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Ministry of Economy and Sustainable
Development of Georgia
2 Sanapiro Str.
0114 Tbilisi
Georgia

Karl Pörnbacher
karl.poembacher@hoganlovells.com
D +49 (89) 29012 121

Our ref 3361831

20 May 2020

**MINISTRY OF ECONOMY AND SUSTAINABLE DEVELOPMENT OF GEORGIA – NEGOTIATION OF THE POTENTIAL
TERMINATION OF THE AGREEMENT RELATING TO THE KHUDONI HYDRO POWER PLANT PROJECT**

Dear Mr. Tvalabeishvili,

We are instructed to act for the Ministry of Economy and Sustainable Development of Georgia (hereinafter "MoESD") in connection with the negotiation of the potential termination of the agreement relating to the Khudoni Hydro Power Plant project, to provide the services described in Section 2.1 of our Proposal for Provision of Services dated 20 April 2020 attached as Annex # 1 of this Engagement Letter.

This letter sets out the basis on which the parties will act

1. SCOPE OF INSTRUCTIONS

Representation of the MoESD by Hogan Lovells International LLP (hereinafter "Hogan Lovells") is limited to the MoESD and does not extend to any of its subsidiaries or other affiliates, or to its officers or employees. The MoESD agrees that the services are provided to it solely by Hogan Lovells and its relationship is with Hogan Lovells 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 the MoESD.

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

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"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 Boston Brussels Colorado Springs Denver Dubai Düsseldorf 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 Rome San Francisco São Paulo Shanghai Silicon Valley Singapore Sydney Tokyo Warsaw Washington, D.C. Associated Offices: Budapest Jakarta Riyadh Shanghai FTZ Ulaanbaatar Zagreb. Business Services Centers: Johannesburg Louisville. Legal Services Center: Berlin.

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.

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 the MoESD to the extent necessary to handle appropriately this assignment. If Hogan Lovells US LLP or any other Hogan Lovells affiliate carries out any work for the MoESD in relation to this assignment, 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 the MoESD and will alone be responsible to you, for any work performed on this assignment by Hogan Lovells US LLP or any Hogan Lovells affiliates.

3. VERIFICATION OF IDENTITY

The law in some cases requires Hogan Lovells to check its client's identity and as a matter of policy Hogan Lovells does so in all cases. To help Hogan Lovells do this simply and efficiently, the MoESD shall send to it relevant documents.

4. VAT IDENTIFICATION NUMBER

For the purpose of billing the MoESD shall provide Hogan Lovells with a written notice of its VAT identification number, if applicable.

5. RESPONSIBILITY FOR WORK

Karl Pörnbacher, partner of Hogan Lovells shall be responsible for the assignment, including the representation of the MoESD in the negotiation process. Nata Ghibradze (Senior Associate) will deal with the day-to-day conduct of the work under Karl Pörnbacher's supervision, including the preparation of the settlement strategy. Dr. Christian Knütel (Partner), David Dunn (Partner) and Markus Burgstaller (Partner) will assist Karl Pörnbacher to the extent necessary in performance of the assignment.

Karl Pörnbacher will involve other Hogan Lovells' lawyers with specialist skills as appropriate. Karl Pörnbacher will be responsible for internal co-ordination and consistency of approach.

6. INSTRUCTIONS AND CORRESPONDENCE

Unless the MoESD provides otherwise, Hogan Lovells will write to the MoESD at the address set out in this letter.

Hogan Lovells will also send documents and communicate with the MoESD, and with others involved, by email unless the MoESD instructs not to do so. Hogan Lovells will include the relevant MoESD contact persons in CC in its communication to others related to this engagement. If the MoESD prefers Hogan Lovells not to communicate or send documents by email, either at all or for particular types of document, it will inform Hogan Lovells thereof.

7. Term of the Services and Validity of the Agreement

The settlement strategy should be submitted in one month period after signing this Engagement Letter and receiving all the information stored in the ministry.

The term of the legal services to be provided by Hogan Lovells under this Engagement Letter shall commence from the authorized signature of MoESD and end on 1 December 2020.

The agreement between the parties stipulated by this Engagement Letter shall be effective from the signature of the authorized representative of MoESD up to and including 31 December 2020.

