Agreement

On the Reimbursement of Qualified Expenses Incurred by Program Beneficiaries under the Film Industry Component of the Produce in Georgia State

Program

Tbilisi day, month, year

We, the undersigned,

On one hand, the Entrepreneurship Development Agency LEPL (hereinafter "Agency"), represented by its Director Ana Kvaratskhelia, and on the other hand, ------, identification code ------, legal address: Georgia ------, represented by its Director ------(hereinafter Program Beneficiary) (referred to separately as "Party", and collectively as "Parties"),

Based on the May 30, 2014 Decree #365 of the Government of Georgia on the Approval of the Produce in Georgia State program,

Whereas the "Parties" have expressed commitment to, and interest in, participating in the Film Industry Component under the Produce in Georgia State Program,

Now, therefore, the "Parties" have agreed as follows:

1) Definitions

The following terms shall be used as defined below throughout this agreement.

- 1.1 **"Program"** refers to the Film Industry Component under the Produce in Georgia State Program approved by authority of the May 30, 2014 Decree #365 of the Government of Georgia.
- 1.2 **"Entrepreneurial Entity"** refers to a legal entity registered in compliance with the requirements of the Law of Georgia on Entrepreneurs (with the exception of legal entities founded and co-owned by the state or self-governing entities), with no past due state taxes and not listed in the registry of debtors.
- 1.3 **"Program Beneficiary"** refers to an **"Entrepreneurial Entity"** who, in compliance with the terms defined under the "Program", and based on an agreement executed in line with the procedures defined by the **"Agency"**, receives a status of a beneficiary of the "Program".
- 1.4 "Application" refers to an electronic communication used by an "Entrepreneurial Entity" to apply with the "Agency" for participation in the "Program".
- 1.5 "Project" refers to a set of information included in the "Application" submitted by an "Entrepreneurial Entity" to the "Agency" under the "Program".
- 1.6 "End Project" refers to a "Project" implemented in Georgia in line with a direction under this "Program".
- 1.7 "End Product" refers to an audiovisual production fully or partially implemented in Georgia, in line with a direction under this "Program".
- 1.8 "Qualified Expense" refers to expenses to be incurred/incurred by a "Program Beneficiary" in Georgia in line with Appendix, excluding expenses incurred from the state budget or financing provided by legal entities cofounded and co-owned by the state and/or a municipality.
- 1.9 "Overall Qualified Expense" refers to the total amount of concrete "Qualified Expense" incurred/to be incurred by a "Program Beneficiary" (in line with Appendix), excluding expenses incurred from the state budget or financing provided by legal entities cofounded and co-owned by the state and/or a municipality.
- 1.10 "Commission" refers to a commission composed of representatives of the "Agency", the "Film Center", the Administration of the Government of Georgia, the Ministry of Economy and Sustainable Development of Georgia, and the Georgian National Tourism Administration at the Ministry of Culture and Monument Protection of Georgia. This commission will review and make decisions on funding for the "Promotion Element" prescribed under this "Program". The composition and activities of the "Commission" shall be approved by the Director of the "Agency" who also serves as the Chair of the "Commission".
- 1.11 "Promotion Element" refers to the relevance of the "End Product" to Georgia, or usage of Georgia's landscapes in the "End Product", or Georgia's depiction as a locale of action. Employment of Georgian citizens on top positions at one stage of the production of the "End Product" or another. Selection of various footages illustrating Georgia. Employment of Georgian/national elements in the "End Product". "End Product" postproduction in Georgia, and "End Product" distribution in at least two countries. Dissemination of information on experience filming in Georgia. The "End Product" has at least once participated in and/or won a film festival/major competition recognized by the "Film Center".
- 1.12 "Technical Assistance" refers to assistance in the acquisition of relevant permits and coordination with service providers in Georgia.
- 1.13 "Distribution Request" refers to documents to be submitted by an "Entrepreneurial Entity" under the "Program", and in line with relevant requirements, with these documents including information confirming international distribution of the "End Product" and/or information on the distribution area, comprising different countries, of the "End product".
- 1.14 "Certificate" refers to document proof an agreement duly and properly executed between the "Agency" and a "Program Beneficiary".
- 1.15 "Agreement" refers to this agreement between the "Parties" on the reimbursement of "Qualified Expense" to the "Program Beneficiary" under the Film Industry Component of the Produce in Georgia State Program, also the appendix/appendices to this agreement, which have been executed, and/or will be executed, between the "Parties" in relation to this agreement, including periodical amendments and additions to such documents.
- 1.16 "Confidential Information" refers to any document or other type of information stemming from this "Agreement" and/or any other agreement based on this "Agreement", including personal information about the "Agency" and the "Program Beneficiary", disclosure/use of which is restricted or prohibited by authority of this "Agreement", or any other type of agreement between the "Parties", or the law.
- 1.17 "Additional Terms" refers to additional provisions defined in the appendix/appendices, including amendments and additions.
- 1.18 "Appendix" refers to an additional document(s) to this "Agreement", which represent an integral part(s) of the "Agreement" and apply in unity with the "Agreement".

