

MEMORANDUM OF UNDERSTANDING

between

“QazIndustry” Kazakhstan Industry and Export Center JSC
Kabanbai Batyr Street 17, Block E, Nur-Sultan, 010000
Republic of Kazakhstan

hereinafter referred to as »QazIndustry «

and

Fraunhofer-Gesellschaft zur Förderung der angewandten Forschung e.V. | Hansastraße 27c,
80686 München, Federal Republic of Germany

as legal entity for its

Fraunhofer Institute for Manufacturing Engineering and Automation IPA | Nobel str. 12
70569 Stuttgart, Federal Republic of Germany

hereinafter referred to as »FhG/IPA«

The Fraunhofer-Gesellschaft is the leading organization for applied research in Europe. Its research activities are conducted by 72 institutes and research units at locations throughout Germany. The Fraunhofer-Gesellschaft employs a staff of more than 25,000, who work with an annual research budget totaling 2.3 billion euros. Of this sum, almost 2 billion euros is generated through contract research.

Around 70 percent of the Fraunhofer-Gesellschaft's contract research revenue is derived from contracts with industry and from publicly financed research projects. International collaborations with excellent research partners and innovative companies around the world ensure direct access to regions of the greatest importance to present and future scientific progress and economic development.

With its clearly defined mission of application-oriented research and its focus on key technologies of relevance to the future, the Fraunhofer-Gesellschaft plays a prominent role in the German and European innovation process. Applied research has a knock-on effect that extends beyond the direct benefits perceived by the customer: Through their research and development work, the Fraunhofer Institutes help to reinforce the competitive strength of the economy in their local region, and throughout Germany and Europe. They do so by promoting innovation, strengthening the technological base, improving the acceptance of new technologies, and helping to train the urgently needed future generation of scientists and engineers.

Fraunhofer Institute for Manufacturing Engineering and Automation IPA is one of the Fraunhofer-Gesellschaft's largest institutes. Institute's research and development work focuses on the cost-efficient manufacture of sustainable and personalized products. The aim is to enable individualized products to be manufactured in lot sizes of 1 at the same price as mass-produced goods. To achieve this, IPA is conducting research e.g. in the future factory ARENA2036.

IPA's research is used in the biointelligent value chain, digital transformation in the context of Industry 4.0, energy storage systems, frugal manufacturing systems, artificial intelligence in automation, lightweight engineering and resource efficiency.

«QazIndustry» Qazaqstan Industry and Export Center JSC is the national development institute in the field of industry of Kazakhstan. The sole shareholder of QazIndustry is the Ministry of industry and infrastructural development of the Republic of Kazakhstan.

The main objectives of QazIndustry is consultancy assistance in the field of industrial and innovative development, technological development, local content, and promotion of exports, special economic and industrial zones and the provision of government support measures for industrial innovation activities.

QazIndustry - One-Stop Service Center of industrial development, providing coordinated analytical support for the Government of the Republic of Kazakhstan on the development of export-oriented industries.

1

Fields and forms of Cooperation

QazIndustry and Fraunhofer-IPA wish to cooperate in the field of scientific and applied researches in the area of technological and innovation-based modernization of the manufacturing industry of the Republic of Kazakhstan and related policy strategies and instruments.

The cooperation between QazIndustry and FhG/ IPA may comprise the following:

- (1) Research and scientific support services on joint projects
- (2) Conduct joint scientific and technical researches
- (3) Establishment and operation of a joint Industry 4.0 competence center
- (4) Carrying out joint events, industry events

The Parties may mutually agree on allowing third parties to participate in their joint projects. The relationship of the Parties under this MoU shall be non-exclusive and all Parties are free to pursue other agreements or collaborations of any kind with any third party.

2

Terms of Cooperation

This MoU sets forth the Parties' intentions to collaborate on future projects and the Parties recognize that this MoU is not intended to set up already with this MoU any kind of project in a legally binding form. All terms and conditions relating to specific projects following this MoU shall be agreed upon separately in individual agreements. The Parties shall conclude provisions, as deemed appropriate for each project, such as in particular, but not limited to, description of the type and extent of the research and development work to be performed (specification of tasks), work plan, staffing, expenditures, duration, intellectual property (license agreements, rights of use, etc.), obligation of confidentiality, applicable law and other conditions.

Although the Parties wish to cooperate in future projects this MoU does not impose any duty on one of the Parties to disclose any information to the other Party nor to enter into any individual agreement or obligation.

3

Confidentiality

The receiving Party shall use all information of the other Party that is identified as being confidential exclusively for the purposes of this MoU, shall keep it confidential and shall not disclose it to any third parties without the written consent of the other Party during the duration of this MoU and for a period of five years after its termination. This obligation shall not apply to information which can be shown

- a) to have been known by the receiving Party prior to disclosure, or
- b) to have been known to the public or generally accessible by the public prior to its disclosure or can be shown to have become known to the public or generally accessible by the public following disclosure without the receiving Party having breached this Agreement, or
- c) to match the information that is disclosed or made accessible to the receiving Party by a third party with no imposition of a duty of confidentiality, unless the receiving Party knew that the third party's disclosure breaches a duty of confidentiality, or
- d) to have been independently developed by an employee of the receiving Party, who had no knowledge of the disclosed confidential information.

