

30.06.2020
CPV-79100000
№ 108-2020

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

Karl Pömbacher
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Our ref 3372351

30 June 2020

NEGOTIATION AND PREPARATION OF THE INVESTMENT AGREEMENT ON THE EXPANSION OF THE POTI SEA PORT

Dear Mr. Saghirashvili,

We are instructed to act for the Ministry of Economy and Sustainable Development of Georgia (hereinafter "**MoESD**") in connection with the negotiation and preparation of the Investment Agreement on the Expansion of the Poti Sea Port Project with JSC Poti Sea Port Corporation (hereinafter "**PSPC**") and to provide the services described in Section 1.2 of the Proposal for Provision of Services dated 5 May 2020 (originally dated 6 March 2020) (hereinafter "**Proposal**") and the Clarification of our Proposal dated 6 March 2020, both attached as Annex #1 to this Engagement Letter. In case of conflict, the terms of this Engagement Letter and the relevant Fee Agreement shall prevail.

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 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.

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 does this simply and efficiently, the MoESD shall send to it relevant documents (e.g. resolution of the Government of Georgia).

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 the relationship contact from Hogan Lovells. Dr. Tobias Faber will be responsible for the assignment. The team composition for this assignment will be as presented in the Proposal (Annex #1).

Karl Pörnbacher and Dr. Tobias Faber 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 term of the legal services to be provided by Hogan Lovells under this Engagement Letter and accordingly the term of agreement (this Engagement Letter) between the Parties shall commence from the authorized signature of MoESD and is valid until

31 December 2020, if not extended by the mutual and written agreement of the parties no later than 15 November 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.

9. EFFICIENCY

Karl Pörnbacher 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.

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. TERMINATION

MoESD may terminate the agreement with Hogan Lovells (this Engagement Letter and the accompanying Fee Agreement and other annexes) at any time.

The termination and the respective payment obligations are specified in the Fee Agreement.

16. 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.

17. **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.

18. **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.

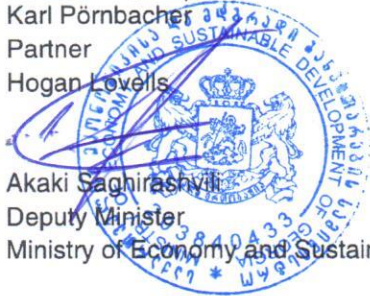
Signatures:



Karl Pönbacher
Partner
Hogan Lovells



Akaki Saghirashvili
Deputy Minister
Ministry of Economy and Sustainable Development of Georgia





30.06.2020
CPV-79100000
№ 103-2020

Fee Agreement

Between

Hogan Lovells International LLP

Karl-Schornagl-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

**NEGOTIATION AND PREPARATION OF THE INVESTMENT AGREEMENT ON THE EXPANSION OF THE
POTI SEA PORT**

the following

Fee Agreement

was made:

1. **INSTRUCTION**

- 1.1 The Client has instructed Hogan Lovells to attend to its legal interests in the above matter - the negotiation and preparation of the Investment Agreement on the Expansion of the Poti Sea Port Project ("**Project**") with JSC Poti Sea Port Corporation ("**PSPC**").
- 1.2 The Project and the related works required by a legal consultant were requested by the Client by way of issuance of "Tentative Terms of Reference for Legal Consultant" as issued on 27 February 2020.
- 1.3 The lawyers in charge are Karl Pörnbacher and Tobias Faber, 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. **DETAILED SCOPE OF WORK, TIMING AND AGREED FEES**

- 2.1 On the basis of our conversations in negotiating the scope and the terms of our engagement, we have agreed on the following detailed scope, timing and respective fixed fees:

SCOPE	DESCRIPTION / DELIVERABLES	TIMEFRAME	AGREED FIXED FEE (EUR) - NET
Phase I Preparation of term sheet for the Investment Agreement	<ul style="list-style-type: none">• Drafting one term sheet for the Investment Agreement to be signed between the Client and PSPC;• (Virtual) kick-off workshop, discussions of available options, consultations and recommendations on best practice;• One (1) physical or equivalent number of virtual meetings with the Client;• Maximum 4 (four) rounds of reviews/mark-ups;• Right of the Client to suspend Project for two (2) months.	3-4 weeks; but in any case, maximum two (2) months (subject to the Client's suspension right included in Article 4 below)	EUR 37,500.00

Phase II Preparation of the Investment Agreement	<ul style="list-style-type: none"> • Recommendations on types and main terms/list of critical legal issues of the investment Agreement • Drafting the Investment Agreement on the basis of the term sheet agreed between the two parties; • Discussions, clarifications, feedback and consultations on best practice; • Two (2) meetings (physical or equivalent number of virtual meetings) with the Client (if required); • Three (3) rounds of reviews/mark-ups with the Client; • Right of the Client to suspend Project for two (2) months. 	4-6 weeks after completion of Phase I; but in any case, maximum two (2) months (subject to the Client's suspension right included in Article 4 below)	EUR 52,500.00
Phase III Assist the Client in negotiation of the Investment Agreement with the PSPC	<ul style="list-style-type: none"> • Negotiation of the Investment Agreement with PSPC; • Three (3) meetings/negotiation rounds; • Discussions, feedback and consultation; • Three (3) rounds of reviews/mark-ups with required amendments and changes; • Right of the Client to suspend Project for two (2) months. 	4-6 weeks after completion of Phase II; but in any case, maximum three (3) months (subject to the Client's suspension right included in Article 4 below)	EUR 92,500.00
Negotiation Option (Scope Change for Phase I and III)	On request of the Client, up to three (3) meetings/negotiations rounds from Phase III (Negotiation of the Investment Agreement) may be allocated to Phase I (Negotiation Agreement) instead of Phase III. The Fixed Price for Phase III will thereby then be decreased by EUR 12,500.00 (net) for each round of negotiations and instead, the Fixed Price for Phase I will be increased by EUR 12,500.00 (net), without changing the overall <u>Fixed Price of EUR 182,500.00 (net)</u> .		

2.2 The above fees are excluding German VAT and UK VAT which are, at the present time, not applicable in this case. Taxes on Georgian advice may apply. Travel costs see below, if required at all.

3. **GENERAL ASSUMPTIONS UNDERLYING THE AGREED FIXED FEES**

3.1 The above agreed fixed fees are subject to the following general assumptions:

- a) There will be no changes to the scope of work. Any necessary documentation is produced in an efficient manner by the Client and there is clear commercial agreement (agreed term sheet between MoESD and PSPC) before drafting the Investment Agreement or documentation for such an agreement.
- b) Hogan Lovells will advise as international counsel. No real estate, environmental, planning, permitting, tax, public procurement, employment, insurance, or consent issues.

- c) It will not be necessary to advise on competition law. Apart from flagging any such issues, if relevant, as part of the due diligence; merger clearance is not required.
- d) No legal opinions will be required to be issued by Hogan Lovells.
- e) Hogan Lovells shall manage the delivery of its own services. The Client will lead the negotiations.
- f) Meetings and communication shall be in English language. The documents to be drafted by us will be in English and on a best practice basis. They will be governed by the laws of Georgia.
- g) All advice and information to a project team that will be set up by the authorities for the purposes of the Project. No repeat work and advice will be required.
- h) Hogan Lovells will rely on the completeness and accuracy of the information provided in a timely manner.
- i) A reasonable, market standard and bankable approach will be taken to the Project and the Project documentation consistent with the international standards for similar projects.
- j) Hogan Lovells shall participate in negotiations and physical meetings if and to the extent legal issues are discussed. Such physical meetings will be organized in an efficient way and will take place in Tbilisi. Each meeting shall last one or two days (as reasonably required) and shall be staffed with up to two specialist Hogan Lovells lawyers.
- k) In case meetings will only be held virtually, Hogan Lovells will attend these virtual meetings and for calculation purposes, virtual meetings shall be counted equivalently to physical meetings (for instance four half days of virtual meetings shall be equivalent to two days of physical meetings).

