

Annex 7  
to the decision of the Council of  
Center for Scientific and Technological  
Initiatives “Samgau” Foundation  
dated 27.03.2023,  
minutes No. 3/23

Approved  
by the decision of the Council of  
Center for Scientific and Technological  
Initiatives “Samgau” Foundation  
dated 27.03.2023,  
minutes No. 3/23

**RULES OF CENTER FOR SCIENTIFIC AND TECHNOLOGICAL  
INITIATIVES "SAMGAU" FOUNDATION FOR CONCLUSION AND  
MONITORING OF FUNDING AGREEMENTS FOR IMPLEMENTATION  
OF RESEARCH AND DEVELOPMENT PROJECTS OF THE GROUP OF  
"SAMRUK-KAZYNA" JSC**

**Astana 2023**

## **Section 1. General provisions**

1.1. These Rules regulate the fundamental principles and stages of conclusion, monitoring and termination of funding agreements for implementation of research and development projects (hereinafter referred to as “R&D”) of the group of “Samruk-Kazyna” JSC” (hereinafter referred to as the “Rules”), concluded by Center for Scientific and Technological Initiatives “Samgau” Foundation (hereinafter referred to as the “Center”).

1.2. These Rules are subject to approval by the Council of the Center.

1.3. These Rules are developed in accordance with the Corporate standard for R&D and innovation of “Samruk-Kazyna” JSC and legal entities, more than fifty percent of voting shares (participatory interests) owned directly or indirectly by “Samruk-Kazyna” JSC” (hereinafter referred to as the “Corporate Standard”) and Rules of the Center on selection and evaluation of scientific and technological initiatives of the group of “Samruk-Kazyna” JSC (hereinafter referred to as the “Rules for selection and evaluation”).

## **Section 2. Terms and definitions**

2.1. The following terms and definitions are used in these Rules:

**1) Agreement** – funding agreement for implementation of research and (or) development project within the Application, approved for funding by the Scientific and Technical Council of the Fund, developed by the Center and concluded between the Center, the Contractor and the Applicant;

**2) Applicant** – an organization belonging to the group of the Fund which is interested in the results of R&D project and is designated as an applicant of the Project in the Application;

**3) Application** – an application and related documents executed and approved for funding by Scientific and Technical Council based on the procedure of selection and evaluation in accordance with the Rules for selection and evaluation;

**4) Contractor** – an organization accredited as a subject of scientific and (or) scientific and technical activities and which has assumed Project related obligations under the Agreement;

**5) Fund** – “Sovereign Wealth Fund “Samruk-Kazyna” Joint-Stock Company;

**6) group of the Fund** – the Fund and companies included in the group of the Fund in accordance with the Law of the Republic of Kazakhstan “On the National Wealth Fund”;

**7) Project** – an R&D project, which was selected by the Center in accordance with the Rules for selection and evaluation, and approved for funding by the decision of the Scientific and Technical Council of the Fund;

**8) Reporting documentation** - a set of documents reflecting objective information about the content and results of the Project phase;

**9) Scientific and Technical Council** – a permanent collegial body of the Fund established to determine key priorities and directions of development within the

framework of R&D and innovation activities of the Fund, coordination and monitoring of issues of scientific, scientific-technical and innovative activities development of the Fund, whose competence includes making decisions on financing and (or) termination of financing of R&D, scientific-technical and (or) innovative projects of the group of the Fund.

### **Section 3. Preparation and conclusion of the Agreement**

3.1. The Center organizes the preparation, approval and conclusion of the Agreement for the Project approved by the Scientific and Technical Council for funding, based on the passing of the selection and review phases of the Project in the manner prescribed by the Corporate standard and the Rules for selection and evaluation. Before the conclusion of the Agreement, the Compliance Officer of the Center conducts a due diligence of the Contractor in the manner prescribed by the Center.

3.2. When preparing a draft of the Agreement, the following annexes are an essential part of the Agreement:

- 1) Calendar plan for the implementation of the Project, completed by the Contractor and approved by the Applicant in accordance with Annex 1 to these Rules;
- 2) The budget plan of the Project provided for in the Application in the form of Annex 2 to these Rules.

