

Feasibility Study Project Agreement

This Agreement is made this **day of** **200●** , by and among

- (1) **SINGAPORE-ISRAEL INDUSTRIAL RESEARCH AND DEVELOPMENT FOUNDATION**, a company incorporated in Singapore and having its principal place of business at 250 North Bridge Road, #28-00, Raffles City Tower, Singapore 179101 ("SIIRD", which expression shall where the context so admits include SIIRD's successors in title and assigns);
- (2) [●], a company incorporated in Israel and having its principal place of business at [●] ("[Israeli Company]", which expression shall where the context so admits include [Israeli Company's] successors in title and assigns); and
- (3) [●], a company incorporated in Singapore and having its principal place of business at [●] ("[Singapore Company]", which expression shall where the context so admits include [Singapore Company's] successors in title and assigns).

[Israeli Company] and [Singapore Company] shall hereinafter collectively referred to as the "Participants" and individually as the "Participants".

WHEREAS:-

- (A) The State of Israel and Singapore Economic Development Board have signed an agreement concerning bilateral cooperation in private sector industrial research and development through the establishment of SIIRD, a Singapore-Israel Industrial R&D program.
- (B) SIIRD facilitates the establishment of market feasibility study ("Feasibility Study") between Singapore and Israel companies by funding up to US\$30,000 as its 50% share of the cost of conducting such a study.
- (C) The Participants intend to establish a joint Feasibility Study and have submitted the Proposal (as hereinafter defined) to SIIRD for its consideration.
- (D) SIIRD has examined and duly approved the Proposal (as hereinafter defined) and is willing to provide certain funding for the implementation of the Proposal on the terms and conditions hereinafter set forth.

NOW IT IS HEREBY AGREED, in accordance with the terms and subject to the conditions herein contained as follows:

1. DEFINITIONS & GENERAL TERMS

1.1 In this Agreement unless the context shall otherwise require the following words and expressions shall have the following meanings:

- "Advance" shall have the meaning ascribed to it in paragraph 1 of Annex B
- "Agreement" means this agreement, as amended, revised, modified, supplemented, novated or otherwise altered from time to time
- "Approved Programme Plan" means the approved programme plan set forth in Annex C

"Approved Project Budget"	means the approved project budget set forth in Annex A
"Cooperation and Project Funding Agreement"	means an agreement governing the rights of SIIRD and a Participant(s) in relation to a grant given by SIIRD to the Participant(s) for full-scale research and development projects
"Grant"	shall have the meaning ascribed to it in Clause 2.2
"Innovation"	means any products, processes, inventions, technology, discoveries, improvements, modifications, methods, software, specifications, or any form of technical information developed or arising from the Proposal.
"Other Sums"	means any sums of money other than the Grant actually awarded to the Participants by SIIRD in connection with the subject matter of the Proposal.
"Projected Expenditure"	means, in relation to the Israel Participant and Singapore Participant, the aggregate of all dollar figures under the heading "Qualifying Cost" in the Approved Project Budget for the Israel Participant and Singapore Participant respectively.
"Proposal"	means the Proposal, dated the ●, stamped with SIIRD's approval on the ●, as set forth in Schedule 1. For the avoidance of doubt, should any provision of the said Proposal be inconsistent with any other provision of this Agreement, the provisions otherwise set forth in this document shall prevail.
"Qualifying Item"	means the item as listed under the heading "Qualifying Item" in the Approved Project Budget.
"SIIRD Funding Percent"	shall have the meaning ascribed to it in Clause 2.2
"SIIRD Funding of the Projected Expenditure applicable to the Israel/Singapore Participant"	shall, in relation to the Israel Participant, have the meaning ascribed to it in Clause 2.2(a) and, in relation to the Singapore Participant, have the meaning ascribed to it in Clause 2.2(b)
(a)	any reference to any statute or statutory provision includes a reference to that statute or statutory provision as from time to time amended, extended, consolidated or replaced by the same and any regulations, instruments or subordinate legislation made thereunder;
(b)	any reference in this Agreement to "writing" or cognate expressions includes a reference to email, telex, cable, facsimile transmission or comparable means of communication;
(c)	words importing the singular number shall include the plural and vice versa, words importing the masculine shall include the feminine and neuter gender and

vice versa, and words importing persons shall include bodies corporate, unincorporated associations and partnerships;

- (d) reference to Clauses, Schedules and Recitals are reference to Clauses, Schedules and Recitals of this Agreement; and
 - (e) the headings to the Clauses and paragraphs are inserted for ease of reference only and shall not affect the interpretation thereof or of this Agreement.
- 1.3 The Recitals, Schedules and the Annexes to this Agreement are incorporated into and form an integral part of this Agreement.
- 1.4 The Participants shall be bound and obliged jointly and severally and any reference to the obligations and liabilities of the Participant(s) shall mean the joint and several obligations and liabilities of the Participants, as herein provided.
- 1.5 The General Manager of SIIRD is empowered by its Board of Directors to execute this Agreement and to perform all acts under the terms hereof on behalf of SIIRD.

