

156-061117-03

Hogan Lovells International LLP
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www.hoganlovells.com

**Georgian Oil and Gas Corporation
Mr. David Tvalabeishvili
General Director
21, Kakheti Highway
0152 Tbilisi
Georgia**

6 November 2017

GOGC

Dear Mr. Tvalabeishvili:

Thank you for instructing Hogan Lovells International LLP to act for the Georgian Oil and Gas Corporation in connection with matters arising from and relating to

1. SCOPE OF INSTRUCTIONS

Unless otherwise provided in this letter (including its attachments), our representation of you is limited to you and does not extend to any of your parents, subsidiaries or other affiliates, or to your shareholders, officers, directors, partners, joint ventures or employees, unless you and we specifically agree otherwise. You agree that the services are provided to you solely by Hogan Lovells International LLP, and your relationship is with Hogan Lovells International LLP and not with any individual who is a member, employee or consultant of Hogan Lovells (including anyone we call a partner) who will therefore assume no personal liability to you. This engagement is limited to strategic advice and representation of your interests concerning the relations under the referenced

, unless you and we agree otherwise. Hogan Lovells and the Georgian Oil and Gas Corporation may agree on additional scope of work, as they deem appropriate for the purposes of our engagement, and may agree on separate terms for such additional scope of work.

Hogan Lovells International LLP is a limited liability partnership registered in England and Wales with registered number OC323639. Registered office and principal place of business: Atlantic House, Holborn Viaduct, London EC1A 2FG.

"Hogan Lovells" is an international legal practice that includes Hogan Lovells International LLP and Hogan Lovells US LLP, with offices in: Alicante Amsterdam Baltimore Beijing Birmingham Brussels Caracas Colorado Springs Denver Dubai Dusseldorf Frankfurt Hamburg Hanoi Ho Chi Minh City Hong Kong Houston Johannesburg London Los Angeles Luxembourg Madrid Mexico City Miami Milan Minneapolis Monterrey Moscow Munich New York Northern Virginia Paris Perth Philadelphia Rio de Janeiro Rome San Francisco São Paulo Shanghai Silicon Valley Singapore Sydney Tokyo Ulaanbaatar Warsaw Washington, D.C. Associated Offices: Budapest Jakarta Shanghai FTZ Zagreb. Business Service Centers: Johannesburg Louisville

The word "partner" is used to describe a partner or member of Hogan Lovells International LLP, Hogan Lovells US LLP or any of their affiliated entities or any employee or consultant with equivalent standing. Certain individuals, who are designated as partners, but who are not members of Hogan Lovells International LLP, do not hold qualifications equivalent to members. A list of the members of Hogan Lovells International LLP is open to inspection at the above address. For more information about Hogan Lovells, the partners and their qualifications, see www.hoganlovells.com.

2. **HOGAN LOVELLS**

Hogan Lovells refers to an international legal practice comprising Hogan Lovells International LLP, Hogan Lovells US LLP, Hogan Lovells Worldwide Group (a Swiss Verein), and their affiliated businesses, each of which is a separate legal entity. Hogan Lovells International LLP is a limited liability partnership registered in England and Wales with registered number OC 323639. Hogan Lovells US LLP is a limited liability partnership registered in the District of Columbia, USA. Most of Hogan Lovells' offices are offices of Hogan Lovells International LLP and Hogan Lovells US LLP. However, in some jurisdictions, Hogan Lovells practices through a local entity which is, or is an office of, an affiliate of Hogan Lovells International LLP or Hogan Lovells US LLP.

The full resources of Hogan Lovells will be made available to you to the extent necessary to handle appropriately this matter. As and when Hogan Lovells US LLP or any other Hogan Lovells affiliate carries out any work for you in relation to this matter, they will do so as subcontractor of Hogan Lovells International LLP and this letter shall establish the terms under which they shall perform any such work. Under this arrangement, Hogan Lovells International LLP will be the sole contracting party with you and will alone be responsible to you, for any work performed on this matter by Hogan Lovells US LLP or any other Hogan Lovells affiliate.

3. **VERIFICATION OF IDENTITY**

The law in some cases requires us to check our client's identity and as a matter of policy we do so in all cases. To help us do this simply and efficiently, please send us any relevant documents.

4. **VAT IDENTIFICATION NUMBER**

For the purpose of billing we kindly ask you to provide us with a written notice of your VAT identification number.