If a government authority or a court orders the disclosure of confidential information, then the receiving Party will be authorized to make a disclosure insofar as the order demands such disclosure, provided that the receiving Party – to the extent allowed by law - informs the disclosing Party without undue delay about any such order for purposes of protecting its rights and provided that the receiving party limits the disclosure to the requisite minimum and informs about the confidentiality of the confidential information at the time of the disclosure.

The Parties agree not to exploit any received information without the prior written consent of the disclosing Party, and specifically not to file any industrial property registrations. Proprietary, license and usage rights to information, the know-how related thereto or any industrial property rights registered or granted thereon will not be granted on the basis of this MoU. The disclosure of any information will not establish any right based on prior use rights in favor of the receiving Party.

The content of this MoU may be disclosed to the relevant government departments to apply for research projects.

4 Duration

This MoU shall enter into force on the date of its signature and shall remain in force for a period of 2 – two – years. It may be extended by mutual consent in writing. Either party may terminate this MoU by giving one month's written notice. The right of each Party to terminate this MoU with immediate effect for good cause (e.g. if a Party substantially breaks the terms of this MoU) remains unaffected.

5 Liability

Unless otherwise stipulated in this MoU, the Parties shall, including liability for their senior executives, legal representatives and agents, not be liable for breach of duty or tort except in case of intent or gross negligence. Liability for indirect damage and consequential damages is excluded except in case of intent.

However, this limitation of liability shall additionally not apply to contractual obligations of either Party according to Section 3 (Confidentiality) of this MoU.

Confidential Information provided under this MoU is provided »AS IS«. The Disclosing Party does not represent or warrant that the Confidential Information it discloses is accurate, devoid of mistakes, free and clear of any third-party rights, complete and/or usable. In this respect, there will be no liability, except in the case of an intentional act or omission.

6 No use of name and logo; independent contractors

The Parties express keen interest in establishing a research and development cooperation with each other. Notwithstanding the above, any Party may only use the name and/or logo of the other Party after prior written consent of the other Party. Likewise, a prior written consent of the other Party is also essential before publishing press releases or news in which the name or logo of the other party is mentioned.

The relationship between the Parties is only that of independent contractors with several rights, liabilities, duties and obligations set out in this MoU. No Party is deemed or construed to constitute the other Party a partner, joint venture, principal, agent or fiduciary of the other Party.

This MoU will not be construed to limit either Party's right to independently develop or acquire, manufacture, sell, license or maintain products, services or technology without use of the other Party's Confidential Information, including products, services or technologies that are similar to or competitive with the other Party's Confidential Information.

No Party has the authority to act for or to incur any liability or obligation on behalf of the other Party except with the express written authority of the other Party.

7 Miscellaneous

Each Party shall comply with the export laws and regulations to which it is subject. As far as any export licenses are necessary for the fulfillment of any contractual obligation of this MoU these obligations are under the proviso of the granting of the corresponding license.

Ancillary agreements, amendments and supplements hereto must be made in writing. The same applies for a waiver of the written form.

This MoU shall be governed by and construed in accordance with the laws of the Federal Republic of Germany. The United Nations Convention on the International Sale of Goods (CISG) shall not apply.

The Parties agree that any dispute, controversy or claim between the Parties arising out of or relating to this MoU, or the breach, expiration, termination or invalidity thereof will be settled through friendly consultations between the Parties. In the event the dispute cannot be settled within 30 days from the date of one party notifying the other Party of the dispute the following shall apply:


All remaining disputes arising out of or in connection with this MoU shall be finally settled according to the Rules of Arbitration of the International Chamber of Commerce (ICC) by one or more arbitrators appointed in accordance with the said Rules. Place of arbitration shall be Munich, Germany. Arbitration language shall be the English language. Any award by said arbitration shall be final and binding upon the Parties hereto. Nothing in this Agreement shall limit the Parties' right to seek injunctive relief from any court having competent jurisdiction.

If any provision of this MoU is determined to be illegal or in conflict with the applicable law, the validity of the remaining provisions shall not be affected. The ineffective provision shall be replaced by an effective provision which is economically equivalent. The same shall apply in case of an unintentional gap.

- signatures follow -

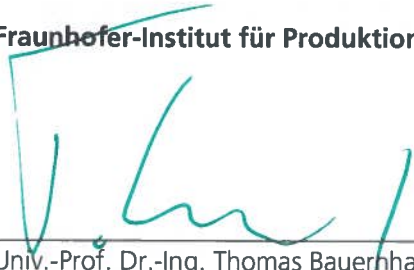
Berlin, den

**Nur-Sultan,
QazIndustry Kazakhstan Center of Industrie and Export JSC**



Alisher Abdykadyrov
Chairman of the Board

Fraunhofer-Institut für Produktionstechnik und Automatisierung IPA



Univ.-Prof. Dr.-Ing. Thomas Bauernhansl
Institutsleitung

München, den 02. Dezember 2019

Fraunhofer-Gesellschaft e.V.



Thomas Fischer
Head of Department R&D Contracts



Marianne Bösl
Head of Team Production & Materials

Berlin, den



Dr. Jens Neugebauer
Head of Group International Representations and Senior Advisors