

12.09.2014

REFERENCE #: 40044995

CONSULTING SERVICES AGREEMENT

NJ/158-2014

This Consulting Services Agreement (the "Agreement") is made:

BETWEEN: **INTERNATIONAL AIR TRANSPORT ASSOCIATION**, an association incorporated by a Special Act of Parliament of Canada, with its head office located at 800 Place Victoria, P.O. Box 113, Montreal, Quebec, Canada H4Z 1M1 ("IATA")

AND: **UNITED AIRPORTS GEORGIA LLC** (registered office: Airport (Airport Settlement), Samgori District, Tbilisi, Georgia; identification code: 404 389693) ("Client")

Hereinafter, IATA and the Client shall be collectively referred to as the "parties", and "party" shall mean any one of IATA or the Client as applicable in the context in which the term is being interpreted.

WHEREAS

A. IATA is an international association of airlines, whose objectives are to promote safe, regular and economical air transport for the benefit of the peoples of the world and to provide means for collaboration among air transport enterprises engaged directly or indirectly in international air transport service and to cooperate with the International Civil Aviation Organization and other international and national organizations as a means to realising these objectives;

B. The Client is United Airports of Georgia Ltd, which is an airports authority of the state, under 100% of government ownership and whose objective is to ensure safe and efficient airport operations all over Georgia. UAG currently owns 3 international and 1 domestic airports all over the country, from which 2 are under direct operations of the company and 2 are under BOT contract. The Client is acting in accordance with the procurement opportunity based on the Law on State Procurement, art. 10¹. part.3 sec.D.

C. The Client wishes to engage IATA, and IATA agrees to undertake the consulting services as more particularly described hereunder.

NOW THEREFORE in consideration of the mutual covenants and agreements contained in this Agreement and other good and valuable consideration, the parties agree as follows:

1. Scope of Services

The Client hereby retains IATA, and IATA agrees to perform the consulting services described in Annex A to this Agreement in accordance with the provisions set forth hereinafter (the "Services"). CPV code 79419000

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2. Term

- 2.1 This Agreement shall enter into effect and be binding upon the last date of signature hereof by both parties (the "**Effective Date**") and shall terminate upon completion of the Services (the "**Term**") but not later than 31 of December 2014.
- 2.2 Subject to Section 4.3, the Services shall be performed in accordance with the estimated time schedule set forth in Annex A.

3. Compensation

- 3.1 The total price of the Agreement is USD 160 000 (one hundred and sixty thousand US dollars), (exclusive of VAT) which consists of IATA professional fees in an aggregate amount of USD 120 000 (one hundred and twenty thousand US dollars) (the "**Fees**"), and IATA's Expenses incurred by IATA or its employees, consultants or subcontractors in the course of performing the Services including, without limitation, air transportation (airfare in business class from, to or between home-based location and the required locations), on-site ground transportation, first class accommodation, reasonable out-of-pocket expenses, and work and visas costs and other related requirements (the "**Expenses**") which shall be capped at USD 40 000 (forty thousand US dollars) (the "**Cost of Expenses**").
- 3.2 The payment of the Cost of Expenses incurred during the provision of the Services shall be subject to the presentation of an itemized account of such Expenses together with supporting documents. Alternatively Client may provide IATA with the transportation or accommodation, or any other related requirements during the provision of the Services, cost of which shall be deducted from the Cost of Expenses.
- 3.3 The list of services with respective fees is provided on section 3.3 and in Annex A of present Agreement.
- 3.3 Payment of the Fees and Expenses shall be made in accordance with the following terms:

Payment Schedule	
<u>Fees</u>	<u>Amounts</u>
Described as per Annex A. Assistance on drafting new BOT contract on airport operations and service levels / KPI's.	15,000 USD
Review of TBS airport development plan	60,000 USD
Technical assistance related to the airside resurfacing works	45,000 USD
Total Fees up to:	120.000 USD Excluding VAT
<u>Expenses</u>	(as per Section 3.2)

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- 3.4 Payment of all sums due to IATA shall be in United States dollars by electronic bank transfer to the following account:

Bank:	Royal Bank of Canada
Address:	1 Place Ville-Marie, Québec, Canada
Beneficiary Name:	IATA
Account Number:	404-903-7
Bank ID:	00000003
Main Branch:	0001
Swift code:	ROYCCAT2
ABA:	021000021

- 3.5 All sums due hereunder will be invoiced by IATA and shall be paid by the Client within thirty (30) days from the date of receipt of IATA's original invoice.