2. PROJECT FINANCING

- 2.1 The Start Date for this project is ●. The duration of this project is ● calendar months.
- 2.2 Subject to Clause 2.5, SIIRD hereby agrees to fund the implementation of the Proposal by the Participants by providing a grant (the "Grant") of up to fifty per cent (50%) (the "SIIRD Funding Percent") of the actual expenses incurred for each Qualifying Item subject to a maximum of fifty per cent. (50%) of the Qualifying Cost for such Qualifying Item, provided that in respect of all Qualifying Items,:-
- (a) the aggregate amount of the Grant provided to the Israel Participant shall not exceed US\$● ("SIIRD Funding of the Projected Expenditure applicable to the Israel Participant") or 50% of the total qualified actual expenses incurred by the Israel Participant, whichever is lesser; and
 - (b) the aggregate amount of the Grant provided to the Singapore Participant shall not exceed US\$● ("SIIRD Funding of the Projected Expenditure applicable to the Singapore Participant") or 50% of the total qualified actual expenses incurred by the Singapore Participant, whichever is lesser.

The Participant acknowledges that SIIRD has the sole and absolute discretion to determine the SIIRD Funding Percent in respect of each Qualifying Item and that the SIIRD Funding Percent may vary amongst Qualifying Items.

- 2.3 The Grant shall be provided to the Participants at the times as set forth in the manner as set forth in Annex B.
- 2.4 The Participants shall bear the expenditures incurred for the implementation of the Proposal in a timely fashion in excess of those provided under the Grant.
- 2.5 Notwithstanding anything above, SIIRD shall have the right to revoke the award of the Grant and/or terminate this Agreement at any time, immediately by written notice ("Termination Notice") to the Participants if there shall have been any adverse material change (as reasonably determined by SIIRD) in the implementation of the Proposal. In the event of any such revocation, the Participants shall forthwith return to SIIRD all funds given to the Participants hereunder, after deduction of any repayments by the Participants of the Grant and Other Sums under this Agreement.

- 2.6 If at any time, it shall come to the attention of SIIRD or the Participant that any funding advanced to the Participant in accordance with Annex B is in excess of the total expenditure incurred by the Participant for the implementation of the Proposal, the Participant shall forthwith return to SIIRD the excess amount.
- 2.7 Any sums required to be paid to SIIRD pursuant to Clause 2.5 and/or Clause 2.6 shall bear interest in accordance with Clause 4.2 if not repaid forthwith.

3. CONDUCT OF THE PROJECT

- 3.1 Each Participant agrees to implement the Proposal in accordance with good standards relevant to such undertakings, and shall expend funds received hereunder only in accordance with such Proposal and the requirements of this Agreement.
- 3.2 Each Participant agrees to comply with the Approved Programme Plan for the Innovation in accordance with the Approved Programme Plan. Each Participant shall, in furtherance of the implementation of the Proposal, carry out the tasks and contribute all necessary funds, resources and facilities for the implementation of the Proposal.
- 3.3 Israel Participant hereby appoints ● as the Israeli Project Manager and Singapore Participant hereby appoints ● as the Singaporean Project Manager for the implementation of the Proposal during the period of this Agreement and in accordance with the Approved Programme Plan.
- 3.4 The Participant shall not make substantial transfers of funds from one budget item to another, change key personnel or their duties and responsibilities or diminish their time allocated to the proposed work hereunder **without prior written approval by SIIRD**, which approval shall not be unreasonably withheld.
- 3.5 Should any key person be absent from his work and should such absence be expected for 90 days or more, or should there be any significant reduction in the total personnel force assigned under the Proposal, the Participant shall forthwith notify SIIRD.
- 3.6 Each Participant shall:-
- (a) co-operate in ensuring that the implementation of the Proposal is carried out on its part by properly qualified personnel;
 - (b) procure that authorised representatives of SIIRD are allowed reasonable access to the work carried out by it in connection with the Proposal and to the records, accounts, reports and any form of documentation relating to and personnel involved in the implementation of the Proposal from time to time; and
 - (c) promptly notify SIIRD if there is any unforeseen technical or scientific problem which is likely to cause a material delay or difficulty in achieving any of the objectives of the Proposal or result in any material increase in the costs of implementing the Proposal.
- 3.7 The obligations of the Participant with regard to the conduct of the project as set out in Clauses 3.1 to 3.6 above may be varied or amended, upon submission of a **written** request by the Participant and the approval **in writing** of the General Manager of SIIRD.

