

Appendix #1

1. Definition of terms:

“Call Option Closing Date” means the date no earlier than 10 (ten) days and no later than 30 (thirty) days from the date of Call Exercise Notice.

“Call Option Period” means the period starting on the day of receiving of the power plant provided by project into maintenance (“Call Option Opening Date”) and expiring after 1 year of Call Option Opening Date.

“Put Option Period” means the period starting on the day of receiving of the power plant provided by project into maintenance (“Put Option Opening Date”) and expiring after 1 year of Put Option Opening Date.

“Put Option Closing Date” means the date no earlier than 10 (ten) days and no later than 30 (thirty) days from the date of Put Exercise Notice.

“Project” is defined as activities related to the development, financing, construction and operation of the Solar Power Plant, installed capacity 5MW, in Sagarejo Municipality, near the village Udabno. For clarification, a project may include the following activities:

a) Project Development Activities:

- Finalizing the agreement with the Government of Georgia on the construction of a Power Plant and submission of relevant bank guarantee;
- Obtain Construction Permit;
- Market study;
- Preparation of business plan for the project “Phase 2”

b) Procurement & Construction Activities:

- Procure necessary equipment;
- Construction;
- Commissioning;

c) Project Operation and Generation Activities:

- Electricity Generation and Sales;
- Operations & Maintenance;

2. Each project shall be divided into two phases as defined below:

2.1 **"Phase 1"** shall comprise with all the activities to develop a Project as listed under the definition of Project subsection (a) – Project Development Activities. Duration of these works should not exceed 6 months from the date of execution of the present Partnership Agreement. Upon the completion of the Project Development Activities, should all the Parties agree to proceed with the Project they shall proceed to Phase 2 as defined below.

2.2 **"Phase 2"** shall comprise of all the activities listed under the definition of Project, subsections (b) and (c).

3. Transfer of shares in the Joint Venture Company and Equity Contribution

3.1 After the present partnership agreement being made and submission of the bank guarantee provided for in the clause 4.2, no later than 5 working days, GEDF will transfer 90% of the share of "Georgia Solar Company" LLC. (hereinafter referred to as the Joint Venture Company or JVC) to the partner free of charge. Taking into account the above, the shares between partners shall be distributed in the following proportion: GEDF - 10%; the partner - 90%.

3.2 The authorized capital of the joint venture is estimated at USD 3,450,000 (three million, four hundred fifty thousand). The authorized capital shall be replenished under the following conditions:

3.2.1 The capital of the Joint Venture shall be replenished by GEDF in the amount of USD 345,000 (three hundred fifty-five thousand) in the form of monetary or in-kind contribution, of which, as of the date of this Agreement GEDF has already made monetary and in-kind contribution of USD 180,000 (one hundred eighty thousand) (including: feasibility study of the power plant, technical conditions for grid connection, administrative costs, etc.). No further equity contribution shall be required from GEDF.

3.2.2 The Partner shall replenish the Joint Venture capital through a monetary or in-kind contribution in the amount of USD 3,105,000 (three million, one hundred five thousand). Of which a monetary or in-kind contribution in the amount of USD 320,000 (three hundred twenty thousand) shall be made within 30 calendar days from the date of registration of transfer of 90% of the Joint Venture's share to the Partner in the LEPL National Public Registry Agency, in accordance with the relevant Share Disposal Agreement. The market value of the Partner's in-kind contribution shall be determined by an independent expert appointed by the GEDF at the expense of the Partner.

3.2.3 GEDF and the Partner shall provide the replenishment of the remained capital upon completion of Phase I of the Project, taking into account the needs of the Joint Venture, provided that the capital is replenished first by the Partner, and then by GEDF, no later than 10 calendar days. In addition, the proportionality of actual contributions made should be commensurate with the Partner's share and the GEDF's share.

3.3 In the event that the authorized capital of the Joint Venture does not require replenishment before the completion of the activities specified in subparagraph (b) of phase 2 of the Project, the shares between the Partner and the GEDF will be reallocated in accordance with the actual contributions.

3.4 The capital of JVC should be used only for the activities planned under the project, as determined by the management bodies of JVC (General Assembly of the Partners, Board of Directors, Chairman (the "Chairman") of the JVC Board of Directors). JVC shall keep all records of capital expenditure.

4. The liabilities of JVC/Partner:

4.1 The JVC shall ensure the execution of works provided for by Phase 1 of the Project, no later than within 6 (six) months after the signing of the Partnership Agreement. Partner shall use any effort/make any decision to maintain the fulfillment of the obligation provided for by present clause by JVC .

