

# CONTRACT OF ECONOMY MANAGEMENT SERVICE

City of Tbilisi, Georgia	----- 2019
<b>I. The Parties</b>	
On the one part:	
Firm name:	
Identification code:	
Representative:	
Name, surname:	
Hereinafter referred to as	
E-mail:	
	“Managing Company”
and on the other part:	
Firm name:	
Identification code:	
Representative:	
Name, surname:	
Hereinafter referred to as	
E-mail:	
	“The Orderer”
<p>hereinafter jointly referred to as “the Parties” and separately - “the Party” and/or as designated above.</p>	

## 2. Preamble

The Orderer, being the Agent of \_\_\_\_\_ (registration number: \_\_\_\_\_) (hereinafter “the Cooperative”) according to the contract # \_\_\_\_\_ as of \_\_\_\_\_, acting at the request, in the name, at the expense of and in the interests of the Cooperative and enters into this Contract on service of the olive trees of the Cooperative, exact location whereof is indicated in the appropriate Appendix to the Contract (hereinafter “the Olive tree(s)”). For the purposes of this Contract the Parties came to the agreement that under the term “the Orderer” is understood “the Cooperative”, if not otherwise ensuing from the context of the

Contract. To avoid any doubt, by signing this Contract, the Agent confirms that the Cooperative is familiarized with the text of this Contract and assumes all rights and duties according to this Contract.

Principal interest of the Orderer is care, development of the Olive tree(s), full, to obtain the best harvest, processing/storing olives and qualified management of these economic processes from the standpoint of modern technologies, approaches, model of risks management adopted in agronomy, safe/harmless and high quality, including from the quantity standpoint with inclusion of all components required for obtaining harvest.

Managing company represents and guarantees that it has all resources for attraction of the experienced qualified personnel and application, adoption of all necessary knowledge for management of the Olive tree(s) of the Orderer that is interest of the Orderer in the meant, above described economic process;

The Orderer also requires the Managing Company for ensuring of the economic processes; Relying on the above mentioned, the Parties, on the basis of the mutual free expression of will and legislation of Georgia, enter into this Contract subject to the below described terms:

### **3. Subject matter of the Contract**

3.1. On the basis of this Contract and during its effective period the Managing Company undertakes to render to the Orderer service of the Olive tree(s), in the order and subject to the terms stipulated by this Contract;

3.2. In return for service of the Olive tree(s) the Orderer undertakes to pay the Managing Company the fee in the form of the part of the harvest obtained from the above mentioned Olive tree(s), in the amount stipulated by this Contract and to bear all necessary expenses related to management of the economy.

### **4. Management of the Olive tree(s)**

4.1. Under management of the Olive tree(s) the Parties imply managerial processes described in the Preamble of this Contract, in particular, without limitation: care, development of a tree, ensuring of soil processing, watering, fertilizer application, destruction of weeds, cutting tree(s), ensuring of the plot security, harvesting, processing/storing of olives, production of oil and qualified management of these economic processes, from the standpoint of modern technologies, approaches, model of risks management adopted in agronomy, safe/harmless and high quality, including from the quantity standpoint with inclusion of all components required for obtaining harvest;

4.2. The Orderer is authorized to demand expertise of its own Olive tree(s) at its own expense by means of attraction of independent specialists and/or obtaining recommendation relying on the appropriate scientific and empiric experience of LEPL Academy of Agricultural Sciences;

4.3. Economic year of service of the Olive tree(s) amounts to the period starting on 01 April of each year and ending on 01 February of each year;

4.4. In case when there is the urgency, the Managing Company until elimination of the appropriate risks and to avoid any damage, is obliged to apply all necessary measures within the reasonable limits at its discretion, guided exclusively by its own vision of methods of minimization of approach of such risks.

## **5. Expenses related to management of the economic processes**

5.1. The Orderer confirms and agrees that the Managing Company collects payment for its own service from harvest obtained from the Olive tree(s) of the Orderer. Amount of the part of harvest collected for service of the Managing Company is indicated in the clause 11 of this Contract;

5.2. If not otherwise stipulated by this Contract, under cost of service the Parties imply annual receipt of the part of collected harvest for service of the Managing Company.

## **6. Control and monitoring system**

6.1. The Parties agree that the Orderer is authorized to independently verify the Olive tree(s), in so doing, it is necessary to inform the Managing Company in written 10 calendar days before visit at the territory of the tree growing;

6.2. Managing Company renders service guided by its own skills and experience, guided by skills and experience of the visiting consultants and personnel, also information received from the scientific sources.

## **7. Managerial ethics**

7.1. Managerial ethics includes the obligation of the Managing Company to conduct operative management bona fide and with a maximal responsiveness;

7.2. Unregulated issues of the economic management shall be conducted bona fide and without abuse of rights;

7.3. Managing Company, in case of a particular necessity and among all, upon approach of such circumstances when for in advance unrecognizable reasons/reasons not subject to

stipulation, it is impossible to immediately contact the Orderer, is obliged to apply all required measures in order to maximally avoid approach of damage in olive economy;

7.4. During operational management the Managing Company is obliged to act with a high corporate culture, loyalty to the Orderer and observation/growth of its business reputation.