In addition, if you are an entrepreneur for VAT purposes, we kindly ask you to confirm that the services which you receive from Hogan Lovells International LLP are used for your enterprise and that we may use your VAT identification number for all future assignments, unless you instruct us otherwise in an individual case.

5. **RESPONSIBILITY FOR WORK**

I am a member of Hogan Lovells International LLP and the partner responsible for the matter. David Dunn, a partner of Hogan Lovells US LLP will supervise activities and manage participation in this engagement.

Other Hogan Lovells lawyers involved in this matter as indicated in our Response Request for Proposals for the Provision of Services dated 1 October 2017

1. Additional Hogan Lovells lawyer involved in
I will involve other Hogan Lovells lawyers with specialist skills where appropriate. I will be responsible for our internal coordination and consistency of approach.

We will not change the personnel involved in representing you without your consent. I will advise you of any necessary changes.

6. **INSTRUCTIONS AND CORRESPONDENCE**

Unless you instruct me otherwise, we will write to you at the address set out in this letter.

We will also send documents and communicate with you, and with others involved, by email unless you instruct me not to do so. You understand that sending emails is not secure, and if you prefer us not to communicate or send documents by email, either at all or for particular types of document, please let us know accordingly.

7. **FEES AND BILLING**

I attach a fee agreement which deals with the fees and billing procedures for our work on this matter. Kindly sign one copy and return it to me.

8. **EFFICIENCY**

I am responsible for making sure that we work for you as cost-effectively as possible. It will obviously help us to do that if you make sure that all information we need is complete and accurate, and reaches us quickly. We will rely on the completeness and accuracy of the information you provide us. It is also important that you inform us of any change in or correction to that information, and of any change in GOGC's policies which are relevant to our work, as soon as it occurs.

9. **LIMITATION OF LIABILITY**

The liability of Hogan Lovells International LLP for damages caused by Hogan Lovells International LLP resulting from simple negligence shall be limited to the amount

attach an agreement in this regard. Kindly sign a copy of the Agreement regarding the Limitation of Liability and return it to us.

10. **REPORTING DUTIES UNDER FOREIGN MONEY LAUNDERING REGULATIONS**

We expect to use services of attorneys resident in several Hogan Lovells offices while working on this matter. These offices and particular attorneys are bound to comply with the relevant national laws, and subject to professional, ethical and other restrictions provided in the country where they are licensed. This may include duties to report certain facts in connection with money laundering or the suspicion of money laundering. Please contact me if you have question regarding applicable money laundering laws.

11. **CLIENTS AND CONFLICTS**

Hogan Lovells is an international legal practice with an international range of clients. Many of those clients look to Hogan Lovells for representation and advice on a wide range of topics. Although we hope it never happens, an adverse relationship may develop in the future between you (or a member of your corporate group) and one of Hogan Lovells' other clients. If Hogan Lovells is not representing you in the matter in which you (or a member of your corporate group) and Hogan Lovells' other client have adverse interests, you agree Hogan Lovells may represent the other client, if doing so does not give rise to professional conflict of interest under the laws and professional rules of Germany or England and Wales. This standard shall be the exclusive measure of any conflict of interest related to this representation, and shall by agreement apply to any and all legal services provided hereunder by Hogan Lovells. You understand and agree that under this standard, we may represent a client adverse to you in any matter unrelated to any matter on which we are acting for you, whether commercial, litigious (or otherwise contentious), regulatory or otherwise, so long as in doing so we do not put our duty of confidentiality to you at risk.

12. **CONFIDENTIALITY: INSURANCE, AUDITS, VAT ACCOUNTING, WORD PROCESSING/ TRANSLATION WORKS**

We may disclose any information to our professional indemnity insurers and advisers and to our auditors upon undertaking by them of strict confidentiality obligations with regard to

such information. Furthermore, we may disclose information required for VAT accounting to tax authorities, in particular the amount of fees and your VAT identification number, or your name and place of residence/ business seat outside the European Union, your status as an enterprise and the subject matter of our work in case we do not charge VAT.

We may, in the interest of costs and efficiency outsource services such as word processing and translating of documents to outside providers. If so, this will be to providers who have provided confidentiality undertakings and whose compliance, reputation and standards we monitor.