3.8 If at any time the Participant believes that:-

- (a) there is no reasonable likelihood of success of the Proposal;
- (b) substantial costs will have to be additionally incurred or amount of funding will have to be additionally provided to complete the implementation of the Proposal;
- (c) there has been a failure to achieve any of the material steps or milestones as set out in the Approved Programme Plan and the Proposal;
- (d) the objectives of the Proposal have been substantially achieved by research outside the Proposal;

the participants shall forthwith notify SIIRD of such belief and SIIRD and the Participants shall negotiate in good faith to re-define the Proposal or terminate this Agreement.

4. REPAYMENT OF GRANT

4.1 In the event that SIIRD enters into a Cooperation and Project Funding Agreement with the Participants, or with any one of the Participants, to conduct a project according to the detailed proposal as referred to therein, the Participants or such Participant (as the case may be) agree(s) to repay the Grant as provided by SIIRD under this Agreement in addition to any sums that shall be repaid under the Cooperation and Funding Agreement.

4.2 All payments due to SIIRD and not paid by the Participants under this Agreement shall bear interest at 1% more than the average prime rate prevailing at JP Morgan Chase Bank, N.A. Singapore, during the period from the date payment was due until the date actually made.

5. REPORTING REQUIREMENTS – Final Report

5.1 The Participant shall submit to SIIRD, in writing, the following reports in the manner as stated below:-

The Final Report within ● days following revocation of the Grant or termination of this Agreement or completion of the implementation of the Proposal, whichever is earlier, comprising each of the following:-

- (a) Feasibility Study results jointly prepared, certified and submitted by the Participants; and
- (b) Final audited fiscal reports from each of the individual Participants; and
- (c) Formal proposal for a full-scale R&D project jointly prepared, certified and submitted by the Participants, should the Feasibility Study results prove positive.

The Final fiscal reports and formal proposal for full-scale R&D project shall be in the form and substance as provided by SIIRD from time to time. The form of the Reports and any amendments or variations thereto may be downloaded from SIIRD website - <http://www.siird.com>.

The Final fiscal reports required to be submitted to SIIRD under this Clause 5.1 shall be signed by the Participant's auditor and by the management (CEO, MD or General Manager) of the Participant.

Each Participant shall give a presentation to SIIRD on the Reports, upon or as soon as practicable after the submission of the Final Report to SIIRD and/or upon SIIRD's request.

SIIRD has the right to send an authorised representative and/or and auditor to verify the Final Report.

The Participants shall jointly submit the Final Report (as the case may be) to SIIRD in a complete package containing all the component reports as stated in Clause 5.1. SIIRD may at its absolute discretion reject any reports required to be submitted under this Clause 5.1 as being inadequate and shall not be held liable for any actions or other consequences whatsoever arising from the exercise of its rights to reject such reports. For the avoidance of doubt, any rejection by SIIRD of any such reports shall amount to a failure by the Participant to comply with the requirements under this Clause 5.1.

- 5.2 If the Participants fail to comply with the requirements under Clause 5.1 and have failed to remedy such non-compliance within a period of thirty (30) days after receipt of written notice from SIIRD giving full particulars of the non-compliance and requiring it to be remedied, SIIRD reserves the right to terminate this Agreement without further notification, and/or to withhold all subsequent reimbursements of the Grant and demand repayment of all funds given to the Participants hereunder, after deduction of any repayments by the Participants of the Grant and Other Sums , upon which the Participants shall within 30 days of the demand repay SIIRD the said amount. All late payments shall bear interest at 1% more than the average prime rate prevailing at JPMorgan Chase Bank, N.A. Singapore, during the period from the date payment was due until actually made.
- 5.3 The Participants shall provide, at its expense, briefings on the progress of the work hereunder within 45 days following request by SIIRD. Such briefings shall accord with the form and depth as SIIRD may reasonably request.