## **8. Due diligence of the olive economy**

8.1. The Parties agree that the Managing Company, by means of the visiting appropriate persons, is obliged to conduct the audit of the amount of the harvested crop and amount of the olive oil obtained in the issue of the processing and inform the Orderer on its results.

## **9. Restrictions of confidentiality and conflict of interests**

9.1. The Managing Company is entitled to publish any information on service of the olive tree(s) of the Orderer, but is not entitled to publish personal data of the Orderer;

9.2. Violation of confidentiality is not considered to be:

9.2.1. Submission of information on the Orderer to the persons incoming in the authority of management of the Orderer's legal entity;

9.2.2. Submission of information to serving bank institutions;

9.2.3. Submission of information to the state institutions in cases stipulated by the Georgian legislation;

9.2.4. Submission of information to the auditor/specialists/experts visiting in accordance with this Contract, if volume of the submitted information conforms to the subject of their interest and only in case the Orderer gave consent for such disclosure;

9.3. Managing Company is obliged to ensure safety of information in the way that it would not be disclosed, with the exception of cases stipulated by the clause 9.2;

9.4. Obligation to observe confidentiality does not act as regards publicly available information;

9.5. The Managing Company is not authorized to use information on the Orderer known for it for any other purposes which do not directly serve the interests of the Orderer or if the Orderer did not give permit for use of such information;

9.6. Obligation to confidentially keep information is in force even after effective period of this Contract, permanently;

9.7. For violation of the obligation to observe confidentiality is placed responsibility stipulated by this Contract and the Georgian legislation;

9.8. Managing Company can use personal data and any other information on the Orderer in its interests only with the consent of the Orderer.

## **10. Representations and guarantees of the Parties**

10.1. Each Party to this Contract represents and guarantees that facts and circumstances given by it in this Contract are reliable and do not exist any actual/legal preconditions which might exclude their validity;

10.2. Each Party to this Contract represents and guarantees that all circumstances, facts and information stated by it during cooperation developed within the framework of this Contract will be valid;

10.3. Each Party to this Contract represents and guarantees that it will ensure confidential observation of information obtained and processed in the issue of the cooperation;

10.4. Each Party to this Contract represents and guarantees that entering into/performance of this Contract will not cause violation of any other bargain and obligations assumed by this bargain;

10.5. Each Party to this Contract represents and guarantees that entering into/performance of this Contract will not cause violation of the Georgian legislation;

10.6. Each Party to this Contract represents and guarantees that entering into/performance of this Contract does not set as purpose organization, conduction, implementation, assistance, help of any illegal activity (action) and any other engagement in it;

10.7. Each Party to this Contract represents and guarantees that it has appropriate authorities, consent and permits for entering into this Contract and its full performance;

10.8. Managing Company, during the first three years of life of each tree on the plot of the Orderer, guarantees free substitution of the perished tree with the analogous tree, free substitution till three-year age is implemented in all cases with the exception of the natural disasters in the issue of approach of which the tree perished. Upon expiration of three-year age the Orderer is entitled at its own expense to insure its own trees against destruction. By mutual agreement the Managing Company will additionally collect the insurance payment from the harvested crop.

## **11. Cost of management and conditions of settlement**

11.1. Cost of service of the olive tree(s):

11.1.1. During the first three years of service of a tree(s) from the moment of its planting the Managing Company ensures service by its own efforts and funds;

11.1.2. For the fourth economic year of service and for the following years the Orderer makes payment out of the cropped harvest of olives at the given plot in the amount of 40 % (forty percent) of the total amount of the cropped harvest of olive tree(s) belonging to the Orderer

and served by the Managing Company. Harvest mentioned in the clause 11.1.1 is collected annually by force of the Managing Company without any additional consents of the Orderer. Above mentioned cost includes all taxes according to taxation of Georgia;

11.2. Above mentioned cost does not include insurance of the trees older than three years;

11.3. Upon expiration of three years of the effective period of this Contract, annual date of payment is date of completion of harvesting.

## **12. Responsibility of the Parties**

12.1. For the purpose to hereinafter avoid any uncertainty and ambiguity, in case of the earlier termination of this Contract on the initiative and the reason (fault) of the Managing Company:

12.2.1. Managing Company will not be paid any fee for the economic year during which will be made decision about the earlier termination of the Contract only subject to causing damages by the Managing Company to the Orderer;

12.2.2. Despite termination of the Contract the Managing Company is obliged to immediately compensate to the Orderer that amount of harvest which corresponds to prognostic expectations of the economic year of termination, at the same time the Orderer is obliged to attract official experts for determination of the harvest amount for the current economic year;

12.3. For the purpose to hereinafter avoid any uncertainty and ambiguity, in case of the earlier termination of this Contract by the Orderer, if making of the mentioned decision is not conditioned by the reason and fault of the Managing Company, then the Managing Company will be paid fee in the amount of cost of service of one economic year in the form of the part of the cropped harvest;

12.4. In case of causing damage to the Orderer the Managing Company undertakes to compensate damage exclusively in material form, namely by olives.

