

## Memorandum of Understanding

This Memorandum of Understanding (hereinafter the „MOU“ ) is made on 23  
October 2013 (the “effective date”) in Tbilisi, Georgia by and between the following parties.

On the one hand,

The Government of Georgia (hereinafter the “GOG”), represented by the Minister of Energy of Georgia Mr. Kakha Kaladze,

And on the other hand,

“Mtkvari Energia LLC” (hereinafter “the Company”) represented by the company Directors Anzor Kvaratskhelia and David Keldishvili

### 1. Purpose

The purpose of this MOU is to ensure the feasibility study/analysis of the hydropower plant(s), set out in Annex No 1. of this MOU by the Company and then to build them according to this MOU and terms and conditions to be agreed by both parties afterwards.

### 2. Definitions

- 2.1 MOU – this Memorandum of Understanding
- 2.2 Project – feasibility study/analysis and construction of the hydropower plant(s), situated on the river Mtkvari within the range of elevations determined in Annex No 1 according to this MOU and terms and conditions to be agreed by both parties afterwards.

### 3. Terms and Conditions of the Project

- 3.1 The company within twenty one (27) months after the signing of this MOU shall ensure:
  - a) According to the schedule of feasibility study (Annex No 2.) finalization of feasibility study/analysis of the hydropower plant(s) situated on the river Mtkvari within the elevations provided in Annex No 1;
  - b) Submission of the proposals to the GOG on construction of hydropower plant(s) situated on the river Mtkvari within the elevations provided in Annex No 1, in case if conclusion of the feasibility study of the project will be positive.
- 3.2 In case the Company, as a result of implementing subparagraph ‘a’ of paragraph 3.1 of this MOU decides to build one or several hydropower plants, indicated in Annex No 1., the proposal to be submitted to the GOG according to subparagraph ‘b’ of paragraph 3.1 shall include following:
  - a) the Company’s decision on construction respective hydropower plant(s);
  - b) Full technical parameters, including capacity and annual generation of the hydropower plant(s);
  - c) Exact coordinates of allocation of the hydropower plant(s) and elevations of the river;

- d) Dates of receiving construction permit, commencement and completion of construction works and commencement of operation of hydropower plant(s), also approximate investments required for each hydropower plant's construction;
  - e) Feasibility reports of construction of hydropower plant(s) and all related documents.
- 3.3 Within 2 months after submitting the proposal according to paragraph 3.2, the parties shall mutually consider the question of construction of the relevant hydropower plant(s) by the Company and make a mutual decision on construction or waiver thereof.
- 3.4 In case the parties decide to build one or several hydropower plant(s) according to paragraph 3.3 they shall draw up the implementation agreement (agreements) on build, own and operate of the relevant hydropower plant(s) within 2 sequent months after expire date of the term determined with paragraph 3.3.
- 3.5 On the day of the signing of the implementation agreement the Company, for the purpose of ensuring the construction of the hydropower plant(s) with determined terms and conditions shall submit to the GOG unconditional and irrevocable bank guarantee, one for each hydropower plant in amount of \$100,000 per MW of this (concrete) hydropower plant. The bank guarantee shall be issued by any Bank in Georgia or abroad licensed by "Organization of Economic Cooperation and Development" (OECD) member country. The expiration date of bank guarantee shall exceed commencement of operation of the hydropower plant by 3 months.
- 3.6 The GOG, within 27 months after signing this MOU shall not give the right to other party to build, own and operation of the hydropower plants, situated on the river Mtkvari within the elevations provided in Annex No 1 without the Company's written consent.
- 3.7 Before the expiration of the term of signing of implementation agreement (if applicable) the GOG, without written approval of the Company shall not give the right to other party on build, own and operation of that hydropower plant(s), indicated in Annex No 1. for which construction the Company had submitted the proposal to the GOG under this MOU and of which construction the parties had made a decision.
- 3.8 Before the expiration of the terms set out in paragraphs 3.6 and 3.7 the GOG is entitled to give the third party the right to build, own and operation one or several hydropower plant situated on the river Mtkvari with the elevations provided in Annex No 1 without written approval of the Company, in the following cases:
- a) The GOG has grounded assumption of the Company's failure to ensure feasibility study/analyse of any hydropower plant situated on the river Mtkvari within the elevations provided in Annex No 1. – for the respective hydropower plant only;
  - b) The Company has violated the schedule of feasibility study (Annex No 2.) of any hydropower plant situated on the river Mtkvari within the elevations

provided in Annex No 1. or some part of the feasibility study is not of proper quality – for the respective hydropower plant only.