4. THE CLIENT'S SUSPENSION RIGHT

- 4.1 The Client has the suspension right for the works foreseen Phases I – III. The Client may suspend the works (Project) for two (2) months in each phase.
- 4.2 During the suspension period, Hogan Lovells will work up to 20 hours (i.e. not for each period of suspension but for the whole suspension period) within the agreed scope of works and agreed fixed fee for the respective period.
- 4.3 There will be no extra cost during the suspension.
- 4.4 If the Project is suspended for less than two (2) months for each phase, but work for Hogan Lovells during the period of suspension exceeds 20 hours, additional work (out of scope – more than 20 hours) will be chargeable by the hour at the respective hourly rates (Article 6.1 below).

5. EXCESS WORK

- 5.1 In case the scope of work enumerated in Article 2.1 above is exceeded either in terms of timing or the foreseen work deliverables, the parties agree as follows:
 - a) In case Phase I will carry on beyond two (2) months in aggregate (without counting the Client's right to suspension), Hogan Lovells will, for the time period in excess of these two (2) months, charge a monthly retainer (fixed fee) of **EUR 17,500.00** (net) or alternatively, charge by the hour at the respective hourly rates (Article 6.1 below), as preferred by the Client.

- b) In case Phase II will carry on beyond two (2) months in aggregate (without counting the Client's right to suspension), Hogan Lovells will, for the time period in excess of these two (2) months, charge a monthly retainer (fixed fee) of **EUR 25,000.00** (net) or alternatively, charge by the hour at the respective hourly rates (Article 6.1 below), as preferred by the Client.
- c) In case Phase III will carry on beyond two (3) months in aggregate (without counting the Client's right to suspension), Hogan Lovells will, for the time period in excess of these three (3) months, charge a monthly retainer (fixed fee) of **EUR 35,000.00** (net) or alternatively, charge by the hour at the respective hourly rates (Article 6.1 below), as preferred by the Client.
- d) In case the Client requests Hogan Lovells to perform additional work not falling within the scope enumerated in Article 2 above or in case of breaching any assumptions listed in Article 3 above, Hogan Lovells will charge such work by the hour at the respective hourly rates (Article 6 below), or on the basis of budget/rates/fixed prices as further agreed between the Client and Hogan Lovells.

6. COMPETITIVE HOURLY FEES FOR EXCESS WORKS

- 6.1 For the services falling outside the scope of work enumerated in Article 2 above, or in case of breaching any assumptions listed in Article 3 above, the parties agree on the following hourly rates on the basis of the seniority of the lawyers:

Seniority	Rate in EUR
German partner	526.50
UK partner	721.50
Senior Associate	380.25
Associate	312.00
Research Assistant	97.50

- 6.2 The above fees are excluding German VAT and UK VAT which are, at the present case, not applicable in this case. Taxes on Georgian advice may apply.

7. TRAVEL EXPENSES

- 7.1 In addition to the fixed fee agreed in Article 2.1 above, Hogan Lovells will additionally charge travel expenses.
- 7.2 Hogan Lovells estimates that the travel expenses to Tbilisi from Munich / Frankfurt am Main will be around EUR 2,500 per trip, assuming each trip requires two lawyers for a two day / one night stay in Tbilisi.
- 7.3 Hogan Lovells lawyers will attempt to fly directly to Tbilisi.