Other terms used in this "Agreement" are defined in accordance with the definitions set forth under this State Program.

2. Subject of the Agreement

- 2.1 The subject of this "Agreement" is the reimbursement, in compliance with the requirements set forth in the "Program" and "Agreement", by the "Agency" of the "Overall Qualified Expense" to a "Program Beneficiary", with this expense incurred in relation to the direction(s) defined in the "Film Industry Component" of the Produce in Georgia State Program and paragraph 2.2 of this "Agreement".
- 2.2 "Program" directions involve the production of the following audiovisual products:

- A) Feature film
- C) TV series or miniseries
- D) Animation
- E) Documentary
- F) Advertising videos
- G) Reality show
- H) Music video
- 2.3 The "Project" to be included in the "Application" submitted by a "Program Beneficiary" is outlined in "Appendix" 1, and possible "Overall Qualified Expense" is calculated in "Appendix" 2, which are attached to this "Agreement" and represent its integral parts.

3. Rights and Obligations of the Parties

- 3.1 The "Agency" is authorized to:
- 3.1.1 Provide a "Program Beneficiary" with "Technical Assistance" within its purview in order to ensure the implementation of the activities prescribed under the "Program".
- 3.1.2 Monitor the implementation of the "Project" by a "Program Beneficiary" throughout the implementation period of the "Project".
- 3.1.3 Throughout the implementation period of the "Project" by a "Program Beneficiary", request from the "Program Beneficiary" information (report) about the implementation of the "Project" (including ongoing expenses).
- 3.1.4 Throughout the implementation period of the "**Project**" by a "**Program Beneficiary**", request, if necessary, additional information, except information unrelated to the "**Project**" or confidential information, also requesting additional information collected from other sources.
- 3.1.5 In case of failure of a "Program Beneficiary" to fulfill the obligations set forth in this "Agreement", and/or insufficient fulfillment thereof, refuse to reimburse "Overall Qualified Expense".
- 3.1.6 Reclaim, in line with Georgian legislation, the amount of the "Overall Qualified Expense" reimbursed to a "Program Beneficiary" in case if it becomes evident that the "Project" and/or "End Product" produced by the "program Beneficiary" does not meet the requirements set forth in this "Agreement" and "Program".
- 3.1.7 With a view to promoting the "Program", and in coordination with a "Program Beneficiary", disseminate information about the "Project" in compliance with this "Agreement", the "Program", and Georgian legislation.
- 3.2 The **"Agency"** is obligated to:
- 3.2.1 Fully reimburse "Overall Qualified Expense" in line with the requirements of the "Program" and this "Agreement".
- 3.2.2 In line with the rules set forth in this "Agreement" and legislation, abstain from disclosing and/or communicating to third party/parties confidential information as defined in the requirements of this "Agreement".
- 3.2.3 Should the reimbursement of "Overall Qualified Expense" be denied in line with the rules set forth in this "Agreement", communicate relevant information to the "Program Beneficiary" within 10 (ten) days.
- 3.2.4 Should amendments be made to the "Program" in relation to the reimbursement of "Overall Qualified Expense" by the "Agency", communicate relevant information to the "Program Beneficiary" within 10 (ten) days.
- 3.3 "Program Beneficiary" is authorized to:
- 3.3.1 Request from the "Agency" reimbursement for the "Overall Qualified Expense" in line with the rules set forth in this "Agreement".
- 3.3.2 Request from the "Agency" protection of confidential information in line with the rules defined in this "Agreement" and Georgian legislation.