- 3.6 Any payments under this Agreement must be made without any set-off or counter claim and free of deduction or withholding (except as required by law) of any taxes or governmental charges. If any deduction or withholding is required by law, the Client shall pay the required amount to the relevant governmental authority, provide IATA with an official receipt or certified copy or other documentation acceptable to IATA evidencing the payment, and pay to IATA, in addition to the payment to which IATA is otherwise entitled under this Agreement, such additional amount as is necessary to ensure that the net amount actually received by IATA free and clear of all taxes equals the full amount IATA would have received had no such deduction or withholding been required.

- 3.7 Should any taxes, levies, fees, charges or duties be imposed, levied or become payable in respect of the Services under this Agreement (including any goods and services tax or other value added tax, but excluding income and capital taxes of IATA), the Client will pay any and all such taxes, levies, fees, charges and duties, in addition to any other payments due under this Agreement. In the event IATA pays any such tax or assessment, the Client will immediately reimburse IATA upon demand.

- 3.8 IATA has been released from the obligation to present a Performance Bond, usually required by the ("Client") according to its procurement rules, due to the acknowledged business reputation.

4. Conditions of Services

- 4.1 The Services will be performed at the Client's offices at 0158 Airport Settlement Tbilisi, Georgia, and at IATA's offices, or at any other location mutually determined by the parties from time to time. The Client shall make available to IATA's employees, consultants or subcontractors suitable office space at the designated locations to perform the Services.
- 4.2 In performing the Services, IATA shall report in the first instance to Deputy Director George Molodinashvili who controls over the fulfillment of the obligations under this Contract, or to any other personnel nominated by the Client for that purpose from time to time.
- 4.3 The Client shall cooperate with IATA and provide in a timely manner any information (including all the necessary material and accurate data in order to perform the Service), assistance (including entry visa in the Client's country and, if required, any specific

authorization to performed the Service) and access to personnel as IATA may reasonably request in order to allow IATA to perform the Services hereunder.

4.4 Where appropriate, IATA will submit to Client interim reports at various stages of the Services. All reports to be issued by IATA hereunder shall be produced and delivered to the Client in the English language only. Prior to issuing its final report, IATA shall provide a final draft to the Client for comment. IATA will use reasonable commercial efforts to incorporate any comments made by the Client.

4.5 Subject to Section 9 below, IATA shall retain the right to use or apply the concepts, designs, procedures and knowledge gained during the performance of the Services under this Agreement in respect of other work not related to this Agreement or the Client, and the Client waives any right to claim any fee or royalty in connection with such use.

5. **Quality of Work**

IATA's employees, consultants and subcontractors assigned to the performance of the Services under this Agreement shall perform such Services with the same degree of skill and effort as they are obliged to under the terms of their employment or agreement with IATA. Furthermore, the Client understands and agrees that the quality of the report is clearly impacted by the quality of the information, material and the data provided to IATA under this Agreement, and it is therefore the Client responsibility to ensure that only the highest quality and accuracy of information, material and data is disclosed to IATA in order to produce.

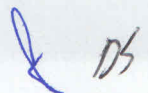
6. **Employment and Tax Status**

6.1 All members of the IATA consulting team assigned to perform the Services hereunder shall at all times remain employees, consultants and subcontractors of IATA and shall remain subject to the terms and conditions of their respective employment and agreement with IATA. IATA shall continue to pay their salaries and allowances directly to them in the ordinary course.