8. FEES AND BILLING

The signed fee agreement is attached to this letter, which deals with the fees and billing procedures for Hogan Lovells' work on this assignment.

According to the State Procurement Law of Georgia, it is inadmissible to increase the total value of the agreement by more than 10 %. In such case, the conditions provided for the Article 398 of the Civil Code of Georgia shall apply.

9. EFFICIENCY

Karl Pömbacher shall be responsible for making sure that Hogan Lovells works for the MoESD as cost-effectively as possible. MoESD shall provide all relevant information at its disposal. Hogan Lovells will rely on the completeness and accuracy of the information the MoESD gives it. It is also important that the MoESD tells Hogan Lovells of any changes in or corrections to that information, and of any changes in the MoESDs' policies which are relevant to Hogan Lovells' work, as soon as they occur.

10. LIMITATION OF LIABILITY

The liability of Hogan Lovells for damages caused by Hogan Lovells resulting from simple negligence shall be limited to the amount of €15 million (in words: fifteen million Euros). The signed Agreement Regarding the Limitation of Liability is attached to this letter. The limitation of liability does not apply to cases of intentional damage.

11. REPORTING DUTIES UNDER FOREIGN MONEY LAUNDERING REGULATIONS

Hogan Lovells may use Hogan Lovells offices outside of Germany while working on this matter. These offices are bound to the relevant national laws. Foreign laws may provide for duties to report certain facts in connection with money laundering or the suspicion of money laundering which may be more extensive than the German Money Laundering Act's provisions.

12. 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. We do not believe that any direct conflict currently exists between the Firm and MoESD, because the work we have been asked to perform for MoESD is not related to any of our current representations. Although we hope it never happens, an adverse relationship may develop in the future between the MoESD and one of Hogan Lovells' other clients. If Hogan Lovells is not representing the MoESD in the matter in which the MoESD and Hogan Lovells' other client have adverse interests, the MoESD agrees 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. The MoESD understands and agrees that under this standard, Hogan Lovells may represent a client adverse to the MoESD in any matter unrelated to any matter on which Hogan Lovells is acting for the MoESD, whether commercial, litigious (or otherwise contentious), regulatory or otherwise, so long as in doing so Hogan Lovells does not put its duty of confidentiality to the MoESD at risk. Hogan Lovells understands and agrees that the information provided from the MoESD will be used for the purposes of this agreement only, and it is under duty of strict confidentiality.

To ensure that our work for the MoESD does not adversely affect Hogan Lovells ability to continue to represent other clients on current or future matters where their interests may be adverse to the Government of Georgia or any ministries or agencies thereof (including the MoESD), including litigation against or other adversities to the Government of Georgia or any of its ministries or agencies, the MoESD agrees that: (1) the MoESD is our client for the specific matters on which it engages us, and Hogan Lovells shall not be deemed to represent the Government of Georgia or any other ministry or agency thereof with respect to such matters; and (2) the work we perform for the MoESD in this matter will not lead to the MoESD seeking to disqualify Hogan Lovells from working on any other current or future matters, including litigation, bankruptcy or bid protest matters, in which the interests of the Government of Georgia or any ministries or agencies thereof (including the MoESD) are or may be adverse to the interests of our client(s) so long as those other current or future matters do not directly relate to the work performed for the MoESD."

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

Hogan Lovells may disclose any information to its professional indemnity insurers and advisers and to its auditors. Furthermore, Hogan Lovells may disclose information required for VAT accounting to tax authorities, in particular the amount of fees and the MoESD's VAT identification number, or the MoESD's name and place of residence/ business seat outside the European Union, the MoESD's status and the subject matter of the work stipulated by this letter in case Hogan Lovells does not charge VAT.

Hogan Lovells 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 Hogan Lovells monitors. Hogan Lovells remains responsible for the actions of the third parties engaged by Hogan and Lovells for the breach of confidentiality duty before MoESD.

14. COPYRIGHT AND DOCUMENTS

Hogan Lovells retains copyright in all documents it drafts for the MoESD in connection with the assignment. Subject to MoESD having paid the bills for this assignment MoESD is licensed to use these documents for its purposes at its full discretion.

