

**ANNEX III  
TO THE MEMORANDUM OF AGREEMENT  
BETWEEN  
THE DEPARTMENT OF ENERGY OF THE UNITED STATES OF AMERICA  
AND  
THE INTERNATIONAL SCIENCE AND TECHNOLOGY CENTER  
IN THE RUSSIAN FEDERATION  
CONCERNING  
COOPERATION IN APPROVED PROJECTS TO FACILITATE  
THE NONPROLIFERATION OF WEAPONS AND WEAPONS EXPERTISE  
FOR “ADVANCED DIAGNOSTICS EQUIPMENT FOR SPHERICAL  
TOKAMAK GLOBUS-M” (ISTC PROJECT #1126)**

The Department of Energy of the United States of America (“DOE”) and the International Science and Technology Center in the Russian Federation (“ISTC”) (hereinafter referred to as the “Parties”),

Having signed the Memorandum of Agreement between the Department of Energy of the United States of America and the International Science and Technology Center in the Russian Federation for Cooperation in Approved Projects to Facilitate the Nonproliferation of Weapons and Weapons Expertise (hereinafter referred to as the “MOA”), signed and entered into force on June 16, 1995,

Considering that the Project entitled “Advanced Diagnostics Equipment for Spherical Tokamak Globus-M” (“ISTC Project #1126”) which will be executed by the A.F. Ioffe Physico-Technical Institute, St. Petersburg, Russia (hereinafter referred to as “the Institute”), as the lead Institute, was approved by the ISTC Governing Board, and

Recognizing that the United States Department of Energy as well as the UKAEA are ready to fund the Project in cooperation with those ISTC members supporting this task, namely, the United States Government and the European Union, and that the ISTC is to execute a project agreement (hereinafter referred to as the “Project Agreement”) with the Institute,

Have agreed as follows:

Article 1

1. The purpose of this Annex is to establish the procedures under which the Parties will cooperate to facilitate the implementation of ISTC Project # 1126.
2. This Annex is subject to the MOA.

Article 2

1. Cooperative activities undertaken by the Parties pursuant to this Annex are as specified in Section 6.5 of Annex I (Work Plan) to the Project Agreement.
2. To fund ISTC Project #1126, the DOE will contribute to the ISTC a sum of Fifty Thousand Dollars (\$US 50,000). This contribution shall be paid in US Dollars to an ISTC account at the Bankers Trust Company, New York, Account Number 04-838-214, by bank transfer within thirty (30) days after receipt by the DOE of an invoice from the ISTC.

3. The ISTC shall not use or otherwise dispose of DOE's funds for any purpose other than those authorized under the MOA, this Annex, and the Work Plan.
4. The ISTC shall effect grant payments to Individual Project participants, in-kind supplies of materials and services, payment of bank fees, advance payments to the Institute, and shall perform such other functions as set forth in Project Agreement.

#### Article 3

Each Party shall designate a Project Coordinator to implement their cooperation on the Project.

#### Article 4

In the event that the Project is terminated and the DOE funds have not been fully disbursed, the ISTC shall inform DOE of the amount of any funds remaining. Any such remaining funds shall be returned to DOE within thirty (30) days of notifying DOE of the amount of funds remaining.

#### Article 5

1. The ISTC shall, in respect of legal proceedings and claims, hold harmless and bring no legal proceedings against the DOE or its personnel for any actions undertaken pursuant to this Annex, and the ISTC shall ensure that the DOE is not held liable for any aspect of ISTC projects funded by contributions from the United States Government made by the DOE.
2. The ISTC shall ensure that DOE is not liable for any charges, including but not limited to taxes, fees, and permits, in connection with the Project.

#### Article 6

1. The ISTC shall maintain an accounting system which accurately records DOE contributions and the transfer of these funds for use in the Project, consistent with the terms of the ISTC Statute and Project Agreement #1126.
2. The ISTC, at its discretion or upon the request of DOE, shall conduct on-site auditing and monitoring in accordance with the ISTC Statute and the Project Agreement.
3. Representatives of the DOE and its experts may conduct one or more site visits to the Project, to provide any necessary technical consultations or to monitor progress of the Project. If requested, the ISTC shall facilitate the site visits.

#### Article 7

1. ISTC shall submit to the DOE financial reports in accordance with the Project Agreement with the same details and frequency as required to be provided to the other Funding Parties to the Project Agreement. The DOE reserves the right to request additional information concerning such disbursements. These requests shall be in writing, be reasonable in nature, and allow at least thirty (30) days for accomplishment. The ISTC shall respond to such requests in an expeditious manner.

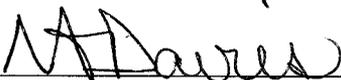
2. The DOE shall use the individual-specific information in the ISTC's reports only for the official purposes relating to DOE's discharge of its responsibilities to account for expenditure of appropriated funds, and for no other purpose.

Article 8

1. This Annex shall enter into force upon the date of the last signature, and shall remain in force for the estimated 24-month duration of the Project.
2. This Annex may be amended by written agreement of the Parties.
3. Either Party may withdraw from this Annex one (1) month after written notification to the other Party, except that the obligations contained in Articles 4, 5, 6, and 7 of the Annex shall remain in force unless the Parties otherwise agree in writing.

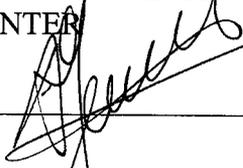
Done in Washington, DC and Moscow, in duplicate, in the English language.

FOR THE DEPARTMENT OF ENERGY  
OF THE UNITED STATES  
OF AMERICA

  
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DATE: 6/9/99

FOR THE INTERNATIONAL  
SCIENCE AND TECHNOLOGY  
CENTER

  
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DATE: 6/22/99  
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