13. **MARKETING**

For the purposes of marketing, publicising or selling our services we may want to disclose that we have advised you, in which event we may identify you by your name and indicate the general nature of the relevant matter and any details which have properly become publicly known. Furthermore, we constantly try to improve our service, and monitor developments in the law and practice. Periodically we may send you information about this, including brochures and press releases and invitations to seminars or talks, if we believe they will be of interest to you. You agree that we may send you information of that kind by post or electronically.

14. **OUR DOCUMENTS**

Our correspondence with you and all copies of other documents received from or created for you during the matter will become the property of Georgian Oil and Gas Corporation, provided that legal fees agreed with Hogan Lovells in the Fee Agreement has been duly paid in full. Hogan Lovells will keep copies of all such correspondence and documents.

15. **GOVERNING LAW AND DISPUTE RESOLUTION**

This Fee Agreement, the Agreement regarding the Limitation of Liability, the Power of Attorney, any other related agreement as well as any amendment thereto shall be governed by German law to the exclusion of its conflict of laws rules. Any dispute, controversy, or claim relating to, connected with, or arising out of any of the aforementioned agreements, including any question regarding its existence, validity, or termination, as well as any challenge to the arbitrator's jurisdiction, shall be finally settled under the Rules of Arbitration of the International Chamber of Commerce (ICC) by one arbitrator appointed in accordance with the said Rules. The place of arbitration shall be Zürich, Switzerland. The language of the arbitration shall be English.

16. **INFORMATION TO BE MADE AVAILABLE UNDER THE EUROPEAN UNION SERVICES DIRECTIVE**

Information we are required to give to you under the DL-InfoV ("Rechtsanwaltskammer" chamber of lawyers in charge, VAT-identification number, and professional indemnity insurance) are to be found at <http://www.hoganlovells.com> under "Legal Notices" subheading "Regulatory Information" and "Compulsory Insurance", accessible directly or through any Hogan Lovells' lawyer.

17. **TERM OF THE ENGAGEMENT**

The services shall be rendered through December 31, 2019 or any other date thereafter as may be agreed by you and Hogan Lovells International LLP.

18. **CONCLUSION**

We look forward to working with you on this matter. We will do our best to make sure that the matter progresses efficiently and successfully. If you have any questions about what we are doing please speak to me or David Dunn at any time.

We shall proceed to act for you on the basis of this letter. To assist in maintaining a clear record of our engagement, however, please sign the attached copy of this letter, where indicated, and return it to me.

Yours sincerely,

Encs.
Fee Agreement
Agreement regarding the Limitation of Liability

RETURN STATEMENT

We agree with the above letter.

The requested documents for verification of identity are *[attached/ will be sent separately]*.

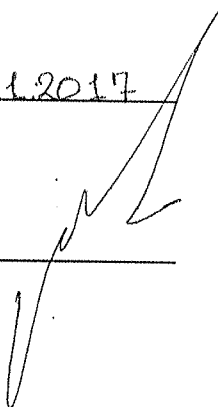
Our tax identification number is: 206237491

Please use the above VAT identification number for all future assignments, unless we instruct you otherwise in an individual case.

We hereby confirm that the services which we receive from Hogan Lovells International LLP are used for our enterprise.

Georgian Oil and Gas Corporation [COMPANY STAMP]

06.11.2017
Date


Signature

Fee Agreement

Between

Hogan Lovells International LLP
Karl-Scharnagl-Ring 5, 80539 Munich, Germany

- hereinafter referred to as "Hogan Lovells" -

and

The Georgian Oil and Gas Corporation
21, Kakheti Highway, 0152 Tbilisi, Georgia

- hereinafter referred to as "Client" -

In the matter

Advice (initially written advice concerning strategic matters and possibly litigation thereafter)

the following

Fee Agreement

was made:

1. The Client has instructed Hogan Lovells to attend to its legal interests in the above matter. The lawyers in charge are _____ who may avail themselves of the assistance of other partners and legal staff within Hogan Lovells, as well as assistance of external consultants _____ should he consider it necessary or useful.