4.2 In order to secure the obligation provided for by the clause 4.1 of the present Partnership Agreement, the Partner, within 2 (two) weeks after the conclusion of the Partnership Agreement, shall submit to the GEDF the unconditional and irrevocable bank guarantee in amount of 100 000 (one hundred thousand) GEL, issued by licensed commercial bank in Georgia. The bank guarantee validity period shall exceed at least 2 month the date of completion of works provided for by Phase 1 of the Project. In case of non-submission of the bank guarantee in a due and/or proper manner, GEDF may unilaterally terminate present Partnership Agreement.

4.3 In the event of non-fulfillment of the above obligation, GEDF is entitled to use the bank guarantee and at the same time to demand without the compensation 90% of interest in JVC transferred to the partner. If the share is returned to the partner, the value of the share will not be refunded notwithstanding the contributions to the capital.

4.4 In order to secure the obligation provided for by the present Partnership Agreement, the partner shall ensure pledging the 90% shares in the capital of JVC transferred to it in favor of the fund and sign relevant pledge agreement.

4.5 Until the fulfillment of obligations under this Agreement, the Partner shall not alienate or pledge the share of the Joint Venture in any form without the prior written consent of GEDF.

4.6 In the event that, despite the complete and proper submission by the Joint Venture of the necessary documentation/information to the Government of Georgia on the construction of the power plant, the above agreement is not concluded by the Government of Georgia, the Partner is authorized to request an extension of the Phase 1 works, given that the Partner provides a bank guarantee extended for the corresponding term.

5. JVC Board of Directors

5.1 The JVC shall be governed by the company's Board of Directors.

5.2 The JVC Board of Directors shall be composed of three (3) Board Members. One member shall be nominated by GEDF and two members shall be nominated by Partner. The decision on their appointment is made by the General Meeting of Partners.

5.3 One of the Board Members nominated by Partner shall be elected as the Chairman of the JVC Board of Directors. If the Chairman is unable to attend any meeting of the JVC Board, the Board Members shall agree to appoint one of the present Board Members to act as chairman at that particular meeting. If the Board Members are unable to so agree, then the Board Meeting shall not be conducted.

5.4 Each Board Member (including the Chairman) shall have one (1) vote at the meeting of JVC's Board of Directors.

5.5 The meeting quorum shall be 2 members of the JVC Board of Directors. All JVC Board's resolution shall be adopted by the majority of the members attending.

5.6 The Board of Directors Meetings shall be held at least once in every 3 months.

6.General Meeting of the Partners

6.1 The General Meeting of Partners is the company's highest decision-making body. The number of the votes at the General Meeting of Partners is determined in accordance with the shares.

6.2 The General Meeting of Partners is held once per year at a location determined by the JVC Board.

6.3 The General meeting of Partners introduces and appoints Directors of the Board; informs Partners of material financial and business activities over the past year and the future business plans; makes decisions on distribution of dividends and hiring an auditor.

6.4 Decision upon calling An extraordinary meeting of Partners and the venue of the meeting is made by the Board of Directors or by the Partner whose Shares account for 10% (ten percent) or more of JVC's total Capital. If the venue of the meeting is outside of the borders of Georgia, such decision should be made by the Board of Directors, unanimously.

6.5 The Meeting is authorized if each partner has been duly notified and if a simple majority (greater than 50% of the Shares) of voting Shares are present or represented personally or through the notarized power of attorney.

6.6 The general meeting of Partners makes decisions on the following matters:

6.6.1 Determination of basic policy related to the company activity(business);

6.6.2 Approval of the annual budget or/and business plan;

- 6.6.3 Appointing the members of the board of directors, Determination the remuneration of the members of the JVC Board and their dismissal;
- 6.6.4 Charter Approval, the adoption of amendments and changes;
- 6.6.5 Decision on distribution of dividends;
- 6.6.6 Decision on taking and securing of the loans by the JVC
- 6.6.7 Making commitment or increase of funds beyond the approved budget and / or business plan and relevant changes to the approved budget and / or business plan
- 6.6.8 Approval of the staff schedule and structure of the JVC
- 6.6.9 Reorganization or liquidation of the company
- 6.6.10 Transfer of shares by the Partner;
- 6.6.11 Grant or remove any special rights of the Partner;
- 6.6.12 Increase or decrease of the authsorized capital of the company
- 6.6.13 Undertaking, securing, or entering into any contract, the value of which separately or in total exceeds GEL 100,000 for one business year;
- 6.6.14 Other decisions provided by the legislation of Georgia.

6.7 The decision of the Meeting shall be reflected to the Minutes of the Meeting and shall be signed by the Partners and/or their official representatives.

7. Partner's Call option

7.1 GEDF grants to the Investor **the Call Option** to purchase from GEDF during the Call Option Period the shares owned by GEDF in the JVC ("**the Call Option Shares**") at the time of delivery by the Partner of a written notice (the "**Call Exercise Notice**"). Call option might be exercised by delivery to GEDF of a Call Exercise Notice at any time during the Call Option Period.