- 3.3.3 Make an amendment(s) to the "Application", a decision on the advisability and acceptability, and its relevance to the purposes of the "Program", is made by the "Agency" which then executes with the "Program Beneficiary" an agreement on said amendment(s), by authority of which said amendment(s) are included in the "Appendix"/"Appendices" of the "Agreement".
- 3.3.4 After the reimbursement by the "Agency" of the "Overall Qualified Expense", and the production of the "End Product", additionally request reimbursement of an amount between 2 and 5 percent of the "Overall Limited Qualified Expense" provided that the "Commission" rules that the "End Product" contains "Promotion Element(s)". Additional reimbursement shall be completed only for the End Product" and in relation to the "Program" directions defined in subparagraphs A, B, C, D, and E, paragraph 2.2 of the "Agreement".
- 3.4 "Program Beneficiary" is obligated to:
- 3.4.1 Within 24 (twenty-four) months after the signing of the "Agreement", submit to the "Agency", in compliance with the form set by the "Agency", an auditor's report verifying the completion of the "Project" as prescribed under the "Program".
- 3.4.2 Ensure acquisition of all necessary approvals, permits, and other document(s) to obtain authority to execute/sign and implement the "Agreement" and/or other agreements related to it.
- 3.4.3 Ensure the accuracy of its documents and/or information submitted to the "Agency", which may be necessary to execute and implement the "Agreement" and/or other agreements related to the "Agreement".
- 3.4.4 Submit to the "Agency" agreements (or other legally valid document[s]) confirming the distribution of the "End Project"/"End Product" outside Georgia (at least 3 [three] countries) if the "Project" falls under the directions set forth in subparagraphs C, F, or H, paragraph 2.2 of the "Agreement", or the distribution of the "End Project"/"End Product" in at least 1 (one) country outside Georgia if it falls under the direction set forth in subparagraph G, paragraph 2.2 of the "Agreement".
- 3.4.5 Duly comply with the requirements and rules of healthcare, workplace safety, and environmental protection throughout the implementation of the "Project", also complying with Georgian legislation and universally recognized norms and principles.
- 3.4.6 During the implementation of the "Project", provide the "Agency" with relevant information about the planning and implementation of informative/promotion activities in the territory of Georgia.
- 3.4.7 As part of PR activities (including TV, radio, online, and print coverage) in the territory of Georgia during the implementation of the "**Project**", mention engagement in the Produce in Georgia State Program. In addition, upon request from the "**Agency**", provide photo materials illustrating audiovisual products seeking to promote the "**Project**", to be used on the official website and Facebook page of the Film in Georgia Program.
- 3.4.8 In case of significant obstacles or limitations during the implementation of the "Project", which may undermine the full or partial finalization of the Project", communicate relevant information to the "Agency" without delay.
- 3.4.9 Ensure acquisition of relevant rights (including legally prescribed intellectual rights) necessary for the implementation of the "**Project**", in compliance with Georgian legislation.

3.4.10 During the presentation and/or screening of the "End Project"/"End Product" produced in one of the directions set forth in subparagraphs A, B, C, D, E, and G, paragraph 2.2 of the "Agreement", also in the closing credits of the "End Project"/"End Product", indicate (using the "Program" logo) the "Program" as the financial supporter of the Project".