6.2 Without limiting the foregoing, all members of the IATA consulting team assigned to perform the Services hereunder shall not be deemed to be employees of the Client for the purpose of workers' compensation, national insurance, income tax, social security in any country, or for any other purpose, and shall not be required to enter into any contractual relationship with the Client or perform any services not contemplated by this Agreement nor shall they receive any payment directly from the Client for any purpose.

7. **Warranty and Liability**

7.1 IATA will perform the Services with all due skill, care and attention, and in accordance with applicable laws and regulations and international professional standards generally accepted in the industry. IATA shall assign suitable qualified and competent personnel to perform its obligations under this Agreement, and IATA shall make every effort to ensure that the information contained in any report submitted is as accurate as possible. As the work is of an advisory nature, no other warranties, including without limitation, the warranty of merchantability or fitness for a particular purpose, whether express or implied, are made. IATA and its directors, officers and employees shall not be liable for any losses or damages arising out of or resulting from the performance of the Services hereunder or



the use of the contents of any report or document submitted. Without limiting the foregoing, IATA assumes no liability for indirect, incidental or consequential damages, including loss of earnings, arising out of the Services except in cases of gross negligence and/or wilful misconduct.

- 7.2 In any CASE, IATA's entire liability for any cause whatsoever shall in no event exceed the aggregate amount of Fees paid by the Client under this Agreement.

8. **Independent Contractor**

IATA's status will be that of an independent contractor and no joint venture or partnership will arise or is intended to be created by this Agreement. None of the parties hereto shall have the authority to contract on behalf of the other, or otherwise engage the responsibility or liability of the other and shall make any representation to any third party to the contrary.

9. **Confidentiality**

- 9.1 Each party undertakes to each other that it shall not, without the prior written consent of the other, which consent shall not be unreasonably withheld, at any time during or subsequent to the Term: (i) disclose in any form or by any means, in whole or in part, (ii) appropriate to his own use or the use of any third party, or (iii) otherwise make available to any unauthorized person or source, any Confidential Information.

- 9.2 For the purpose of this Section 9:

9.2.1 "Confidential Information" shall mean any information or material proprietary to or treated as confidential by the disclosing party, whether in written, oral or other tangible or intangible form, including, but not limited to, information concerning the business, operations, projects, technologies and affairs of the disclosing party that has been or may be disclosed by the disclosing party (or its directors, officers, employees, agents, advisers or other representatives) to the receiving party (or its directors, officers, employees, agents, advisers or other representatives), including the provisions of this Agreement and any and all documents and information regarding or relating to this Agreement, wholly or partly which is marked as confidential by either party.

9.2.2 "Confidential Information" shall not include information which (i) is or becomes publicly known or within the public domain without the receiving party's breach of this Agreement; (ii) was known to the receiving party prior to its receipt thereof from the disclosing party; (iii) has been or is lawfully obtained by the receiving party from third parties without an obligation of confidence to the disclosing party; (iv) has been or is subsequently independently conceived or discovered by the receiving party; (v) is approved for release by written authorization of the disclosing party; or (vi) is required to be disclosed pursuant to a requirement of law or government agency, in which event the receiving party will give prompt written notice to the disclosing party of such requirement.

10. **Ownership and Intellectual Property Rights**

- 10.1 All of the Client's proprietary files, records, documents or other materials, whether in hard copy or in other media, given to IATA by the Client relating to this Agreement or used in connection with this Agreement shall always remain the property of the Client and shall be returned immediately to the Client upon request.

- 10.2 All files, records, documents or other materials produced by IATA during the course of this Agreement, including but not limited to manuscripts, final reports and drafts, shall be the sole and exclusive property of the Client from the moment of their creation provided that all sums due hereunder have been paid in full. Should data be supplied or used by IATA, that data shall remain the property of IATA.

