

CONTRACT N 1/207-2014

This Contract is made on the 5th of December, 2014

United Airports Georgia LLC (registered office: Airport, Isani-Samgori district, Tbilisi, Georgia; identification code: 404389693) (hereinafter referred to as the "Purchaser"), represented by the Deputy Director Teimuraz Chkhaidze, on the one hand,

Acting in accordance with the procurement opportunity based on the Law on State Procurement, art. 10¹. part.3 sec.D, and Decree #1146 of the Government of Georgia, dated June 26, 2014 on simplified procurement for UAG.

And

Avench Systems (#105, 80/1, 01st Main, 03rd Cross, Malleshpalya, New Thippasandra, Bangalore – 560 075, Karnataka, India), represented by Kripesh Krishnan, hereinafter shortly referred to as "the Supplier", on the other hand,

Conclude the present Contract/Agreement on the following:

1. **Subject of the Contract**

1.1. The subject of the Contract is procurement of RX35Q, Intel Q35 chipset, LGA 775, 1 PCTE x16, 1 PCI-E x1, 2 PCI, 5 SATAII, 1 IDE, 1 Floppy, 1 Gbit LAN, 2 COM, 10 USB, 3 IEEE1394 w/Accessories (70651-C), shipping to Tbilisi, Georgia and customs charges on the Supplier's territory. CPV 30200000.

2. **The Contract Price and Compensation Conditions**

2.1. The total price to be paid by the Purchaser in accordance with the Contract is USD 814.00 excluding VAT and including transportation to Tbilisi, Georgia. The breakdown of the price is the following:

Description	Quantity	Unit Price (USD)	Amount (USD)
RX35Q, Intel Q35 chipset, LGA 775, 1 PCTE x16, 1 PCI-E x1, 2 PCI, 5 SATAII, 1 IDE, 1 Floppy, 1 Gbit LAN, 2 COM, 10 USB, 3 IEEE1394 w/Accessories (70651-C)	2.00	340.00	680.00
shipping and handling charges			134.00
			Total: USD 814.00

2.2. The price indicated in the Clause 2.1. is paid by the following method:

2.2.1 The contract price shall be made through a bank transfer within 5 business days from the date when the inspection is carried out by the Purchaser's representative(s) and the delivery-acceptance document is mutually signed. Prior to the payment, the Supplier shall submit the original invoice.

- 2.3. The Supplier shall be responsible for the costs of the transportation of the Goods.
- 2.4. The Purchaser shall be responsible for customs duties, fees imposed on Georgian territory in relation to the Contract, unless otherwise indicated herein.
- 2.5. The Purchaser shall be responsible for all taxes imposed on Georgian territory in relation to the Contract, unless otherwise indicated herein.

3. Terms of Delivery and Transportation

- 3.1. The Supplier shall ensure that the supply of the Goods to Tbilisi, Georgia is completed no later than 10 business days after signing the contract.
- 3.2. The representatives of the parties form and mutually sign the delivery-acceptance act, confirming the fulfillment of the obligations undertaken by the Supplier. The Purchaser will designate its representative for exercising the control over the performance of the Agreement. The Customer's representative is authorized to sign the Acceptance Acts and any other documents on full or partial acceptance of the goods as may be necessary.
- 3.3. In case the low-graded Goods are discovered the Purchaser has a right not to sign the delivery-acceptance act until the defect is corrected.