Hogan Lovells will keep copies of the correspondence with the MoESD and of other documents received from or created for the MoESD during the assignment.

15. GOVERNING LAW

All disputes shall be determined exclusively in accordance with Georgian law.

Any dispute, controversy, or claim related to, connected with, or arising out of any of the aforementioned agreements, including any question regarding its existence, validity, or termination, shall be finally settled by the common courts of Georgia.

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

Information Hogan Lovells is required to give to the MoESD 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. CONCLUSION

Hogan Lovells looks forward to working with the MoESD on this matter. Hogan Lovells will do its best to make sure that the matter progresses efficiently and successfully.

For the final decision about the termination of the respective agreement with the counterparty to MoESD, the latter shall provide to the Government of Georgia all kinds of required documentation including information about the negotiation of the potential termination of the agreement relating to the Khudoni Hydro Power Plant Project.

The client reserves the right, after the provision of the services described in Sections 2.1(a), to refuse to purchase the service described in Sections 2.1(b) and thus bears no obligation to the Client and to terminate the agreement.

Signatures:

Karl Pömbacher

Karl Pömbacher
Partner
Hogan Lovells



David Tvalabeishvili (Deputy Minister of Economy and Sustainable Development of Georgia)

Ministry of Economy and Sustainable Development of Georgia

Between

Hogan Lovells International LLP

Karl-Scharnagl-Ring 5, 80539 Munich, Germany

- hereinafter referred to as "Hogan Lovells" -

and

Ministry of Economy and Sustainable Development of Georgia

2 Sanapiro Str., 0114 Tbilisi

- 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 of **€15 million** (in words: fifteen million Euros). 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:
Negotiation of the Potential termination of the agreement relating to the Khudoni Hydro Power Plant Project
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.

20 May 2020

Karl Pörnbacher

Karl Pörnbacher

Hogan Lovells International LLP



David Tvalabeishvili
David Tvalabeishvili (Deputy Minister of
Economy and Sustainable Development of
Georgia)

Ministry of Economy and Sustainable
Development of Georgia

POWER OF ATTORNEY

The undersigned hereby appoints on behalf of

Ministry of Economy and Sustainable Development of Georgia

Hogan Lovells International LLP (Partnership No. OC 323639), as well as all of its attorneys-at-law individually and each independently of the other, to represent generally and fully the undersigned in relation to the representation of the Ministry of Economy and Sustainable Development of Georgia in the negotiation process related to the termination of the agreement related to the Khudoni Hydro Power Plant project.

This Power of Attorney shall be valid up to and including 1 December, 2020.

20 May 2020



David Tvalabershvili (Deputy Minister of Economy and Sustainable Development of Georgia)

Ministry of Economy and Sustainable Development of Georgia

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"Hogan Lovells" ist eine internationale Anwaltssozietät, zu der Hogan Lovells International LLP und Hogan Lovells US LLP gehören, mit Büros in: Alicante Amsterdam Baltimore Berlin Brüssel Caracas Colorado Springs Denver Dubai Düsseldorf Frankfurt am Main Hamburg Hanoi Ho Chi Minh Stadt Hongkong Houston London Los Angeles Madrid Miami Mailand Moskau München New York Northern Virginia Paris Peking Philadelphia Prag Rio de Janeiro Rom San Francisco Schanghai Silicon Valley Singapur Tokio Ulaanbaatar Warschau Washington DC Kooperationsbüros: Budapest Dschidda Jakarta Riad Zagreb.

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Fee Agreement

Between

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

- hereinafter referred to as "Hogan Lovells" -

and

**Ministry of Economy and Sustainable Development of Georgia
2 Sanapiro Str., 0114 Tbilisi**

- hereinafter referred to as "Client" -

In the matter

Ministry of Economy and Sustainable Development of Georgia – Negotiation of the potential termination of the agreement relating to the Khudoni Hydro Power Plant Project

the following

Fee Agreement

was made:

1. The Client has instructed Hogan Lovells to attend to its legal interests in the above matter - Negotiation of the potential termination of the agreement relating to the Khudoni Hydro Power Plant Project. The lawyer in charge is Karl Pömbacher, who may avail himself of the assistance of other partners and legal staff within Hogan Lovells, as well as assistance of external consultants (e.g. Georgian local counsel), should he consider it necessary or useful. Any instructions of such external consultants will be previously consulted with the Client.
2. The services shall be incurred as of ~~20~~ ²⁰ May 2020 until 1 December 2020.