11. Early Termination

- 11.1 The Client may terminate this Agreement for convenience by prior written notice to IATA in accordance with the following terms:

11.1.1 If the notice was received within fourteen (14) days following the Effective Date, the Client shall pay one third of the total Fees plus all Expenses incurred by IATA to the date of receipt of the notice;

11.1.2 If the notice was received between fifteen (15) and thirty (30) days following the Effective Date, the Client shall pay two thirds of the Fees plus all Expenses incurred by IATA to the date of receipt of the notice;

11.1.3 If the notice was received more than thirty (30) days following the Effective Date, the Client shall pay the Fees plus all Expenses incurred by IATA to the date of receipt of the notice.

- 11.2 Termination shall be without prejudice to any of the terminating party's other rights or recourses hereunder. In the event of the termination or cancellation of this Agreement, and upon receipt of all payments due hereunder, IATA shall deliver to the Client any work completed as of the date of receipt of the notice of termination or cancellation.

12. Subcontracting

IATA may subcontract any or all part of the work or Services under this Agreement at any time at its sole discretion.

13. Modification of Agreement

This Agreement may be modified only by a written agreement executed by both parties.

14. Notice

- 14.1 All notices or other communications to the other party shall be in writing and shall be sent by facsimile with a copy by prepaid priority post to the facsimile numbers and addresses indicated below:

For IATA:

Guy Brazeau
Director, Consulting
INTERNATIONAL AIR TRANSPORT ASSOCIATION
800 Place Victoria, P.O. Box 113
Montreal, Quebec, Canada, H4Z 1M1
Tel: +1 514 874 0101 ext 3470
Fax: +1 514 390 6707
Email: brazeaug@iata.org

For Client:

George Molodinashvili

Deputy Director

“United Airports Georgia LLC”

Legal Address: Airport (Airport Settlement), Samgori District, Tbilisi, Georgia, 0158

Factual Address: Airport (Airport Settlement), Samgori District, Tbilisi, Georgia, 0158

Identification Code: 404389693

Tel: +995 591 229966

Email: g.molodinashvili@airports.ge

and

Irakli Nasidze

Business Development Manager

“United Airports Georgia LLC”

Legal Address: Airport (Airport Settlement), Samgori District, Tbilisi, Georgia, 0158

Factual Address: Airport (Airport Settlement), Samgori District, Tbilisi, Georgia, 0158

Identification Code: 404389693

Tel: +995 577 114455

Email: i.nasidze@airports.ge

- 14.2 Such notice or other communication shall be deemed received on the next business day (in the jurisdiction of the recipient) following its transmission by facsimile. The parties may change their addresses or facsimile numbers by notice to the other party.

15. Force Majeure

The performance of this Agreement by either party is subject to acts of God, war, government regulations, disaster, strikes, civil disorders, curtailment of transportation facilities, or other emergencies or circumstances beyond the reasonable control of one or both parties, making it impossible for either party to perform its obligations.

16. Miscellaneous

- 16.1. Any amendment to the contract is valid only when being made in written form upon mutual consent of the parties. The documents can be signed and transmitted by fax or e-mails (scanned version) and in that case they have the validity of the original.
- 16.2. Any amendment to this Contract is valid only when being made in writing and signed by the parties. The amendments to this Contract are not allowed if they result in increase of the total contract price or worsening of the Purchaser's conditions. In cases foreseen by the article 398 of the Civil Code of Georgia, the initial total contract price shall not be increased by more than 10%.

17. Governing Law and Arbitration

This Agreement will be construed and interpreted in accordance with laws of the province of Quebec and the applicable laws of Canada, without regards to any conflict of law provisions. All disputes arising out of or in connection with the present contract shall be

finally settled under the Rules of Arbitration of the International Chamber of Commerce by one arbitrator appointed in accordance with the said Rules. The seat of the arbitration shall be Paris, France. The language of the arbitration shall be English.