3.3. Within 10 (ten) business days from the date of Center's notification of the Contractor on approval of the Project for financing by the Scientific and Technical Council, the Contractor shall send to the Center the completed Calendar Plan for the implementation of the Project, approved by the Applicant.

3.4. The Center shall prepare a draft of the Agreement with all required annexes to it within 5 (five) business days from receipt of the Calendar plan for the implementation of the Project, sign it and send to the Contractor and the Applicant for signing.

3.5. The Agreement is drawn up within the budget and for the period specified in the Application approved by the Scientific and Technical Council.

3.6. The financing schedule is determined by the Agreement on the basis of the Budget Plan of the Project provided for in the Application by means of an advance payment for each Project phase. Payment of the first tranche (advance payment) is carried out within the terms stipulated by the Agreement, payment for the next Project phase is carried out on the basis of Reporting documentation for the previous Project phase approved by the Center in the manner provided for by these Rules.

3.7. The right to the result of work received following the results of the Project, including the rights to intellectual property, is determined by the Center upon agreement with the Applicant and the Contractor, directly in the Agreement taking into account the unique features of the Project.

3.8. The Agreement must be signed by the Applicant and the Contractor within 5 (five) business days from the date of its sending.

3.9. The Agreement can be signed both on paper and in electronic form with an electronic digital signature.

## **Section 4. Monitoring of the Agreement implementation**

4.1. The Center exercises operational control over the progress of Project implementation under the concluded Agreement to ensure compliance with the terms of the Agreement (hereinafter referred to as “monitoring”). The Center may exercise monitoring at its own discretion at any time and on any phases of Project implementation (interim monitoring) as well as following the results of the implementation of the entire Project as a whole (final monitoring).

4.2. Project monitoring is carried out regularly by the Center itself and, if necessary, with the involvement of third parties (experts) in order to effectively manage the Project (Project phase), identify risks and prevent crises, make adjustments to the Calendar plan for the implementation of the Project to achieve the expected result.

4.3. The purpose of monitoring is to track:

- 1) the targeted use of funds allocated by the Center;
- 2) the timeliness and completeness of the activities carried out by the Contractor to achieve the expected result in the implementation of the Project (Project phase) in accordance with the concluded Agreement.

4.4. Based on the monitoring results, if necessary, the Center shall initiate the adjustment of the terms of the Agreement or the termination of the Agreement if the continued implementation of the Project is impractical, including the inability to achieve the planned results of the Project.

4.5. Monitoring is carried out by the Center by reviewing the Reporting documentation, signed by the Contractor and the Applicant as well as based on off-site events at the Project implementation site (Project phase).

4.6. Reporting documentation must contain:

- 1) report on the fulfillment of the Calendar plan for the implementation of the Project, disclosing the actual implementation of the activities under the Project (Project phase);

- 2) report on the actual disbursement of funds for the reporting period in accordance with the Budget plan of the Project (Project phase), with the provision of the documents confirming the targeted use of funds according to sub-clause 2) of clause 4.8 of the Rules.

4.7. The preparation and submission of Reporting documentation to the Center shall be made within 5 (five) business days from the date of completion of the Project phase in accordance with the Calendar plan for the implementation of the Project as set forth in the Agreement.

4.8. Taking into account the provided Reporting documentation, signed by the Contractor and the Applicant, the Center shall carry out the monitoring through:

- 1) verification of the documents confirming implementation of the activities and the achievement of the results foreseen in the Calendar plan for the implementation of the Project;

- 2) verification of financial documents (contracts, payment orders/fiscal checks, acts of services rendered/work performed/acceptance of goods, invoices, bills of lading, internal orders, orders and decisions of the Contractor) for the acquisition of

inventory items and (or) fixed assets (if necessary, with the on-site visit of representatives of the Center) as part of the acquisition under the Project/Agreement.