Hogan Lovells

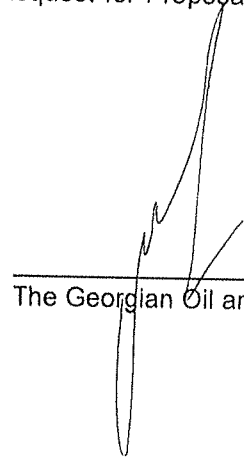
2. The services shall be divided into two phases. For Phase I the remuneration for the services rendered by Hogan Lovells shall be a fixed amount of amount shall be invoiced to the Client promptly upon delivery of the memorandum for Phase I, and shall be due and payable 30 days thereafter. Phase I shall entail the preparation of a written memorandum addressing the matters specified in paragraphs 4.a. through 4.c of the Client's Request for Proposals for the Provision of Services dated 15.09.2017.
3. The remuneration of the services rendered by Hogan Lovells for Phase 2, which shall include all other matters or subjects upon which Client requests advice concerning or relating to this matter shall be based on the expenditure of time. Hogan Lovells invoices the Client for its services based on time expenditure on a monthly basis. For this, Hogan Lovells submits a detailed list describing the services performed by and the respective amount of time spent by those Hogan Lovells lawyers or other fee earners providing services with regard to the matter. This list is essential for invoicing. The Client reserves the right to prove its inaccuracy. All invoices shall be due and payable within 30 days.
4. The hourly rates are agreed as follows (including a discount as set out below):

STATUS	RATE IN US DOLLARS
Partner	
Counsel	
Associate	
Paralegal, Translator, Other Support Staff	

5. Hogan Lovells accounts for time and invoices fees in increments of tenths of an hour.
6. In addition to the hourly rate, Hogan Lovells invoices the expenditures incurred during the handling of the mandate.
7. Additional expenses are charged for amounts we actually incur, which may include allocation of costs actually incurred internally, in accordance with standard and customary practices. If and to the extent you request us to retain the services of other professionals, including attorneys practicing with other firms, we will include their charges, pursuant to agreements to be approved by you in advance, as incurred and billed. We will invoice such charges to you as expenses incurred, and you shall be responsible for payment to us of those charges.

8. Subject to prior consent from the Client, Hogan Lovells may request adequate advance payments for fees or expenditures anticipated.
9. Hogan Lovells shall provide the Client with the copy of its own fiscal residence certificate for the purposes of the respective double taxation avoidance treaty within twenty days from the date of this Fee Agreement. Failure to do so will entitle the Client to withhold from any payment due to Hogan Lovells the respective amount of applicable Georgian taxes as required under the Georgian law.
10. The fees as under clauses 2, 3 and 4 and to charges for expenditures as under clause 6 are inclusive of all applicable taxes except Georgian VAT.
11. At this time we do not anticipate that our total fees for the scope of work specified in paragraphs 4.d. through 4.f of the Client's Request for Proposals for the Provision of Services dated 15.09.2017 would exceed
We will not exceed this maximum amount without specific written authorization of GOGC, which may become necessary as indicated in our Response to the Client's Request for Proposals for the Provision of Services dated 01.10.2017.

Munich, 6 November 2017



The Georgian Oil and Gas Corporation

Agreement Regarding the Limitation of Liability

Between

Hogan Lovells International LLP

Karl-Scharnagl-Ring 5, 80539 Munich, Germany

- hereinafter referred to as "Hogan Lovells" -

and

The Georgian Oil and Gas Corporation

21, Kakheti Highway, 0152 Tbilisi, Georgia

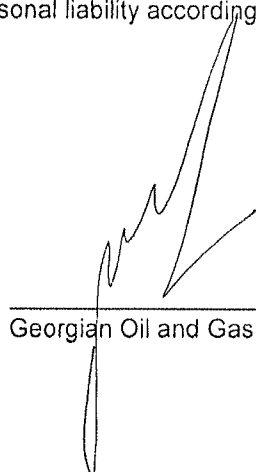
- hereinafter referred to as "Client" -

the following has been agreed:

1. The liability of Hogan Lovells for damages caused by Hogan Lovells resulting from simple negligence is limited to the amount The limitation does not apply to the liability for damages from injury to life, body or health.
2. The limitation covers damages to the client caused by an action or omission of Hogan Lovells while acting for the Client in the following matter:

3. Sometimes there is a risk that Hogan Lovells may be prejudiced if the Client incurs a loss which is caused partly by Hogan Lovells, and partly by contributory actions or omissions by the Client or others acting for the Client. If Hogan Lovells is liable to the Client in these circumstances, Hogan Lovells' liability to the Client will not exceed Hogan Lovells' proportionate responsibility for any loss the Client may incur, having regard to the proportionate responsibility for that loss of the Client or of the others acting for the Client, as agreed, or if not agreed, as decided by a court or tribunal.
4. In case partners or other persons acting for Hogan Lovells can be held liable personally, above nos. 1, 2 and 3 shall apply for their personal liability accordingly.