4. Obligations of the Parties

- 4.1 The Parties are obliged to duly perform their obligations undertaken under the Contract.
- 4.2 The Supplier is obliged to supply to the Purchaser the Goods based on quality standards.
- 4.3 In case of supplying the low-graded or inappropriate Goods to the Purchaser, the Supplier is obliged to replace the defected Goods or compensate the damage towards the Purchaser, during the determined term made by the Purchaser.
- 4.4 The Supplier is obliged to correct the defects caused during checking without paying any extra expenses from the Purchaser's side, and compensate the loss with at its own expenses, during the determined term made by the Purchaser.
- 4.5 The Purchaser is obliged to duly perform its obligations undertaken in accordance with the contract, including paying of the Contract price in the indicated term.
- 4.6 In case there is a necessity to additionally indicate specific obligations of the parties such obligations will be indicated in the form of Annexes and represent the inseparable parts of the Contract.
- 4.7 All the materials used for the Goods must be new, of the first quality and must respond to the requirements of the Contract Documents. The materials must be incorporated with the best professional care.
- 4.8 The Supplier shall bear the costs incurred in the relation to the execution of the tests or analyses including the transport of samples for testing or analyzing, only in case that this test or analyses will be negative .

5. Warranty

- 5.1. The Supplier shall provide a 1 year warranty on the Goods supplied under the Contract. The warranty period starts from the date of the Acceptance Act.
- 5.2. During the life of the warranty, the Supplier must recover all failures of Goods without any extra charge to the Purchaser, during the determined term made by the Purchaser.

6. Confidentiality

- 6.1. The parties hereby represent and warrant that this Contract contains confidential information that shall be kept confidential and that they observe due diligence not to disclose the confidential information they have been provided for the contractual purposes and decline to disclose such confidential information to any third parties, unless otherwise required by the applicable laws and regulations. The obligation of non-disclosure of the confidential information shall continue to survive irrespective of the termination or early termination of this Contract.

7. The Responsibilities of the Parties

- 7.1. In case of failure by the Purchaser to make a timely payment, the Purchaser shall pay a penalty in the amount of 0.1% of the outstanding amount for each day of such failure. The total amount of the penalty payable by the Purchaser in accordance with this clause shall not exceed an amount equal 10% of the Total Contract Price.
- 7.2. In case of failure by the Supplier to perform its obligations under the Contract (or to perform improperly), the Supplier shall pay a penalty in the amount of 0.5% of the total price of the Contract for each day of such failure. The total amount of the penalties payable by the Supplier in accordance with this clause shall not exceed an amount equal 10% of the Total Contract Price.
- 7.3. The penalties shall not release the party from its other obligations or responsibility under this Contract.

8. General Provisions on Damages

- 8.1 Notwithstanding any other provision to the contrary, but without prejudice to the Contractor's obligations to pay the penalties and damages if and when due, neither Party shall be liable to the other for any financial or economic loss qualifying or for any other indirect and/or consequential damages or losses that may be suffered by such other Party (such as including, but not limited to, cost of capital, loss of anticipated profits or revenue, loss of use, third party claims for loss of power or production, loss of contracts).

9. Governing Law; Resolution of Disputes

- 9.1 This Contract is made and shall be interpreted in compliance with the laws of Georgia.
- 9.2 The Contracting Parties agree that they shall make their best endeavors to settle through direct official negotiations any disagreement or dispute which may arise between them out of or in connection with this Contract.
- 9.3 Should the Purchaser and the Supplier fail to reach agreement on disputed issues, either Party may duly apply to the court of Georgian jurisdiction for the resolution of the dispute.

10. Force-Majeure

- 10.1 Neither the Supplier nor the Purchaser shall be liable for failure to fulfil (or improper fulfilment of) their Contract liabilities, if such fulfilment is caused by force majeure circumstances, including the circumstances of insuperable forces such as fires, floods, acts of God, war actions, strikes, technological accidents, laws and decrees of the governmental authorities.
- 10.2 The party for which it became impossible to meet its obligations under this Contract shall immediately advise the other party in written, but not later than within 5 (five) days from the moment of the beginning and cessation of the above said circumstances. Certificates issued by the Chambers of Commerce, of the Supplier's and Purchaser's countries respectively, shall be sufficient proof of such circumstances and their duration.
- 10.3 If the circumstances stated in par. 11.1 continue to be in force for more than 2 (two) weeks, each party shall be entitled to cancel the Contract, and in such case none of the parties shall claim its right under the present Contract in respect of the suffered damages.