3. For the services described in Sections 2.1(a) and (b) of our Proposal for Provision of Services dated 20 April 2020 ("Proposal"), Hogan Lovells' remuneration is agreed upon as EUR 20,000.00 including all applicable taxes (except Georgian VAT, which is not applicable). Georgian non-resident's income tax is not applicable. This includes all expenses related to the performance of the services described in Sections 2.1(a) and (b) of the Proposal.

Prior to issue the invoice, for the purpose of payment, the client and Hogan Lovells shall signed the delivering-acceptance act. Invoice for the services described in Sections 2.1(a) and (b) of the Proposal will be issued within 30 days after the submission of the settlement strategy to the Client and the signed delivering-acceptance act..

4. For the services described in Sections 2.1(c) – (e) of our Proposal, the Parties have agreed upon on the following discounted hourly fees:

| Seniority | Rate in EUR |
|--|-------------|
| German Partner | 540 |
| US/UK Partner | 630 |
| Counsel | 420 |
| Senior Associate | 390 |
| Associate | 310 |
| Paralegal, Translator, Other Support Staff | 100 |

On the basis of our experience, we estimate that the legal representation of the Government of Georgia in the HPP project negotiation process, preparation of the documentation to effectuate the negotiation process and the participating in the drafting process of the settlement agreement may take up between 80 and 275 hours, depending mainly on the parties' position, their ability and willingness to settle, the preparatory (internal) work necessary to come to an "authorized" negotiations position, their overall approach to the negotiations (some parties prefer a more "bazar-oriented" negotiations style, moving step by step in various meeting towards a compromise, others go immediately "all-in", proposing a realistic offer close to their final position) and the need to get for example a neutral third party expert in order to evaluate the claims. The indicated amount of time would assume that the parties have a rather constructive approach to the negotiations and would be willing to conduct them efficiently.

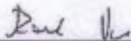
5. Hogan Lovells accounts for time and invoices fees in increments of tenths of an hour. The rates specified apply unless the parties agree on new hourly rates.
6. The remuneration of the services rendered by Hogan Lovells shall be based on the expenditure of time. Hogan Lovells invoices the Client for 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.
7. In addition to the hourly rate, Hogan Lovells invoices the expenditures incurred during the handling of the mandate. Additional expenses are charged for amounts Hogan Lovells

actually incurs, which may include allocation of costs actually incurred internally, in accordance with standard and customary practices.

8. If and to the extent the Client requests Hogan Lovells 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 the Client in advance, as incurred and billed. Hogan Lovells will invoice such charges to the Client as expenses incurred, and the Client shall be responsible for payment to Hogan Lovells of those charges. Invoices on expenditures shall be paid by the Client only in case if Hogan Lovells submits to the Client all relevant documents evidencing the expenditures.
9. The fees as under paragraphs 3, 4, 7 and 8 are inclusive of all applicable taxes except Georgian VAT.
10. Hogan Lovells will undertake any possible effort to limit the costs and expenses to the strict minimum necessary, while making sure that Hogan Lovells represents the Client in the most efficient and effective way.
11. However, Hogan Lovells understands and agrees that under any circumstances the whole service fee for services described in Sections 2.1(a) – (e) of the Proposal shall not exceed EUR 100,000.00.

In case the negotiation process foreseen under Sections 2.1(c) – (e) of the Proposal is prolonged and the work required and undertaken on the basis of the discounted hourly fees mentioned under paragraph 4 goes beyond the EUR 100,000.00 fee included herein, the parties agree to cooperate, negotiate and agree on the new engagement terms.

20 May 2020



Karl Pörnbacher

Hogan Lovells International LLP



David Tvalabeishvili (Deputy Minister of Economy and Sustainable Development of Georgia)

Ministry of Economy and Sustainable Development of Georgia