

**Memorandum of Understanding between
the Ministry of Railways of the Republic of India
and Kazakhstan TemirZholy
on Technical Cooperation in the field of Railways**

The Ministry of Railways of the Republic of India and Kazakhstan TemirZholy, a company incorporated under the laws of Kazakhstan as a joint stock company by the Kazakhstan Government (hereinafter referred to as the "Parties "):

- DESIRING to promote technical cooperation between the Parties for mutual benefit; and
- INTENDING to the benefit from enhanced cooperation between the two countries;

Have reached the following understanding:

ARTICLE-1: Purpose

The MoU is intended to define general ways of technical cooperation between the Parties in the railway sector and to establish the main principles for the said cooperation. This cooperation would be implemented through an active association of the Indian Railways (IR) and Kazakhstan TemirZholy (KTZ).

ARTICLE-2: Cooperation Programme

1. The main areas of cooperation under this MoU shall be the development of rail related programmes in which the Parties may have mutual interest, performance of consultation and other services such as training, technical assistance and visits of Parties' installations or equipment, etc. Following areas

have been identified for pursuing cooperation under this MoU:

- (i) Cooperation in areas of rolling stock and train operations;
- (ii) Modernization of signaling and communication systems in railways;
- (iii) Development of inter-modal transport, logistics parks and freight terminals;
- (iv) Exchanges of construction and maintenance technologies for fixed infrastructure - Track, Bridges, Overhead Electrification and Power Supply Systems; and
- (v) Other items as mutually agreed by the Parties within the scope of this MoU.

2. The Cooperation Programme under this MoU shall include a number of activities such as exchange of information on policies, laws and regulations; visits of senior officials, experts and trainees; and joint organization of symposiums, seminars and conferences on themes of common interest and specific cooperation projects.

3. The implementation of the cooperation programme will be carried out in accordance with this MoU. The following implementation mechanism shall be broadly followed:

- (i) Implementing arrangements setting forth the details and procedures of a specific Cooperation Project shall be made through a separate contract to be signed by the Parties. Each Party may assign the performance of such contract to an entity or subsidiary within its Group;
- (ii) The definition of a Cooperation Project item and its performance shall be determined by the Railway Cooperation Meeting. In giving its

consent to a Project, the Railway Cooperation Meeting shall make sure that sufficient funding is available to cover all costs related to such Project;

- (iii) In case where consultancy, assistance or advisory services are required by a party, the requesting Party shall bear all costs related to such services, which shall include labour costs, general and administrative overhead (including insurance), reimbursable expenses, local allowance, domestic and international costs, logistics and other local costs, and fees (based on labour costs and overhead). Applicable taxes, if any, shall be in addition;
- (iv) In case of training services performed in the premises of the Party providing such services and visit of a Party's installations or equipment, the Party requesting such services shall bear all costs related to such services which shall include labour costs, general and administrative overhead, domestic transport and profit (based on labour costs and overhead). The requesting Party shall arrange, with providing Party's assistance, and pay for its international transport, meal and accommodation expenses incurred for the performance of such services; and
- (v) For any other item/area not mentioned above, the costs/fees for the activities/services shall be borne by the Parties on mutually acceptable terms.

ARTICLE-3: Railway Cooperation Meeting

1. To execute the cooperation programme, the Parties agree to establish a

Railway Cooperation Meeting (consisting of 5 representatives or less from each side of appropriate level from each Party's railways related Ministry) which shall be entrusted in particular with the implementation of the above mentioned cooperation programme. The Railway Cooperation Meeting shall be held alternately in Kazakhstan and India every year. All domestic, international and stay expenditures for the representatives shall be borne by the respective Parties.

2. The identities of each Party's representatives will be notified in writing to the other Party.

3. The Parties' representatives may be assisted on a case by case basis by one or several senior managers of either Party if specific expertise is required on an agenda of a Railway Cooperation Meeting.

4. The Railway Cooperation Meeting:

(i) shall define, during the first Meeting, the items of cooperation to be developed between the Parties. A list of possible cooperation areas is provided in Article-2 for an indicative purpose only and any other areas of cooperation, falling within the scope of this MoU, can be added with the mutual written consent of the Parties;

(ii) shall assess, allocate and follow up different Cooperation Projects, as defined in Article-2, to be implemented under this MoU; and

(iii) shall act as reconciliation body in case of a dispute.

ARTICLE-4: Intellectual Property Rights

1. All documents which might be disclosed by a Party to the other, shall

remain the intellectual property of the Party providing such documents.

2. If a Party is interested in the other Party's software or application programmes, such interested Party may, on a case by case basis, enter into non-exclusive and non-transferable user's license under market conditions and a separate agreement in accordance with applicable domestic laws and international principles.
3. Each Party will ensure appropriate protection of Intellectual Property Rights (IPR) generated from cooperation pursuant to MoU, consistent with their respective laws, rules and regulations and international agreements to which both parties are committed.
4. The Parties shall not assign any rights and obligations arising out of the IPR generated to inventions/ activities carried out under the MoU to any third party without consent of the other Party.
5. In case of research results obtained through joint activities under this MoU, both the Parties will apply as co-applicants for the protection of intellectual property rights subject to exclusive rights of both the Parties to commercialize the technology in their respective countries. Commercialization in any other country shall be done jointly through a separate agreement.
6. Any publication, document and/ or paper arising out of joint work conducted by the Parties pursuant to this MoU will be jointly owned. The use of the name, logo and/ or official emblem of the Parties on any publication, document and/ or paper will require prior permission of both the Parties. It may however be ensured that the official emblem and logo is not misused.

ARTICLE-5: Confidentiality

All information and documents to be exchanged pursuant to the MoU will be kept confidential by the Parties and will be used only subject to such terms as each Party may specify. The Parties will not use the information for purposes other than that specified without the prior written consent of the other Party.

ARTICLE-6: Language

The Language used for the implementation of this MoU shall be the English language.

ARTICLE-7: Settlement of Disputes

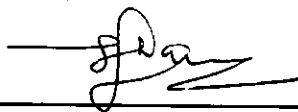
Any dispute between the Parties arising out of the interpretation and implementation or application of any of the provisions of the MoU shall be settled amicably in good faith by the Railway Cooperation Meeting. Any separate contract signed between the Parties and/or their entities and subsidiaries as referred to in Article 2.3 shall set out a separate dispute resolution paragraph.

ARTICLE-8: Term

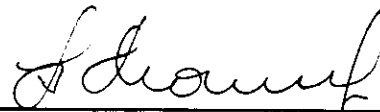
1. This MoU shall be effective on the date of its signature by the Parties. The contracts entered into by the Parties under MoU, may, however, exceed the term of this MoU.
2. This MoU will be valid for a period of three (3) years from the date of its signature by the Parties. Thereafter, it will be renewed for further periods by mutual written consent of the Parties.
3. This MoU may be amended by mutual written agreement of the Parties.

IN WITNESS WHEREOF, the undersigned being duly authorized thereto, by their respective Parties, have signed this MoU.

Signed in Astana on the 08th day of July, 2015, in two originals, each in the English, Hindi and Russian languages; all texts being equally authentic. In case of divergence in interpretation, the English text shall prevail.



Harsh Kumar Jain
For Ministry of Railways,
Government of the Republic of
India



Askar Mamin
President
Kazakhstan TemirZholy
Kazakhstan