4.9. The on-site inspection shall verify compliance with the terms of the Agreement and the results achieved in accordance with the Calendar plan for the implementation of the Project, check the documents submitted by the Contractor, and verify the targeted use of funds in accordance with the Budget plan of the Project (Project phase), in particular for the acquisition of fixed assets and the financing of other activities under the Project (Project phase).

4.10. The Contractor and (or) the Applicant shall provide full access for high quality on-site monitoring.

4.11. Based on the results of the on-site monitoring, the Center shall draw up an act on the results of the on-site monitoring.

4.12. When analyzing the targeted use of allocated funds for the Project, it is necessary to verify the presence of all financial evidence, their reliability (the presence of seals, signatures of authorized officials), the exact indication of the directions of expenditure of funds within the approved Budget plan of the Project (Project phase) to the Agreement.

4.13. The Center shall review the Reporting documentation received from the Contractor within 10 (ten) business days and in the case of discrepancies, comments on the Reporting documentation, the Center shall send a notice to the Contractor to resolve the identified discrepancies and comments at its own expense within the deadlines specified in the Center's notice and (or) taking the measures in relation to the Project in case of non-elimination of discrepancies and comments.

4.14. The Center has the right to engage the experts for proper evaluation and expert opinion of the Reporting documentation.

4.15. If the Contractor fails to fully disburse the funds under the Project (Project phase), the Center shall, in accordance with the terms of the Agreement, reduce the amount of the next funding under the Agreement by the amount not disbursed or send the Contractor a notification of return of funds paid but not disbursed under the Project (Project phase).

4.16. The date of acceptance of the result for the Project (Project phase) is the date of receipt of the Center's notice of approval of the Reporting documentation without comments.

4.17. Based on the approved Reporting documentation, the Center will provide funding for the next phase under the Agreement.

4.18. The Reporting documentation with the attachment of an expert report (if any) in accordance with clause 4.14 of these Rules may be reviewed by the Steering Committee of the Center.

4.19. Upon completion of the Project, the Contractor shall send to the Center for approval, together with the Reporting documentation, the final report on the scientific and (or) scientific-technical activities prepared in accordance with the intergovernmental standard GOST 7.32-2017 "Research Report".

4.20. The Center shall, within 10 (ten) business days, review the final report received on the scientific and (or) scientific and technical activities and approve it or

send appropriate comments for their elimination. For a qualitative evaluation of the final report on scientific and (or) scientific and technical activities, the Center may engage the experts.

4.21. The report of scientific and (or) scientific and technical activities approved by the Center shall be sent by the Contractor to the National Center for State Scientific and Technical Expertise for state registry. The Contractor shall inform the Center of the results of the report's state registry within 3 (three) business days of receipt of the results.

## **Section 5. Amending the terms of the Agreement**

5.1. In the event of an increase in the Project budget, a change in the Calendar plan for the implementation of the Project (suspension of the Project), except for the cases referred to in sub-clause 2) of clause 5.2 of these Rules, the question of amending the conditions of the Project shall be submitted to the Scientific and Technical Council for consideration in the prescribed manner.

5.2. The Agreement may be amended and (or) supplemented on the basis of a decision of the Management Board of the Center, without being submitted to the Scientific and Technical Council for consideration, if the following terms of the Project are changed:

1) adjustment of the Budget plan of the Project without increasing the total amount of the Agreement, subject to the limits provided in the Rules for selection and evaluation;

2) adjustment of the Calendar plan for the implementation of the Project, which does not affect the effectiveness of the Project (Project phase) – reduction or increase of the implementation period of the Project (Project phase) for the following periods (except for force majeure circumstances, when the change in the implementation period may differ):

up to 3 months for Projects with a Project implementation period of no more than 1 year;

up to 6 months for Projects with a Project implementation period of more than 1 year;

3) change in the financing schedule.

5.3. In case if the Contractor initiates changes and (or) amendments to the concluded Agreement in accordance with clause 5.1 and clause 5.2 of these Rules, the Contractor shall submit a justified request to the Center and attach the required documentation. The submitted documents must be agreed with the Applicant.

