Government of Georgia dated 27 November 2013, clause "3.d" of article 10<sup>1</sup> of Georgian law on "state procurement", CPV # 63725100 and sets out the terms and conditions under which "IGNATIOS S.A." shall carry out underwater search operation of m/v Stella for the missing Master.

### WHEREAS

- a) «IGNATIOS S.A.» has the expertise and the experience in conducting underwater search; and
- b) CUSTOMER wishes to mandate "IGNATIOS S.A." to search the missing master;

### IT IS HEREBY AGREED BETWEEN THE PARTIES AS FOLLOWS;

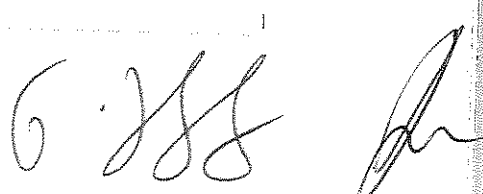
(CUSTOMER and «IGNATIOS S.A.» being the "Parties" and either a "Party" as the context demands)

CUSTOMER hereby designates and appoints «IGNATIOS S.A.» for Underwater search of sunken vessel "Stella" for the missing Master. (M/V STELLA, IMO: 6727296, Flag: Sierra Leone, General Cargo, DWT: 284, Hull Type: Single, GT: 199, Breadth: 7m, Draught: 3.1m, Freeboard: 300mm, Length B.P.: 55.02m). Position of distress: Aegean Sea, near the Islands Astakida and Astakidopilo, in psn: (Lat:35o 52.4 ' N Long:026o 50.2' E). «IGNATIOS S.A.» hereby accepts such designation and appointment in accordance with the terms and conditions of this Agreement.

### 1. SERVICES

- 1.1 «IGNATIOS S.A.» undertakes to provide the Customer with the following services (the "Services") throughout the Term of this Agreement:
  - 1.1.1 To carry out underwater search operation of m/v Stella for the missing Master, using the Remote Operated Vehicle (ROV 300.)
  - 1.1.2 To reach the sunken vessel, to search the Navigation bridge for the purpose of finding the body of missing Master. The underwater inspection will take place in the perimeter of the sunken M/V using any available opening, door, or window. The insertion of the ROV inside of the M/V is not possible.
  - 1.1.3 To make full video record of underwater search operation and to submit the copy of records to the customer.
  - 1.1.4 In case the Master's body is found, undertake the hauling operation by the deep water diving team. The additional cost will be mutually agreed.
  - 1.1.5 To allow the representative of the customer to attend the searching operation.

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- 1.2 Within (2) two days from execution of this agreement, before starting the operation «IGNATIOS S.A.» has to submit to the Customer:
- 1.2.1 The information about the service boat, divers and the technical data of inventory which is designated to perform the underwater search operation.
  - 1.2.2 The preliminary plan of search operation, which shall include detailed time schedule and venue of the operation.
- 1.3 «IGNATIOS S.A.» will start the operation within (3) three days weather permitting from Customers approval of submitted information, defined in 1.2 clause. In case of any remarks from Customers side with reference to submitted information, «IGNATIOS S.A.» agrees to make respective amendments within 1 day, as reasonably possible, and resubmit for final approval.
- 1.4 Any operations not included in the plan, or any amendments in the operation plan shall be subject to CUSTOMER's prior written approval, before being carried out by «IGNATIOS S.A.». All terms and conditions of any extra works to be mutually agreed between the Parties.
- 1.5 «IGNATIOS S.A.» shall only start the operation (departure of the Tug Boat from its berthing place) if the weather forecast based on reliable source, permits conducting operation and underwater research for the scheduled operation period, ensuring that any kind of suspension of the operation is not anticipated for the whole operation period. If, notwithstanding this, any suspension of mob/demob. and / or underwater research still occurs due to bad weather and / or any other reasons attributed solely to the Customer shall be included in the duration of the Agreement, as defined here over, and the Customer shall pay the fee of cl. 3.1 during the suspension time. In case that on the fourth day, IGNATIOS S.A. relying on the trustworthy source, anticipates that the above reasons attributed to the Customer and / or the prevailing bad weather conditions shall continue for the fifth day, obstructing the underwater research, then IGNATIOS S.A. shall give to the Customer a relevant notice and the Customer shall release "IGNATIOS S.A." and allow the equipment to commence with the demobilization voyage. In this case, the service fee of 10,000.00 euros for the fifth day shall be payable.