6. TERM, EXPIRATION & TERMINATION

- 6.1 The effective date of this Agreement shall be the date of signing of this Agreement. Unless sooner terminated by SIIRD hereunder, this Agreement shall continue to be binding until each Participant has completed and settled all its obligations and liabilities under this Agreement.
- 6.2 Notwithstanding Clause 6.1, SIIRD may terminate the Agreement forthwith by written notice ("Termination Notice") to the Participants in any of the following circumstances:-
- (a) In accordance with Clause 2.5;
 - (b) (i) If the Participant fails to return to SIIRD any excess funding in accordance with Clause 2.6;
 - (ii) if the Participant fails to furnish or provide access to the annual/quarterly audited financial statements, general ledger, trial balance, the financial books, vouchers, records and any other documents of the Participant as may be requested to be examined by SIIRD or any other person appointed by SIIRD; or

and has failed to remedy such failure within a period of thirty (30) days after receipt of written notice from SIIRD with full particulars of the non-compliance and requiring it to be remedied;

- (c) if any Participant has committed any material breach of any of its obligations under this Agreement and (in the case of a breach which is capable of remedy) has failed to remedy the same within a period of thirty (30) days after receipt of written notice giving full particulars of the breach and requiring it to be remedied;
- (d) if any Participant makes any arrangement or composition with its creditors or goes into liquidation (except for the purposes of amalgamation or reconstruction in such manner that the company resulting therefrom effectively agrees to be bound by or assume the obligations imposed on that Participant under this Agreement) or if an encumbrancer takes possession of, or a receiver or administrative receiver is appointed over, the whole or any substantial part of the property or assets of such Participant; or
- (e) if any Participant ceases, or threatens to cease, to carry on business or is in the opinion of SIIRD, unable to carry on its business for any reason whatsoever.

In the event of any such notice, the Participants shall cease to have any rights of any kind to the funding provided by SIIRD;

- 6.3 Notwithstanding any other provision in this Agreement to the contrary, on the occurrence of the event stated under Clause 6.2(a), SIIRD shall not be obliged to provide any further funding of the Grant after the issue of the Termination Notice until and unless the said default is cured and so demonstrated to the reasonable satisfaction of SIIRD.
- 6.4 If SIIRD shall terminate the Agreement as aforesaid, all funds given to the Participants hereunder shall become due immediately without the need for demand. Such funds which do not, by terms of this Agreement, bear interest, shall be repaid with interest at 1% more than the average prime rate prevailing at JP Morgan Chase Bank, N.A. Singapore, from date of Termination Notice.
- 6.5 The Participant may not terminate this Agreement or abandon the project under the Proposal without the prior written consent of SIIRD, which consent shall not be unreasonably withheld.
- 6.6 Termination of this Agreement shall be without prejudice to any rights or remedies available or accrued to any of the parties at the time of termination, or which thereafter may accrue.

7. MISCELLANEOUS

- 7.1 SIIRD makes no representation, by virtue of its funding the work hereunder, or receiving payments or royalties as a result of this Agreement, as to the safety, value or utility of the Innovation or the work undertaken, nor shall the fact of participation of SIIRD, its funding or exercise of its rights hereunder be deemed an endorsement of the Innovation or of the Participants, nor shall the name of SIIRD be used for any commercial purpose or be publicised in any way by the Participant except within the strict limits of this Agreement.

- 7.2 The Participant may not assign this Agreement or any of the work undertaken pursuant to it without the prior written consent of SIIRD, which consent shall not be unreasonably withheld. The provisions hereof shall be binding upon and inure to the benefit of the parties, their successors and permitted assigns.
- 7.3 This Agreement shall be governed by and construed under the laws of the Republic of Singapore. The forum for the resolution of any dispute arising from this Agreement shall be the State of Israel or the Republic of Singapore as the moving party may elect. Execution of this Agreement shall be taken as submission to the forum selected pursuant to this Clause.
- 7.4 Unless the parties to a dispute shall agree otherwise, all disputes shall be referred to arbitration under the rules of the Israel Arbitration Law if the forum is Israel, and under the Arbitration Rules of the Singapore International Arbitration Centre if the forum is in Singapore which rules are deemed to be incorporated by reference into this Clause. All arbitration proceedings shall be in the English language. The decision of the arbitrator shall be final and binding on all the parties.
- 7.5 Each Participant undertakes to comply with all applicable Republic of Singapore laws, rules and regulations, and those of the State of Israel, and will apply for and obtain all necessary licenses and permits for carrying out of its obligations hereunder.
- 7.6 Each party shall bear its own legal and other costs and expenses incurred by it in connection with this Agreement.
- 7.7 Any demand, consent, notice or other communication ("notice") authorised or required to be made hereunder shall be in writing and may be given by facsimile, courier, post or hand to a party addressed as follows:-