- c) The Company preliminary rejected to build any of the hydropower plant indicated in Annex No 1. – for the respective hydropower plant only.
- 3.9 Following request the Company is obliged to submit to the GOG the feasibility studies and all related documents that it possesses, completely, free of charge, of which:
- a) the Company had not submitted the proposal to the GOG for construction according to paragraph 3.2,
  - b) the Company had applied to the GOG for construction according to paragraph 3.2 but the parties failed to make a decision on construction according to paragraph 3.3,
  - c) the Company had applied to the GOG for construction according to paragraph 3.2, the parties made a decision on construction under paragraph 3.3 but the implementation agreement on build, own an operation was not signed between the GOG and the Company under paragraph 3.4 of the MOU,
  - d) one or more subparagraph of paragraph 3.8 occurs.
- 3.10 The GOG is entitled to request and the Company is obliged to agree to remove hydropower plants situated on the river Mtkvari within the elevations provided in Annex No 1 to which:
- a) the Company had not submitted the proposal to the GOG for construction according to paragraph 3.2;
  - b) the Company had applied to the GOG for construction according to paragraph 3.2 but the parties failed to make a decision on construction according to paragraph 3.3;
  - c) the Company had applied to the GOG for construction according to paragraph 3.2, the parties made a decision on construction under paragraph 3.3 but the implementation agreement on build, own and operation was not signed between the GOG and the Company under paragraph 3.4 of the MOU;
  - d) one or more subparagraph of paragraph 3.8 occurs.
- 3.11 For the purposes of power supply of the country, for the duration of ten years from the date of commencement of operations of each power plant constructed by the Company within the framework of this MOU, each year 20% of total power capacity generated by each of the power plant shall be sold (in accordance with the Power Balance) exclusively for the purposes of meeting the internal requirement of Georgia, which shall be reflected in the Power (Capacity) Balance of the respective year or other similar document.

#### **4. Rights on Land Plots and Construction Permits**

- 4.1 For the purpose of implementation of the project, in case of necessity the GOG shall ensure to provide the Company with possessive right of respective state owned land plots with normative prise according to Georgian applicable legislation.

**7. Amendments**

This MOU may be amended by written agreement of the parties. If any provision of this MOU becomes invalid or unenforceable, the validity of other provisions shall not be affected.

**8. Notifications**

Any correspondence sent by the parties within the framework of this MOU shall be made in writing and shall be sent by mail, courier service or facsimile transmission (with the original to follow). The notification shall enter into force immediately upon its receipt by the recipient.

**9. Governing Law and Dispute Resolution**

- 9.1 This MOU shall be governed by the law of Georgia
- 9.2 All disputes arising from this MOU shall be resolved by common courts of Georgia, in accordance with the applicable legislation of Georgia.

**10. Counterparts, language of MOU**

This MOU is prepared in English language, two original counterparts.

**11. Signatures:**

“The Government of Georgia”

  
Kakha Kaladze



“Mtkvari Energia” LLC

  
Anzor Kvaratskheli

David Keldishvili

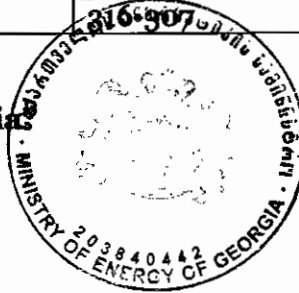


## Annex N 1

	River Mtkvari	Range of elevations, M (according to Soviet topographic maps)
1	Kvishkheti HPP	715-698
2	Khashuri HPP	698-684
3	Osiauri HPP	684-670
4	Gomi HPP	668-654
5	Akhalsopeli HPP	646-630
6	Kareli HPP	630-620
7	Urbnisi HPP	614,6-603,6
8	Skra HPP	603-590
9	Uplistsikhe HPP	570-557,5
10	Grakali HPP	549-537,5
11	Kaspi HPP	504-494
12	Ksani HPP	482-460
13	Ponichala-3 HPP	350,5-341,5
14	Ponichala-4 HPP	341-332
15	Nagebi HPP	325,5-317,35
16	Rustavi HPP	216,907

**"The Government of Georgia"**

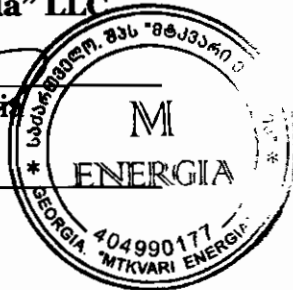
Kakha Kaladze



**"Mtkvari Energia" LLC**

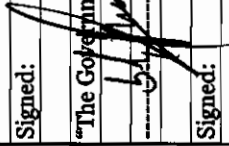
Anzor Kvaratskheli

David Kaldishvili

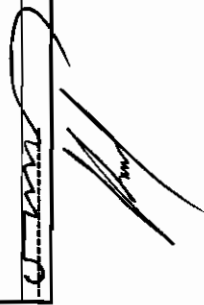


Ponichala - 4 HPP

	3 months after signing MOU	6 months after signing MOU	9 months after signing MOU	12 months after signing MOU	15 months after signing MOU	18 months after signing MOU	21 months after signing MOU	24 months after signing MOU	27 months after signing MOU
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"Company" 