18. General

- 17.1 Entire Agreement This Agreement contains the entire contract between the parties with respect to the subject matter and supersedes any and all prior agreements and understandings between the parties. The schedule(s) or annexes expressly attached hereto shall form an integral part hereof. In the event of a conflict between a schedule or Annex and the core of the Agreement, the parties agree that the core of the Agreement shall prevail.
- 17.2 Severability. If any part, term, or provision of this Agreement shall be held illegal, unenforceable, or in conflict with any law of any competent jurisdiction hereunder, the validity of the remaining portions or provisions of the Agreement shall not be affected thereby and shall remain in force.
- 17.3 Gender. Words importing the singular shall include the plural and vice versa. Any reference to a person or third party includes natural persons, corporate bodies, partnerships, firms, unincorporated bodies and legal persons.
- 17.4 Waiver. The failure by either party at any time to require performance by the other party of any of its obligations, shall not affect the other party's rights to require such performance at any time thereafter. A waiver by either party of a breach or specific delay shall not be taken or held to be a waiver of any subsequent breach or delay.
- 17.5 Headings. The headings of the sections hereunder are for convenience only and shall not affect the interpretation of the provisions of this Agreement.
- 17.6 Severance. In the event that any part of this Agreement is, or shall become, or shall be declared illegal, invalid or unenforceable in any jurisdiction for any reason, such part shall be severed from this Agreement in the jurisdiction in question and such contravention, illegality, invalidity or unenforceability shall not in any way whatsoever prejudice or affect the remaining parts of this Agreement which shall continue in full force and effect.
- 17.7 Assignment. Subject to Section 12, neither party hereto shall assign or transfer or permit the assignment or transfer of this Agreement, nor delegate nor permit the delegation of their rights and obligations under this Agreement, without the prior written consent of the other party. Any purported assignment or transfer or delegation without such consent shall be null and void and of no force or effect.
- 17.8 Counterparts. This Agreement may be executed in any number of counterparts by the parties, each of which when executed and delivered shall constitute an original, but all of which shall together constitute one and the same instrument. This Agreement and its Annexes shall only be legally binding upon the signature of both parties.
- 17.9 Survivorship. Section 9 shall survive the termination or expiry of this Agreement. Any rights arising on termination or expiration of the Agreement, including but not limited to confidentiality provisions, shall survive the termination or expiration of the Agreement, as

shall any other provision of this Agreement which, expressly or by implication from its nature, is intended to survive its termination or expiration.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and effective as of the last day and year written below.


**INTERNATIONAL AIR TRANSPORT
ASSOCIATION**


Daniel Sherrin
Head
Sales and Marketing Europe
Russia & CIS

Name: Rafael Schwartzman
Title: Regional Vice President, Europe
duly authorised as he so declares

Date: Aug 19, 2014

UNITED AIRPORTS GEORGIA LLC


Name: Ketevan Aleksidze
Title: Director
duly authorised as he so declares

Date: 12.09.2014

ANNEX A
TO THE CONSULTING SERVICES AGREEMENT
Project Deliverables

Scope	Fees	Comments
1. Assistance on new BOT contract on airport operations and service levels / KPI's. Contract review Provision of best practices / similar cases	Up to 10 person-days @ \$1,500US= \$15,000US	On a <as-needed-basis>.
2. Technical assistance related to the airside resurfacing works <ul style="list-style-type: none"> • Review of the technical documents provided by TAV (detailed design) • Review of the construction method • Review of the resurfacing timeline • Participation to two 3-day workshops in IST or TBS. 	Up to 30 person-days @ 2,000US= \$60,000US	On a <as-needed-basis>. It is understood that this does not include the participation in the bi-monthly steering committee meetings mentioned previously by UAG. This however, includes 3 professional days for the extra work done to close the Phase 1 project and the transition towards during the Phase 2 project herein described.
3. Review of TBS airport development plan <ul style="list-style-type: none"> • Review of the landside development plan • Review of the terminal development plan • Review of the airside development plan • Participation to two 3-day workshops in IST or TBS. 	Up to 30 person-days @ \$1,500US= \$45,000US	<p>Within the agreed 30 person-days, IATA will review TAV's updated airport planning documents to ensure that IATA's previous comments from Phase 1 are properly reflected and incorporated in the future airport development plan.</p> <p>When carrying out the review, IATA will primarily focus on potential planning shortcomings and weaknesses and flag them accordingly in the final deliverable, our high level summary presentation. This document will outline the review's key findings and provide further suggestions.</p> <p>The traffic forecasts and the CAPEX are not covered in the review. Furthermore, it is also understood that the review work will be done at the conceptual stage not at the preliminary design stage.</p> <p>IATA will advise UAG on a regular basis about the consumed person-days. Additional work beyond the 30 person-days cap can be delivered upon UAG's request.</p>