4. Terms and Conditions for the Reimbursement of Qualified Expense

- 4.1 In line with the requirements of this "Agreement" and the "Program", the possible amount of "Overall Limited Qualified Expense" and a detailed description thereof is given in "Appendix" 2, which constitutes an integral part of the "Agreement".
- 4.2 The "Agency" shall reimburse 20 (twenty) percent of the "Overall Limited Qualified Expense" as set forth in paragraph 4.1 of this article.
- 4.3 Reimbursement of the "Overall Limited Qualified Expense" by the "Agency", as set forth in paragraph 4.2 of this article, shall be completed within 90 (ninety) days after the submission by the "Program Beneficiary" to the "Agency" of the auditor's report on the completion of the "Project" as prescribed under the "Program".
- 4.4 In case of up to 10 (ten) percent change to the projected "Qualified Expense(s)", as set forth in "Appendix" 2 to this "Agreement", and submitted to the "Agency" by the "Program beneficiary", inclusion of the relevant change(s) in "Appendix" 2 to this "Agreement" is not mandatory. In every other case, however, the "Program Beneficiary" is obligated to make relevant change(s) to the "Qualified Expense" included in the "Application", based on which the "Parties" shall execute a relevant agreement on amendment(s) to "Appendix" 2. In addition, the "Program Beneficiary" shall communicate said amendment(s) to the "Agency" no later than 22 (twenty-two) months after the coming into force of the Agreement". Final amendment(s) shall be made no later than 20 (twenty) days before the submission of the "Auditor's Report". If proposed amendment(s) effects the situation set forth in paragraph 4, article 12¹³ of the "Program", the "Parties" shall comply with paragraph 5, article 12¹³ of the "Program".
- 4.5 Reimbursement shall be completed via noncash transaction, with the deposit made into the bank account of the "Program Beneficiary".
- 4.6 The additional reimbursement, as set forth in subparagraph 3.3.4 of the "Agreement", shall be completed in compliance with the terms defined under the "Program".

5. Confidentiality

- 5.1 Any information/documentation (including information/documentation containing the personal and financial data of the given "Party") provided by one "Party" to the other "Party", and subsequently processed, created, and/or communicated, as arising from the signing and/or implementation of the Agreement", and/or any other important information/documentation falling under the purview of his "Agreement", shall be considered confidential.
 5.2 Both during the term of the "Agreement" and after the expiration thereof, the "Parties" shall ensure against disclosing and/or handing over to third party/parties "Confidential Information" in line with the rules set forth in this "Agreement".
- 5.3 "Confidential Information" does not include A) Information provided to state/public agencies that is legally/may legally become public information, B) Information with preliminary consent from the owner "Party" of "Confidential Information" and/or a preliminary agreement between the "Party" on the disclosure thereof, C) Information to be disclosed in legally prescribed cases, including based on the legally upheld request of a third party/parties, and D) Information submitted by the "Program Beneficiary" to the "Agency" on the reimbursement of "Qualified Expense" under this "Agreement".
- 5.4 The "Agency", the "Film Center", and state governance agencies exercising supervision on their behalf, are authorized, within their purview, to have program access to "Confidential Information" included by the "Program Beneficiary" in the "Application" under the "Program".
- 5.5 The "Parties" are prohibited from disclosing "Confidential Information" without preliminary consent from the other "Party" throughout the term of the "Agreement" and after the expiration thereof.
- 5.6 The obligation to protect "Confidential Information" remains in force until the full and proper fulfilment by the "Parties" of their obligations assumed under the "Agreement", regardless of a possible full or partial termination of the "Agreement".