Ponichala -3 HPP

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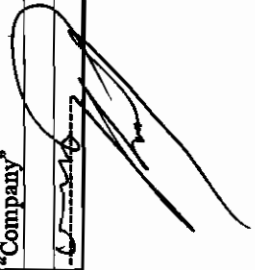
Skra HPP

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**Grakali HPP**

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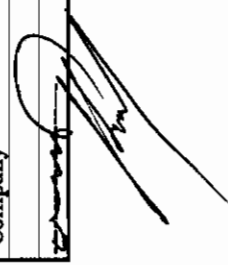
  
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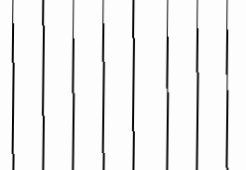
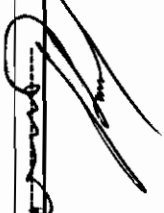
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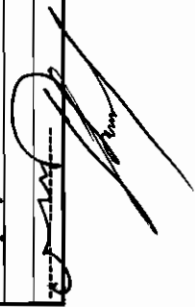
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**Khashuri HPP**

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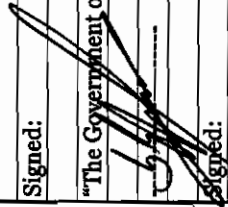
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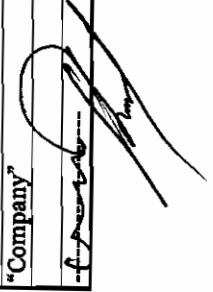
  
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**Kareli HPP**

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Nagebi HPP

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Uplistsikhe HPP

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საქართველოს იუსტიციის სამინისტრო  
MINISTRY OF JUSTICE OF GEORGIA

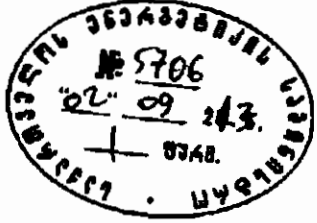


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საქართველო, ქ. თბილისი, 0114, ვაჟა-ფშაველას ქ.24 ა. ტელ.: 2 40-31-48, 2 40-30-34; ელ.ფოსტა: info@mj.gov.ge  
24 n. Gogol st. 0114, Tbilisi Tel: 2 40-31-48, 2 40-30-34, E-MAIL: info@mj.gov.ge

№04416

30 / აგვისტო / 2018 წ.



საქართველოს იუსტიციის  
სამინისტროს  
სატილ ინჟინერი სსიპ-სთვის

**სატილ ინჟინერი**

საქართველოს იუსტიციის სამინისტრომ გამოიხიდა თქვენი 2018 წლის 28 აგვისტოს №044081 წერილით წარმოდგენილი საქართველოს მთავრობისა და მშპ „მტკვარი ენერჯის“ შპს-ის დახადები ურთიერთგაგების მემორანდუმის პროექტი, რომელთან დაკავშირებით გაგნობებთ შემდეგს:

წარმოდგენილი მემორანდუმის პროექტის 3.11 პუნქტი საქართველოს „სახელმწიფო პროგრამა „განახლებადი ენერჯია 2008“ - საქართველოში განახლებადი ენერჯიის ახალი წყაროების მშენებლობის უზრუნველყოფის წესის დამტკიცების შესახებ“ საქართველოს მთავრობის 2008 წლის 18 აპრილის №107 დადგენილების დანართი №1-ის მე-7 პუნქტის „ა“ ქვეპუნქტთან შესაბამისობაში მოყვანას.

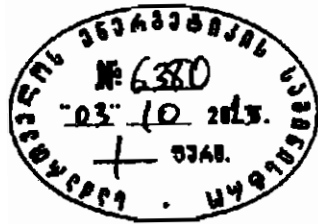
ამასთან, მინამწკრივნილად მოგაჩვენია, ეს ხელშეკრულება გაფორმდეს. ასევე, ესაზღვრე ესაზღვრე.

**სატილ ინჟინერი**

მინისტრის მოადგილე

ადგილსამართლებრივი მართლმართლებრივი

797



### საქართველოს მთავრობის განკარგულება

N1418 2013 წლის 1 ოქტომბერი ქ. თბილისი

საქართველოს მთავრობას და შპს „მტკვარი ენერჯის“ შორის დასადებში  
ურთიერთგაგების მემორანდუმის თაობაზე

1. მოწონებულ იქნეს საქართველოს მთავრობას და შპს „მტკვარი ენერჯის“ შორის დასადებში ურთიერთგაგების მემორანდუმის პროექტი.
2. „საქართველოს მთავრობის სტრუქტურის, უფლებამოსილებისა და საქმიანობის წესის შესახებ“ საქართველოს კანონის 27-ე მუხლის თანახმად ურთიერთგაგების მემორანდუმს საქართველოს მთავრობის სახელით ხელი მოაწეროს საქართველოს ენერჯეტიკის მინისტრმა კაბა კალაპემ.

პრემიერ-მინისტრი

გ. ივანიშვილი



მანანა ივანიშვილი