- a.** SIIRD, Singapore-Israel Industrial Research and Development Foundation
250 North Bridge Road
#28-00 Raffles City Tower
Singapore 179101, Singapore
Facsimile : [●]
Attn : [●]
- b.** [Israeli Company]
[Address]
Israel
Facsimile : [●]
Attn : [●]
- c.** [Singapore Company]
[Address]
Singapore
Facsimile : [●]
Attn : [●]

or such other address as the recipient may designate by notice given in accordance with the provision of this Clause .

A notice:-

- (i) if delivered by facsimile transmission shall be deemed to be received forty eight hours after the date of transmission on production of a transmission report by the machine from which the facsimile was sent which indicates that the notice was sent in its entirety to the facsimile number of the recipient;
- (ii) if delivered by courier, shall be deemed to be received upon receipt by the addressee;
- (iii) if sent by prepaid registered post (airmail, if appropriate), shall be deemed to have been received on the second day after the day on which it was posted if sent to an address within the country of posting and on the seventh day after the day on which it was posted if sent to an address outside the country of posting;
- (iv) if delivered by hand during normal business hours on a business day, shall be deemed to be given on that day, or in any other case of hand delivery, shall be deemed to be given on the business day following the date of delivery; and
- (v) if sent by email shall be deemed to be received on the date the sender's email system indicates it was sent.

- 7.8 Nothing herein shall create a partnership, joint venture or agency between the parties.
- 7.9 Save as otherwise specifically provided herein, this Agreement shall not be altered, changed, supplemented or amended except by written instruments signed by all parties or their authorised representatives.
- 7.10 No remedy conferred by any of the provisions of this Agreement is intended to be exclusive of any other remedy which is otherwise available at law, in equity, by statute or otherwise, and each and every other remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law, in equity, by statute or otherwise. The election of any one or more of such remedies by a party shall not constitute a waiver by such party of the right to pursue any other available remedies.
- 7.11 The provisions contained herein shall constitute the entire agreement between the parties with respect to the subject matter and the Schedule and Annexes, and shall supersede any pre-existing or other agreement, and merge all prior negotiations and discussions or any oral and written communications between the parties concerning the subject matter hereof. No party shall be bound by any statements, inducements, conditions, representations or warranties (whether oral or written) with respect to the subject matter hereof by any party or its agents or representatives other than as expressly set forth herein or subsequently set forth in writing executed by both parties hereto.
- 7.12 If any of the terms or provisions in this Agreement or the Schedules or Annexes shall be held to be illegal, invalid or unenforceable by any court or tribunal of competent jurisdiction, in whole or in part, it shall not invalidate the rest of this Agreement which shall remain full force and effect as if such terms or provisions had not been a part of this Agreement. Such terms or provisions held to be illegal, invalid or unenforceable by any court of competent jurisdiction in any state or city shall not affect their legality, validity and enforceability in other states or cities.
- 7.13 No failure to exercise and no delay in exercising on the part of the parties hereto any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise of any right, power, or privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

Any waiver by either party of a breach of any provision of this Agreement shall not be considered as a waiver of any subsequent breach of the same or any other provisions.

7.14 This Agreement may be signed in multiple counterparts, each of which is an original and all of which, taken together, constitutes one and the same instrument.

IN WITNESS WHEREOF the parties have executed this Agreement the day and year first above written.