8. INVOICING

- 8.1 This Project is deliverable based. Prior to the issuance of the invoice, the Client and Hogan Lovells shall sign a delivery-acceptance act approving the completion of the phase, within 30 days after the completion of the respective phase. Hogan Lovells will issue an invoice for the fixed fee applicable to that completed phase (and any additional

cost and expense incurred for this phase, if any) after 7 working days from the signing of the delivery-acceptance act. The Client shall make payment based on the invoice issued by Hogan Lovell according to this clause not later than thirty days after the issuance of the invoice. The Client shall not withhold the confirmation of the completion of the respective phase and therefore the signature of the delivery-acceptance act.

- 8.2 If any phase of the Project is not completed for whatever reason, the Client shall compensate Hogan Lovells for the work performed for that phase (entire fixed fee). The Client will not pay fees for other phases, if such phase has not started.
- 8.3 There will be a longstop date for invoicing for each phase (once commenced) which is nine (9) months after the commencement of the respective phase. This does not apply if the Fee Agreement is not extended pursuant to Article 9.1 of this Fee Agreement below. In that case, invoicing will be done pursuant to Articles 9.1 and 9.5 of this Fee Agreement, respectively.

9. **TERMINATION AND PAYMENT**

- 9.1 This Fee Agreement terminates automatically on 31 December 2020, if not extended by mutual and written agreement which shall be in place on 15 November 2020 (latest).
- 9.2 In addition to Article 9.1 of this Fee Agreement, the Client may terminate this Fee Agreement and the Engagement Letter, respectively, at any time.
- 9.3 If the Client terminates this Fee Agreement and the Engagement Letter after the completion of a certain phase, it shall compensate Hogan Lovells for the work of that respective phase (entire fixed fee for that phase). The Client will not have to pay the fixed fee for the remaining phases not yet commenced.
- 9.4 If the Client terminates this Fee Agreement and the Engagement Letter in the middle of a phase, it shall still compensate Hogan Lovells for the work of that respective phase (entire fixed fee for that phase). The Client will not have to pay the fixed fee for the remaining phases not yet commenced.
- 9.5 If this Fee Agreement has been terminated automatically according to Article 9.1 of this Fee Agreement, the Client shall compensate Hogan Lovells on a time based basis and following the agreed hourly rates according to Article 6.1 of this Fee Agreement, for the respective phase which has not yet been completed. The fees incurred by Hogan Lovells for the work done up to this point in time shall become immediately due. Hogan Lovells shall, in this case, invoice the Client at the beginning of December 2020 for its services. Subject to Articles 4 and 5 of this Fee Agreement, the total amount of fees calculated for each phase according to this clause shall, in any case, not exceed the total fixed fees of the respective phase stipulated in Article 2 of this Fee Agreement.

10. **AGGREGATE AMOUNT UNDER THIS FEE AGREEMENT**

- 10.1 The Parties agree that the aggregate amount for fees (including fixed fee defined in Article 2 and excess work referred to in Article 5) for the works instructed by the Client and undertaken by Hogan Lovells, as well as costs and expenses incurred by Hogan Lovells shall, in any event, not exceed **EUR 290,000.00** (excluding any VAT).

11. **ACCOUNTING TIME**

11.1 For all time incurred other than the fixed lump-sum prices (and/or any other agreed fixed lump-sum prices), Hogan Lovells accounts for time and invoices fees in increments of tenths of an hour.

11.2 In case Hogan Lovells charges for additional services on an hourly basis (see Articles 4 and 5), Hogan Lovells will invoice for such 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.

12. **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.

13. **RETAINING THIRD PARTY CONSULTANTS**

For the performance of this assignment, Hogan Lovells may retain services of a Georgian law firm approved by the Client.

14. **EFFICIENCY**

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.

30 June 2020



Karl Pörnbacher

Hogan Lovells International LLP



Akaki Saghirashvili
Ministry of Economy and Sustainable
Development of Georgia

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

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 and preparation of the Investment Agreement on the Expansion of the Poti Sea Port Project with JSC Poti Sea Port Corporation
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.

30 June 2020



Karl Pörnbacher

Hogan Lovells International LLP



Akaki Saghirashvili

Ministry of Economy and Sustainable
Development of Georgia