## **13. Effective period of the Contract**

13.1. This Contract comes into effect upon its signing and is valid during the period of 100 years with further automatic prolongation, if the Parties do not state about its termination.

## **14. Earlier termination of the Contract**

14.1. This Contract can be terminated earlier:

14.1.1. By bilateral agreement;

14.1.2. Managing Company is authorized to unilaterally terminate this Contract, in case of withdrawal of the Olive tree(s) from the place of its planting and growing by the Orderer or the persons authorized by the Orderer.

### **15. Applicable law and order of settlement of disputes**

15.1. The Parties agree that a dispute originated from this Contract will be examined and settled by the Panel of civil cases of Tbilisi city court in accordance with the Georgian legislation. Together with this, decision of the first instance court can be immediately executed in accordance with the first premiere article of 268 article of the Georgian code of civil procedure and/or in accordance with the legal norm which by the moment of examination and settlement of the dispute considers such permissible pursuant to the Parties' agreement;

15.2. Regarding this Contract operates legislation of Georgia, during this is inadmissible to apply legislation of any foreign country.

### **16. Communication of the Parties and form/order of sending notifications**

16.1. Communication between the Parties is conducted through the contact representatives and specialists invited by them, by means of notifications sent (transferred) in electronic/written form;

16.2. If not otherwise established by this article a notification is considered as entered into effect and accordingly received after it is actually handed in to a Party-addressee and/or placed in the sphere/space of its management. Evidences of sending/receipt of the notification are placed on the Party sending it;

16.3. During the effective period of this Contract each Party is obliged to inform the other Party on modification of the contact details on which shall be immediately sent appropriate notification;

16.4. In case of violation of the obligation stipulated by the clause 16.3 of this article, notification sent to the old details is considered to be handed in that is followed by appropriate legal effects.

### **17. Force-majeure**

17.1. Neither Party accounts for non-fulfilment, untimely and/or improper fulfilment of the obligations assumed by this Contract if mentioned non-fulfilment, improper and/or untimely fulfilment is conditioned in the issue of approach and/or operation of force-

majeure circumstances. Mentioned obligation comes into effect upon revocation of force-majeure;

17.2. Force-majeure circumstances imply phenomena of emergency nature occurring after entering into this Contract, against the will of the Parties (Party) and independently of it, that without such limitation can be presented as natural disasters and cataclysms, war, civil disorders, decisions of legislative or/and executive/municipal and administrative authorities of state authority, judicial decisions, etc. that makes impossible, impedes and/or endangers fulfilment by the Parties of the obligations defined by this Contract;

17.3. A Party experiencing influence of force-majeure is obliged as possible immediately, at the latest 10 (ten) business days after approach of the mentioned circumstances, in written form inform the other Party on approach of force-majeure and take necessary measures for reduction of negative effects caused by these circumstances. Analogous requirements also apply to notification on termination of force-majeure and its effects;

17.4. In case of approach of force-majeure the period of fulfilment of the obligations stipulated by this Contract will be extended in accordance with time of operation of force-majeure. Together with this, if duration of force-majeure operation exceeds 01 (one) month, any Party to this Contract is authorized to terminate this Contract and demand restitution. In the last case the Orderer can oppose restitution if it has legal interest in implemented fulfilment.

## **18. Transfer of claims and rights**

18.1. The Parties agree that the Orderer is not authorized to entirely and/or partially transfer to any third person the rights and obligations stipulated by this Contract without consent of the other Party;

18.2. In case of transfer of the rights and obligations to any third person the Orderer is obliged to immediately inform this to the Managing Company by means of communication means stipulated by this Contract and exclusively after written consent of the Managing Company such transfer can be realizable.

## **19. Final provisions**

19.1. Invalidity/recognition of any provision of this Contract as ineffective does not cause invalidity/recognition of any other provisions of this Contract as ineffective and its entire invalidity, if despite invalid/ineffective provision it is possible to achieve the agreed subject;

19.2. The Parties guarantee that entering into this Contract does not contradict the legislation of Georgia and bargain made with the third persons, that there is no ostensibility



and/or concealment of any other bargain and that do not exist any actual or legal obstacles that might impede and/or make performance of this Contract impossible;

19.3. Modification and addition in this Contract in any form and contents requires observation of the written form;

19.4. The Parties exclusively note that this Contract is entered into by free expression of the Parties' will and without any illegal influence upon them, without promising any different results on the part of any Party and coincidence of will;

19.5. Appendices to this Contract are its constituent and integral part.

<b>20. Signatures of the Parties</b>	
<b>The Orderer</b>	<b>The Managing Company</b>
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Acting as the Cooperative Agent according to the Contract # ----- as of -----	
Cooperative:	
_____ / _____	_____ / _____