Signed for and on behalf of
**SINGAPORE-ISRAEL INDUSTRIAL RESEARCH
AND DEVELOPMENT FOUNDATION**

)
)
)
)

By: _____
Name :
Title : General Manager
Date :
Company Stamp :

Signed for and on behalf of
[ISRAELI COMPANY]

)
)
)

By: _____
Name :
Title :
Date :
Company Stamp :

Signed for and on behalf of
[SINGAPORE COMPANY]

)
)
)

By: _____
Name :
Title :
Date :
Company Stamp :

SCHEDULE 1 – PROPOSAL

ANNEX A - APPROVED PROJECT BUDGET

COMPANY NAME

Israeli Company

TOTAL PROJECT DURATION IN MONTHS

QUALIFYING ITEM			COST TO PROJECT US\$	QUALIFYING COST US\$
<u>I. DIRECT LABOUR</u>				
	Gross Annual Salary (US\$)	% on Project (Direct Labour)		
Name 1, Title 1				
Name 2, Title 2, etc.				
TOTAL DIRECT LABOUR				
<u>II. EQUIPMENT *</u>				
	Original Cost (US\$)	New/Exisitng		
Item 1				
Item 2, etc.				
TOTAL EQUIPMENT COST				
<u>III. EXPENDABLE MATERIALS & SUPPLIES</u>				
Item 1				
Item 2, etc.				
TOTAL EXPENDABLE MATERIALS & SUPPLIES COST				
<u>IV. TRAVEL EXPENSES</u>				
X pax per trip : destination				
X pax per trip : destination				
TOTAL TRAVEL COST				
<u>V. SUBCONTRACTS</u>				
Item 1				
Item 2, etc				
TOTAL SUBCONTRACT COST				
<u>VI. CONSULTANTS</u>				
Name 1				
Name 2, etc				
TOTAL CONSULTANT COST				
<u>VII. OTHER COST</u>				
Item 1				
Item 2, etc				
TOTAL OTHER COST				
TOTAL COST				
GRAND TOTAL				

* All equipment are depreciated for 3 yrs

ANNEX A - APPROVED PROJECT BUDGET

COMPANY NAME SingaporeCompany

TOTAL PROJECT DURATION IN MONTHS

QUALIFYING ITEM		COST TO PROJECT US\$	QUALIFYING COST US\$
<u>I. DIRECT LABOUR</u>			
Name 1, Title 1	Gross Annual Salary (US\$)	% on Project (Direct Labour)	
Name 2, Title 2, etc.			
TOTAL DIRECT LABOUR			
<u>II. EQUIPMENT *</u>			
Item 1	Original Cost (US\$)	New/Exisitng	
Item 2, etc.			
TOTAL EQUIPMENT COST			
<u>III. EXPENDABLE MATERIALS & SUPPLIES</u>			
Item 1			
Item 2, etc.			
TOTAL EXPENDABLE MATERIALS & SUPPLIES COST			
<u>IV. TRAVEL EXPENSES</u>			
X pax per trip : destination			
X pax per trip : destination			
TOTAL TRAVEL COST			
<u>V. SUBCONTRACTS</u>			
Item 1			
Item 2, etc			
TOTAL SUBCONTRACT COST			
<u>VI. CONSULTANTS</u>			
Name 1			
Name 2, etc			
TOTAL CONSULTANT COST			
<u>VII. OTHER COST</u>			
Item 1			
Item 2, etc			
TOTAL OTHER COST			
TOTAL COST			
GRAND TOTAL			

* All equipment are depreciated for 3 yrs

ANNEX B - PAYMENT OF GRANT

1. The first payment of the Grant (the "Advance"), based on 60% of the SIIRD Funding of the Projected Expenditure applicable to the Israel Participant or the Singapore Participant, as the case may be shall be disbursed to the Participants on or about the date of this Agreement such that [\$●] shall be paid to the Israel Participant and [\$●] to the Singapore Participant. Each Participant acknowledges that the Advance is disbursed to the Participant in anticipation of the Participant incurring the Qualifying Costs in implementing the Proposal, for the purpose of assisting the Participant to defray the start-up costs of implementing the Proposal. SIIRD shall deduct the Advance paid to a Participant from the Final Payment (as defined in Paragraph 2 below) to such Participant.

2. (a) The final payment of the Grant ("Final Payment") shall be disbursed upon satisfaction of the following condition:-
 - (i) After receipt and approval of the complete Final Report by SIIRD. The Final Report shall be jointly submitted by the Participants as stated in Clause 5.1.

 - (b) Subject to paragraph 2(c) below, the Final Payment shall be based on the 50% of the actual expenses for each Qualifying Item incurred by the Participant in the implementation of the Proposal in the project duration.

 - (c) The aggregate of the Advance and Final Payment of the Grant shall not exceed the SIIRD Funding of the Project Expenditure applicable to the Israel or Singapore Participant, as the case may be.

ANNEX C – APPROVED PROGRAM PLAN