7.2 The price to be paid for the Call Option Shares ("**the Call Option Exercise Price**") shall be calculated by applying **XX** Annual Interest Rate to GEDF's equity contribution (cash or non-cash) calculated as of the Call Option Closing Date with respect to each equity contribution made by GEDF.

8. GEDF's Put Option

8.1 The investor grants the GEDF **the Put Option** to purchase during the put Option Period the shares owned by GEDF ("**the Put Option Shares**") at the time of delivery by the GEDF of a written notice (the "**Put Exercise Notice**"). Put option might be exercised by delivery to the investor of a Put Option Exercise Notice at any time during the Put Option Period.

8.2 The price to be paid for the Put Option Shares ("**the Put Option Exercise Price**") shall be calculated by GEDF by applying **YY** Annual Interest Rate to GEDF's equity contribution (cash or non-cash) calculated as of the Put Option Closing Date with respect to each equity contribution made by GEDF.

9.Pre-emptive right

9.1 In case the party to this Agreement decides to sell its shares in JVC, GEDF and the partner agree that the other party shall have the pre-emptive right to acquire the shares.

9.2 A party intending to sell its shares in whole or in part shall notify the party possessing the pre-emptive right. The notification shall include the amount of shares to be sold and the share purchase price. The notification shall be sent by registered mail, with confirmation of delivery.

10. “Tag Along” right of GEDF

Subject to the Present Agreement GEDF is granted the “Tag Along” right, based on which if the partner proposes to transfer any of its share to third party, such transaction shall only be offered jointly with the shares of GEDF. If GEDF does not wish to exercise such right, then the partner shall be free to sell its shares in compliance with the provisions of the present Agreement.

11. Governing law and settlement of Disputes

11.1 Present agreement shall be construed in accordance with the laws of Georgia.

11.2 In the event that any dispute is unable to be resolved by either parties amicably, such dispute shall be settled exclusively and finally by the Courts of Georgia.

11.3 Agreements and the rights and obligations of the Parties shall remain in full force and effect for the entire duration of such litigation proceeding.

11.4 Each Party agrees that judgement of the Court is to be enforced under laws of Georgia.

11.5 The costs of litigation proceedings shall be borne by the Parties in accordance with the judgement of the court.

12. Representations and Warranties of the Parties

12.1 The Parties confirm that they are authorized to sign all the necessary documents related to this transaction, for the purposes of which they act in full compliance with the current legislation, be it a law, a bylaw or any other regulation.

12.2 The Parties guarantee to each other and confirm that the signed Agreement is a valid and unconditionally binding legal document upon them.

12.3 The Parties guarantee to each other and confirm that their statements and guarantees existing at the time of signing the Agreement explicitly and unconditionally apply for the period after the signing of the Agreement.

13. Force Majeure

13.1 In the event the performance of the Agreement or any obligation hereunder is restricted, delayed or made impossible due to circumstances beyond the control of the Party to this Agreement, in particular fire, explosion, epidemic, hurricane, storm, landslide, flood or any other similar natural event; War (whether or not it is declared), a revolution, a coup d'état or a military coup, or any other circumstances which, in accordance with the governing law and the principles established by contract law, may be considered as a force majeure, and caused failure to perform the terms of this Agreement, improper performance or non-performance within the stipulated time by the parties (or one of the parties), such party will be released from liability under this Agreement or under the governing law of Georgia for the entire period of force majeure event. Affected party shall immediately give notice to the other party about the occurrence of the force majeure circumstances and shall do everything possible to avoid such occurrences, minimize its duration or consequences and upon the termination of the force majeure event immediately resume performance of the obligations under present Agreement.

13.2 In the event of a force majeure circumstances occurred for more than 3 (three) months, either party may arise the issues of terminate of the present Agreement and bilateral restitution.

13.3 the occurrence of Force Majeure shall be determined by Georgian Chamber of Commerce and Industry.

14. Responsibilities of the Parties

14.1 The responsibilities of the Parties are determined in accordance with the legislation of Georgia.

14.2 The Parties shall fully compensate each other for any damage caused to them by non-fulfillment or improper (overdue) performance of the terms of this Agreement.

15. Final Provisions

15.1 The present Agreement enters into force upon the Signing Date by the parties.

15.2 Any annex to present Agreement shall be deemed to be an integral part of the Agreement

15.3 Any amendments to the present Agreement shall be made only on the basis of written agreement, signed by the relative representatives of the Parties.

15.4 If any provision of the present Agreement is declared invalid or void, it shall not affect the remaining provisions and the Agreement shall continue in full force and effect, in case if the objectives of present agreement will be fully satisfied.

15.5 The present Agreement is made in ----- language, into 2 (two) copies. Each party shall receive one copy of the agreement. In the event of any ambiguity or conflict between the Georgian and English copies of present Agreement, the Georgian copy shall prevail.