	
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Initials



საქართველოს მთავრობის განკარგულება

№1539 2014 წლის 5 სექტემბერი ქ. თბილისი

შპს „საქართველოს აეროპორტების გაერთიანების“ მიერ სახელმწიფო შესყიდვების გამარტივებული შესყიდვის საშუალებით განხორციელებისა და შპს „საქართველოს აეროპორტების გაერთიანებასა“ და საჰაერო ტრანსპორტის საერთაშორისო ასოციაციას (IATA) შორის გასაფორმებელი ხელშეკრულების პროექტის თაობაზე

1. „სახელმწიფო შესყიდვების შესახებ“ საქართველოს კანონის 10¹ მუხლის მე-3 პუნქტის „დ“ ქვეპუნქტის შესაბამისად, სახელმწიფოებრივი და საზოგადოებრივი მნიშვნელობის ღონისძიებების შეზღუდულ ვადებში შეუფერხებლად ჩატარების მიზნით, შპს „საქართველოს აეროპორტების გაერთიანებამ“ თბილისის საერთაშორისო აეროპორტის სრულყოფილად ფუნქციონირების მიზნით, შეფასებასთან დაკავშირებული საკონსულტაციო მომსახურების შესყიდვა საჰაერო ტრანსპორტის საერთაშორისო ასოციაციისგან (IATA) განახორციელოს გამარტივებული შესყიდვის საშუალებით, საკუთარი სახსრებით.

2. „უცხოელი კონტრაქტების მონაწილეობით ხელშეკრულებების გაფორმებასთან დაკავშირებულ ზოგიერთ ღონისძიებათა შესახებ“ საქართველოს მთავრობის 2010 წლის 11 მაისის №139 დადგენილების პირველი მუხლის „ა“ ქვეპუნქტის საფუძველზე, მოწონებულ იქნეს შპს „საქართველოს

საქართველოს მთავრობის განკარგულება
დოკუმენტი № 3480
10.09.14

აეროპორტების გაერთიანებას“ და საჰაერო ტრანსპორტის საერთაშორისო ასოციაციას (IATA) შორის გასაფორმებელი ხელშეკრულების პროექტი.

3. „სახელმწიფო შესყიდვების შესახებ“ საქართველოს კანონის 21-ე მუხლის მე-4 პუნქტისა და „გამარტივებული შესყიდვის, გამარტივებული ელექტრონული ტენდერისა და ელექტრონული ტენდერის ჩატარების წესის დამტკიცების შესახებ“ სსიპ - სახელმწიფო შესყიდვების სააგენტოს თავმჯდომარის 2011 წლის 7 აპრილის №9 ბრძანებით დამტკიცებული წესის მე-19 მუხლის მე-12 პუნქტის შესაბამისად, ამ განკარგულების მე-2 პუნქტით გათვალისწინებული ხელშეკრულების მიმართ არ გავრცელდეს ამავე წესის მე-19 მუხლის მე-6 და მე-7 პუნქტებითა და 21-ე მუხლით დადგენილი მოთხოვნები.

პრემიერ-მინისტრი

ი.



ირაკლი დარიბაშვილი