6. Termination of the Agreement

- 6.1 The "Agreement" between the "Parties" shall be terminated based on:
- 6.1.2 The expiration of the term of this "Agreement".
- 6.1.3 An agreement between the "Parties"
- 6.1.4 Failure on the part of one of the "Parties" to comply with its obligations and subsequent unilateral termination of the "Agreement" by the other "Party".
- 6.1.5 Cases prescribed by Georgian legislation and the State "Program".
- 6.2 In case of failure of the "Program Beneficiary" to comply sufficiently with this "Agreement" and/or breaching the terms under the "Program" an this "Agreement", the "Agency" shall be authorized to terminate unilaterally the fulfillment of its obligations to the "Program Beneficiary" under the "Agreement" and/or to set reasonable deadlines for the "Program Beneficiary" to correct shortcomings.
- 6.3 Termination of the "Agreement" does not release the "Parties" from their obligation fully and sufficiently to fulfill their obligations arising prior to the termination of the "Agreement".

7. Force Majeure

- 7.1 The "Parties" shall be temporarily released from fulfilling their obligations under the "Agreement" if force majeure circumstances arise. Fr the purposes of this Agreement", force majeure circumstances include the following:
- 7.1.1 Any unforeseeable circumstance or event outside the reasonable control of the "Parties", which make the full or partial implementation of the "Agreement" impossible.
- 7.1.2 Said circumstances or events include, but are not limited to natural disasters, strikes, sabotage or any other forms of civil unrest or disorder, wars (whether declared or not), or any other military, terrorist, or guerilla warfare, sieges, uprisings, earthquakes, floods, landslides, avalanches, or any other event that cannot be reasonably controlled and are impossible to stave off by the "Parties" despite every reasonable effort on their part.
- 7.2 A "Party" unable to fulfill its obligations under the "Agreement" due to force majeure events is obligated to communicate to the other "Party" information about the advent and cessation of such force majeure events as promptly as reasonably possible, but no later than 10 (ten) days after the emergence or cessation of said force majeure events. Should a given "Party" fail to comply with this requirement, it shall be obligated to produce document proof substantiating its release from fulfilling its obligations fully or partially. The document proof shall contain a description of circumstances and/or events and their impact on the fulfillment by the "Party" of its obligations under the "Agreement", as well as a projected date for the resumption of the fulfillment of said obligations.
- 7.3 The presence of force majeure circumstances and/or events, with the confirmation of its presence, prolongs the term of fulfillment of obligations by the "Parties", proportionally to the period of the activity of such circumstances and/or events, unless otherwise agreed between the "Parties".

8. Obligations of the Parties

- 8.1 Each "Party" shall fulfill its obligations duly and in good faith, in compliance with the terms se forth in this "Agreement".
- 8.2 Each "Party" is obligated to communicate to the other "Party" to the "Agreement" information about any circumstance known to it that may prevent the fulfillment of the objectives of the "Agreement".
- 8.3 The "Agency" is not responsible for the actions, be they culpable or not, taken by the "Program Beneficiary" at any stage in the implementation of the "Project"/"End Project"/"End Product", which may prove harmful to a third party/parties and/or the "Program Beneficiary".
- 8.4 The "Agency" is not responsible for the correctness of information, content, materials, or data submitted by the "Program Beneficiary" to the Agency".

9. Information Exchange/Communication and Authorized Persons

9.1 For the purposes of this "Agreement", the following are responsible for information exchange:

On behalf of the "Agency" Name/last name: Position: E-mail: Phone: On behalf of the "Program Beneficiary" Name/last name: Position: E-mail: Phone:

- 9.1 For the purposes of this "Agreement", information between the "Parties" shall be exchanged via written communication through regular mail or courier, and electronic mail.
- 9.2 With information delivery response absent, sent information shall be considered delivered to the recipient if the sender does not receive an automatic message delivery notification via technical/computer application means communicating failure to send or deliver a given message to the recipient.
- 9.3 Delivery of information through regular mail or courier shall be confirmed by signing a relevant information (message) receipt document.
- 9.4 If the recipient refuses to accept information (message) delivered through regular mail or courier, a relevant record is made, and the information (message) is considered delivered, with legally binding consequences for the "Parties".
- 9.5 If the recipient cannot be reached at the address indicated in the "Agreement, preventing delivery of information (message), the sender of information (message) shall try again to deliver said information (message) to the recipient at the same or an alternative address that gives rise to reasonable expectations of successfully delivering information (message) to the recipient.
- 9.6 The "Parties" shall communicate in writing information about any changes related to possible changes of persons designated for information exchange.