5.4. The Center has the right to request from the Contractor any additional information necessary for a decision on changes and (amendments) to the Agreement.

5.5. The Center shall consider the request of the Contractor on the necessity of changes and (or) additions to the Agreement within 10 (ten) business days from the date of receipt of the request with all necessary documents justifying the change of the Agreement.

5.6. The decision on amendments and (or) additions to the Agreement in the cases provided for in clause 5.1 of these Rules shall be taken by the Scientific and Technical Council on the basis of the documents referred to in clause 5.3 of these Rules.

Based on the documents received from the Contractor specified in clause 5.3 of these Rules, the Center prepares the conclusion confirming the necessity of making amendments and (or) additions to the Agreement, which is sent to the Scientific and Technical Council for its decision.

In case of a positive decision of the Scientific and Technical Council, an addendum to the Agreement prepared on the basis of the decision of the Scientific and Technical Council and signed by the Center shall be sent to the Contractor and signed by the Contractor and the Applicant.

In case of a negative decision of the Scientific and Technical Council, the Center shall notify the Contractor and the Applicant of the decision made.

5.7. The decision on amendments and (or) additions to the Agreement in the cases provided for in clause 5.2 of these Rules shall be taken by the Management Board of the Center on the basis of the documents referred to in clause 5.3 of these Rules.

In case of a positive decision of the Management Board, an addendum to the Agreement prepared on the basis of the decision of the Management Board and signed by the Center shall be sent to the Contractor and signed by the Contractor and the Applicant.

In case of a negative decision of the Management Board, the Center shall notify the Contractor and the Applicant of the decision made.

## **Section 6. Termination of the Agreement and funding**

6.1. The decision on termination of the Project (termination of the Agreement) both at the initiative of the Center and at the initiative of the Contractor shall be made by the Scientific and Technical Council in the prescribed manner.

6.2. Termination of funding under the Agreement and (or) termination of the Project at the initiative of the Center shall be based on the results of the monitoring of Project implementation in the following cases:

1) failure to submit Reporting documentation by the deadlines specified in the Rules, failure to resolve discrepancies, comments on Reporting documentation that affect the effectiveness of the Project (Project phase);

2) failure to meet the Calendar plan for the implementation of the Project in terms of failure to complete activities that have affected the effectiveness of the Project (Project phase);

3) spending funds allocated under the Agreement on non-intended purposes;

4) The Contractor fails to perform (violates) its obligations under the Agreement or fails to properly perform its obligations under the Agreement and fails to correct the violation within the time period specified by the Center in its notice to the Contractor, if it is correctable.

6.3. If, due to circumstances beyond the control of the Contractor, it is not possible to achieve the expected results of the Project, or if it is inadvisable to

continue the Project through no fault of the Contractor, the Contractor shall apply to the Center for termination of the Agreement on its own initiative with a reasoned justification and attachment of the necessary documentation confirming the impossibility and (or) inappropriateness of performing the Project, and confirmation of the costs incurred by the Contractor, subject to reimbursement.

6.4. The Center shall review the Contractor's request for termination of the Project and termination the Agreement within 10 (ten) business days from the date of receipt of the request with all necessary documentation justifying the termination of the Agreement.

6.5. The Center has the right to request from the Contractor any additional information necessary to make a decision on the termination of the Project (Agreement).

6.6. The Center may, in its sole discretion, transmit information and documents justifying termination of the Project, at the initiative of either Party of the Agreement to external experts for appropriate evaluation and obtaining an expert opinion.

6.7. In the event of initiation of termination of the Project for the reasons set forth in clause 6.2 of these Rules, the Center sends a corresponding notification to the Contractor about the suspension of the Project and to stop further spending of funds by the Contractor paid under the Project (Project phase) by the Center. The Center shall prepare a statement of actions for termination of the Project, including, but not limited to, repayment to the Center of funds received by the Contractor, application of penalties against the Contractor, compensation for damages incurred by the Center, transfer of the results of work performed under the Project.

6.8. The Scientific and Technical Council decides to terminate the Project and terminate the Agreement at the initiative of the Center, based on the statement of the Center specified in clause 6.7 of these Rules, external experts (if any) and (or) recommendations of the members of the Steering Committee of the Center.