## 2. REPRESENTATIONS AND WARRANTIES

- 2.1 By «IGNATIOS S.A.»: «IGNATIOS S.A.» represents, covenants and agrees with the Customer as follows:
- 2.1.1 «IGNATIOS S.A.» is authorized to enter into this Agreement and has the capabilities to carry out its responsibilities described herein;
  - 2.1.2 Carry out the service in a manner consistent with the internationally approved standards and according to the applicable legislation;
  - 2.1.3 Use its best efforts to find the missing Master as soon as possible, within the term of the agreement.
  - 2.1.4 Will obtain only all sailing permits and the necessary approvals for the execution of the project, provided that The Customer will submit to the Port and pertinent authorities all required documentation, within its competence.
- 2.2 By the Customer. The Customer hereby represents, covenants and agrees with «IGNATIOS S.A.» as follows:
- 2.2.1 The Customer is authorized to enter into this Agreement;

- 2.2.2 Will provide information needed for successful completion of the operation; Vessel's plans are required to be submitted upon signing of the Agreement
- 2.2.3 Will review progress in the Work and if necessary will provide its approvals to «IGNATIOS S.A.» as expeditiously as possible;

### **3. SERVICE FEE AND PAYMENT**

3.1 The service fee is 10,000.00 euro per day and pro rata, plus VAT of 23% and bank charges, commencing from the day of departure of the Tug Boat from her berthing place and ending on the day of arrival to her berthing place.

3.2 An initial payment of 30,000.00 euros will be paid by the Customer to «IGNATIOS S.A.», within 3 banking days from signing of the contract. 20,000.00 euros will be paid by the fifth day -calculated from the day of departure of the Tug Boat from her berthing place with destination Lat:35o 52.4' N Long:026o 50.2' E- and the remaining balance upon completion of the underwater research and prior to the demobilisation of the Tug boat and equipment.

3.3 In case the Vessel is not found on the exact coordinates indicated here above (Lat:35o 52.4' N Long:026o 50.2' E) —after 24hours of underwater searching by ROV- the deployment of "side-scan sonar" is agreed herewith at the additional amount of 2,500.00 euros per each day and pro rata. If Customers wishes the side-scan sonar to be loaded and its operator to embark on board the Tug Boat on her departure, this additional amount of 2,500.00 euros shall apply from the time of departure.

3.4 For the purpose of this agreement "day" means "calendar day", unless other specified.

3.5 The Service Fee shall be payable in net amount without any taxes, imposts, duties, withholdings and deductions whatsoever applicable by Georgian Laws. In case an obligation to pay taxes or other charges arises under Georgian legislation the CUSTOMER will pay such taxes or charges and will insure that «IGNATIOS S.A.» receives full net amount. The service fee shall be paid in the currency specified into the following bank account, or such other account communicated by «IGNATIOS S.A.» in writing:

Bank account: 180.00.2002.000959 (EURO)  
IBAN: GR75 0140 1800 1800 0200 2000 959  
SWIFT: CRBAGRAA  
ALPHA BANK  
Beneficiary: IGNATIOS SPANOPOULOS S.A.  
Branch: 180 (Salamina)

### **4. DURATION AND TERM**

- 4.1 This Agreement shall commence and have effect from the date of execution by both Parties and shall continue until execution of act of acceptance and delivery by the Parties.
- 4.2 The operation (as defined in 3.1 clause) will last until finding the master, but no more than 5 days. If the master is not found within 5 days, the Agreement may be extended by mutual agreement of the parties.

4.3 The Agreement can be the subject to unilateral termination by the CUSTOMER in following cases:

- 4.3.1 Upon written notice at least 1 day earlier;
- 4.3.2 Upon failure to perform any of its obligations by «IGNATIOS S.A.» under this Agreement; and
- 4.3.3 Any other provision considered by Georgian laws

4.4 In case of termination of agreement due to failure to perform or undue performance of its obligation by "IGNATIOS S.A.", due to any reason, except circumstances defined in clause 8 and clause 1.5 of this agreement, the Customer shall be entitled to claim back the fees payed in advance for non-completed operations (less an amount of 10,000.00 euros for the demobilization of the Tug boat and equipment.). In this event «IGNATIOS S.A.» shall pay to the Customer the respective advance payment within 5 days from Customers request.