11 Assignment

- 11.1 This Contract shall be binding upon, and inure to the benefit of, the Parties and their respective permitted successors and assignees. Either Party may assign or otherwise transfer its rights or obligations under this Contract to any entity that controls, is under common control with, or is controlled by the assigning Party, provided the assigning Party shall remain responsible for the performance of its assignee under this Contract and the assignee shall agree in writing to be bound by the terms of this Contract. For the purposes of this Contract, the terms "control," "controlled by" and "under common control with" shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person, whether through ownership of voting securities, by contract or credit arrangement, as trustee or executor, or otherwise. Neither Party shall assign or otherwise transfer this Contract without the prior written consent of the non-assigning Party. Any such assignment without such consent shall be deemed void and shall entitle the non-assigning Party to terminate this Contract at its option upon 10 (ten) days' prior written notice.

12 Termination

- 12.1 The contract may be terminated by the agreement of the parties.
- 12.2 The contract may be terminated unilaterally, by the initiative of one of the parties only in case of failure or improper implementation of the obligations imposed hereof by another party.
- 12.3 The Purchaser initiating termination of the contract should inform the Supplier on termination of the contract in writing 10 days in advance.
- 12.4 The Supplier initiating termination of the contract should inform the Purchaser on termination of the contract in certified written form 10 days in advance.
- 12.5 Termination of the contract does not release the parties from implementation of the obligations imposed till termination of the contract.

13 General terms

- 13.1 The Contract enters into force from the date of signing by the both Parties and is valid until the final fulfillment of the undertaken obligations by them, but no later than 31.01.2015.
- 13.2 Each change, addition and Annex in the present Contract must be made in the written form. It enters into force as soon as it is signed and becomes the inseparable part of the Contract.
- 13.3 Any amendment to this Contract is valid only when being made in writing and signed by 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. 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%.
- 13.4 Each Party represents and warrants that (a) the person executing this Contract has the right, power and authority to execute documents and to contractually bind the executing Party; (b) it has received all necessary permits and approvals necessary to provide or use the Works; and (c) it has complied with and does comply with all laws, regulations, orders and statutes which may be applicable to the Party.
- 13.5 Parties agree that those relations, which are not regulated by the present Contract, must be regulated according to the legislation of Georgia.
- 13.6 The Contract is made in two English language copies with the equal juridical power and one of which is given to the parties.

14 Legal addresses and bank details of the parties

Purchaser

United Airports of Georgia LLC

Legal Address: Airport, Samgori District, Tbilisi, Georgia
Identification Code: 404389693
USD Account:
Intermediary DEUTSCHE BANK TRUST COMPANY AMERICAS
60 Wall str, New York, N.Y. 10005, USA
SWIFT: BKTRUS 33
ABA:021001033
TBC Bank's Correspondent Account # 04414200
Beneficiary's Bank Head Office SWIFT: TBCBGE22
TBC BANK Vake Branch
SWIFT: TBCBGE22830
BEN'S Account
GE64 TB06 1553 6170 1000 02
United Airports Georgia LTD



Teimuraz Chkhaidze
Deputy Director

Supplier

Avench Systems

Legal Address: #105, 80/1, 01st Main, 03rd Cross, Malleshpalya, New Thippasandra, Bangalore – 560 075, Karnataka, India.
Service Tax Code No.: AAFPE2490MST001
Bank Account Information:
Bankers: IDBI Bank Ltd., No: 326, 6th Main, Ashwini Complex, Opp: Spencers Super Market, 80 Ft Road, Indiranagar, Bangalore
Current Account No: 202102000005456
MICR Code: 560259006, Branch Code: 000202, IFSC Code: IBKL0000202, SWIFT Code: IBKLINBB008



Kripesh Krishnan
General Manager