6.9. Based on the decision of the Scientific and Technical Council on the termination of the Project at the initiative of the Center, the Center shall send to the Contractor a notice of termination of the Agreement at the initiative of the Center, specifying the activities to be carried out to close the Project.

6.10. If termination of the Project is initiated for the reasons set forth in clause 6.3 of these Rules, the Center shall prepare a statement of recommended actions to terminate the Project, including, but not limited to, mutual settlements under the Agreement (reimbursement for work performed before it became apparent that the results could not be achieved by the Contractor), handover of the results of work performed under the Project prior to closure of the Project (if applicable).

6.11. Based on the decision of the Scientific and Technical Council to terminate the Project at the initiative of the Contractor, the Center shall send to the Contractor a signed termination agreement, to be signed by the Contractor and the Applicant.



## **Section 7. Final provisions**

7.1. These Rules come into force on the date of approval by the Council of the Center and should be reviewed periodically to ensure compliance with the Acting law of the Astana International Financial Center, the Charter of the Center and other internal documents of the Center.

7.2. All issues not regulated in these Rules shall be governed by the Acting law of Astana International Financial Center, the Charter of the Center, the Corporate Standard and other internal documents and (or) decisions of the authorized bodies of the Fund and (or) the Center.

7.3. These Rules are drawn up in English and Russian, in case of discrepancies, the English version shall prevail.

Annex 1  
 to the Rules of the Center for Scientific and  
 Technological Initiatives “Samgau” Foundation  
 for conclusion and monitoring of funding  
 agreements for implementation of research and  
 development projects of the group of “Samruk-  
 Kazyna” JSC

**Form of the Calendar plan for the implementation of the Project**

\_\_\_\_\_ *(Project title)*

<b>Phase 1: (to be completed for each stage of the Project)</b>	
<b>Period from.....to.....</b>	
<b>Duration in month:</b>	<i>((specify seasonal risk, if any))</i>
Activities:	
Activities:	
Activities::	
<b>Result of the Phase:</b>	<i>(that can be verified - report, pilot plant, methodology, etc.)</i>

**Contractor** \_\_\_\_\_ **Full name**  
*(signature)*

**Center** \_\_\_\_\_ **Full name**  
*(signature)*

**Applicant** \_\_\_\_\_ **Full name**  
*(signature)*

Annex 2  
to the Rules of the Center for Scientific and  
Technological Initiatives “Samgau” Foundation  
for conclusion and monitoring of funding  
agreements for implementation of research and  
development projects of the group of “Samruk-  
Kazyna” JSC

**Form of the Budget plan of the Project \_\_\_\_\_ (Project title)**

<b>Phase 1: (to be completed for each stage of the project)</b>					
Result of the Phase:	<i>(that can be verified - report, pilot plant, methodology, etc.)</i>				
Duration (in months):	<i>after the start of implementation (specify seasonal risk, if any)</i>				
Expenditures	amount	price	sum	Brief justification (what is it for and why in the given scope/parameters)	Calculation explanation, data source
<b>1. Payroll fund (wages) in man-months</b>	<i>months</i>	<i>tenge</i>	<i>tenge</i>		
Expert 1					
Expert 2					
...					
<b>2. Travel expenses</b>					
<b>3. Equipment</b>	<i>units</i>	<i>tenge</i>	<i>tenge</i>		
Equipment 1					
Equipment 2					
...					
<b>4. Consumables</b>	<i>units</i>	<i>tenge</i>	<i>tenge</i>		
Consumable 1					
Consumable 2					
....					
<b>5. Third party services</b>					
Party 1					
Party 2					
...					
Patenting/IP management					
<b>6. Unforeseen expenses</b>					
<b>Total</b>					

**Contractor** \_\_\_\_\_ **Full name**  
*(signature)*

**Center** \_\_\_\_\_ **Full name**  
*(signature)*

**Applicant** \_\_\_\_\_ **Full name**  
*(signature)*