## **5. ACCEPTANCE OF SERVICES**

- 5.1 The services will be deemed completed and accepted after the execution of the acceptance and delivery act between the parties authorised representatives.
- 5.2 The act of acceptance and delivery will be executed by the parties according to the report submitted by «IGNATIOS S.A.» to the Customer within 5 days from completing the operation. The report shall include the description of the search operation and its outcomes.
- 5.3 The authority to approve and sign any documents, plans or other issues arising out of this agreement is assigned to Mr. Avtandil Gegenava (passport #11AA31807).

## **6. INDEMNITY**

Parties shall indemnify and hold each other harmless from and against any and all liabilities, obligations, claims, suits, proceedings, damages, costs, expenses and fees whatsoever by whosoever made in respect of or arising out of this Agreement, excluding any matters arising from parties gross negligence or wilful misconduct.

## **7. CONFIDENTIALITY**

The Parties undertake both during the term and after expiry of this Agreement to preserve the strictest secrecy as to the other Party's business and activities and the information provided to the other Party in relation of this Agreement, and shall not divulge to a third party any information regarding its interest or in connection with any business transacted or otherwise in connection with this Agreement except as required by law or to its counsels and advisors.

## **8. FORCE-MAJEURE**

8.1. The Parties shall be released from the responsibility for non-fulfilment or undue fulfilment of the obligations provided by this Agreement if such default is caused by the force-majeure. For the purposes of this Agreement, the force-majeure shall be the event or circumstance, which falls beyond the Parties reasonable control and makes it impossible to fulfil the obligations provided by this Agreement. Such circumstances include (but not limited to): natural disaster, strike, sabotage and other delays, civil disorder, war (declared or undeclared)

or other military, terrorist or partisan acts, blockade, insurrection, earthquake, landslide, floods, other extraordinary weather conditions or other similar circumstances, which fall beyond the reasonable control of the Party affected by such force-majeure and which is impossible to avoid.

8.2. If any of the Parties fails to meet the assumed obligations due to force-majeure, it shall give the other Party a notice of occurrence or termination of the force-majeure within no later than 72 hours upon the occurrence or termination thereof. Otherwise, the affected Party shall be deprived of the right to refer to such events or circumstances as the basis for release from the responsibility for non-fulfilment or undue fulfilment of the obligations. The notice shall provide the description of such event or circumstance, the effects thereof on fulfilment of the obligations assumed by the Party affected, and the expected term of delay in fulfilment of the obligations.

8.3. If the force-majeure occurs and the occurrence thereof is confirmed, the term for fulfilment of the contractual obligations by the Parties shall be postponed according to the duration of the force-majeure.

8.4. Calculation of the term shall be resumed upon termination of the force-majeure, which shall serve as the basis for fulfilment of the contractual obligations. The remained term shall be postponed according to the duration of the force-majeure.

8.5. If the force-majeure lasts for more than 2 weeks, the Parties may decide to terminate or adjust the Agreement to the changed circumstances.

## 9. APPLICABLE LAW AND JURISDICTION

9.1 This Agreement constitutes the entire Agreement between the Parties with respect to the matters set out herein and this Agreement may not be amended, waived or supplemented without the prior written approval of both Parties.

9.2 This Agreement shall be governed by and construed in accordance with Georgian Law. The place of jurisdiction shall be the Courts of Georgia.

## 10. MISCELLANEOUS

10.1 Any amendment and supplements may be made to this Agreement only upon written consent of the Parties executed as separate agreement.

10.2 Any and all amendments/supplements and/or annexes are integral parts of this Agreement.

10.3 Matters not regulated by the Agreement shall be solved in accordance with applicable Georgian legislation.

10.4 Termination, invalidation and/or nullity of separate paragraphs of this Agreement shall not result in invalidation and/or nullification of the other paragraphs of the Agreement.

10.5 This Agreement is made in English language in 4 (four) counterparts having equal legal force which are passed to the Parties.



Agreed and accepted  
[Tbilisi, Georgia]

Agreed and accepted  
Greece

IGNATIOS SPANOPOULOS NAFTILIAKI  
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E-mail: [info@spanopoulos-group.com](mailto:info@spanopoulos-group.com)  
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For and on behalf of

[Ministry of Economy and Sustainable  
Development of Georgia]

Date: 12.12.2013

Name: Natia Mikeladze

Title: Deputy Minister

For and on behalf of

"IGNATIOS S.A."

Date: 12.12.2013

Name: Mr. Michail Spanopoulos

Title: Vice  
President of BoD.

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