Munich, 6 November 2017



Georgian Oil and Gas Corporation

Hogan Lovells



საქართველოს მთავრობის განკარგულება

№2274 2017 წლის 2 ნოემბერი ქ. თბილისი

სს „საქართველოს ნავთობისა და გაზის კორპორაციის“ მიერ მომსახურების გამარტივებული შესყიდვის საშუალებით განხორციელების შესახებ

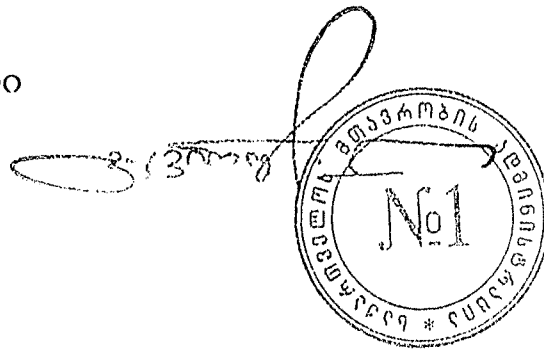
1. „სახელმწიფო შესყიდვების შესახებ“ საქართველოს კანონის 10¹ მუხლის მე-3 პუნქტის „დ“ ქვეპუნქტის შესაბამისად, საქართველოს ენერჯეტიკის სამინისტროს (საქართველოს სათბობ-ენერჯეტიკის სამინისტრო), საქართველოს სახელმწიფო კომპანია „საქნავთობსა“ და ცალკეულ კონტრაქტორს შორის გაფორმებული პროდუქციის წილობრივი განაწილების შესახებ ხელშეკრულების პირობების დარღვევებთან დაკავშირებით, სს „საქართველოს ნავთობისა და გაზის კორპორაციამ“ ინტერესების დაცვის (მათ შორის, შესაბამისი წინაპირობების არსებობის შემთხვევაში, არბიტრაჟში წარმომადგენლობის) უზრუნველსაყოფად იურიდიული მომსახურებისა და მასთან დაკავშირებული საარბიტრაჟო-საპროცესო, საექსპერტო, მთარგმნელობითი და სხვა სახის მომსახურების შესყიდვა განახორციელოს გამარტივებული შესყიდვის საშუალებით.

2. „სახელმწიფო შესყიდვების შესახებ“ საქართველოს კანონის 21-ე მუხლის მე-4 პუნქტისა და „გამარტივებული შესყიდვის კრიტერიუმების განსაზღვრისა და გამარტივებული შესყიდვის ჩატარების წესის დამტკიცების თაობაზე“ სსიპ – სახელმწიფო შესყიდვების სააგენტოს

თავმჯდომარის 2015 წლის 17 აგვისტოს №13 ბრძანებით დამტკიცებული წესის მე-10 მუხლის მე-8 პუნქტის შესაბამისად, ამ განკარგულების პირველი პუნქტით გათვალისწინებულ სახელმწიფო შესყიდვებზე არ გავრცელდეს ზემოაღნიშნული ბრძანებით დამტკიცებული წესის მე-10 მუხლის მე-2 პუნქტით, მე-11 მუხლის პირველი და 1¹ პუნქტებით, მე-12 მუხლის პირველი და მე-2 პუნქტებითა და მე-13 მუხლის მე-3 პუნქტით დადგენილი მოთხოვნები.

3. საქართველოს ზოგადი ადმინისტრაციული კოდექსის 27² მუხლის მე-3 ნაწილის შესაბამისად, ამ განკარგულების გამოცემის მიზნით წარმოდგენილი დოკუმენტაცია (გარდა საქართველოს მთავრობის განკარგულების პროექტისა) და ინფორმაცია (მათ შორის, პროექტის განმარტებითი ბარათი) მიჩნეულ იქნეს კომერციულ საიდუმლოებად.

პრემიერ-მინისტრი



გიორგი კვირიკაშვილი