10. Terms of Contractual Relationship

10.1 This "Agreement" shall come into force upon its signing and remains in force until the fulfillment of the obligations set forth in this "Agreement" and under the "Program".

11. Dispute Resolution

- 11.1 Any issue, dispute, or relation between the "Parties" arising from this "Agreement" is regulated, interpreted, and resolved based on Georgian legislation.
- 11.2 Any dispute between the "Parties" arising from, or related to, this "Agreement" shall be solved through negotiation. If the "Parties" prove unable to solve a given dispute within 30 (thirty) days, the case shall be referred for resolution to Georgia's general court.

12. Final Provisions

- 12.1 Transfer or delegation of the rights and obligations under this "Agreement", without written consent from the other "Party", is prohibited.
- 12.2 Issues not regulated under this "Agreement" shall be regulated based on Georgian legislation.
- 12.3 Any amendment and/or addition to this "Agreement" becomes valid only if it is formulated in written form and signed by the Parties".
- 12.4 If any provision under this "Agreement" is determined invalid, the validity of the "Agreement" as a whole, or any of its articles, paragraphs, or subparagraphs, shall not be affected. The "Parties" shall replace the invalid provision with a provision that best serves the purpose of reaching the objectives of the "Agreement" (including the invalid provision).
- 12.5 Terms used in singular throughout this "Agreement", or other agreements arising from this "Agreement", shall also imply plural, depending on the context, and vice versa.
- 12.6 The articles, paragraphs, and subparagraphs of this "Agreement" fully apply to the "Appendices to the Agreement". In addition, if contradiction or inconsistency between provisions should arise, priority is given to the provisions of appendices in relation to issues regulated by particular appendices.
- 12.7 The "Program Beneficiary" is not authorized to transfer or delegate any of its obligations or rights under this "Agreement" and/or any other agreement related to the "Agreement" without preliminary written consent from the "Agency".
- 12.8 The "Agreement" is interpreted and regulated in accordance with legislation. In cases, which are not regulated by this "Agreement", the "Parties" shall be guided by relevant norms regulating relations as set forth in legislation and/or additionally agreed terms.
- 12.9 The "Parties" declare that the statements, guarantees, rights, and information about the "Parties" (including legal and actual addresses) are true and correct.
- 12.10 This "Agreement" has been executed in the Georgian language, in 2 (two) copies, each having equal legal force.

Entrepreneurship Development Agency LEPL	
Identification Code: 204582763	
Legal Address: 10a Chovelidze Street	Identification Co
Tbilisi, 0108	Legal Address
Georgia	•
Ana Kvaratskhelia	Director
Director	

1. Details and Signatures of the Parties

Agreement #	between the Entrepreneurship Development Agency and	executed on	201-
	On the Reimbursement of Qualified Expense to Program Beneficia	ry	
	Under the Film Industry Component of the Produce in Georgia State Pr	ogram	
	Appendix 1		

Project
[form]
Name (of the direction)
Abstract

Entrepreneurship Development Agency LEPL	
Ana Kvaratskhelia Director	

Director

	Agreement #	Development Agency andOn the Reimbursement of Qualified Expense to Program Beneficiary Under the Film Industry Component of the Produce in Georgia State Produce Appendix 2	y	201-
Qualified Expense				
Entrepreneur	ship Development	Agency		
	LEPL			
Ar	a Kvaratskhelia			

Director

Director

Agreement #			
On Amendments to the, 201	- Agreement #-		
On the Reimbursement of Qualified Expense to Program Beneficiary under the File	m Industry Component of the Produce in Georgia State Program		
Entrepreneurship Development Agency			
LEPL			
Ana Kvaratskhelia			
Director	Director		