AGREEMENT

BETWEEN

THE GOVERNMENT OF THE STATE OF ISRAEL

AND

THE GOVERNMENT OF THE REPUBLIC OF CYPRUS

ON

BILATERAL COOPERATION IN INDUSTRIAL RESEARCH AND DEVELOPMENT

The Government of the State of Israel (hereinafter referred to as "**Israel**") and the Government of the Republic of Cyprus (hereinafter referred to as "Cyprus"), hereinafter referred to as the "**Parties**";

DESIRING to develop and strengthen economic, industrial, technological and commercial cooperation between Israel and Cyprus;

RECOGNIZING that the challenges of stimulating innovation and economic growth are of mutual concern to both Parties;

CONSIDERING the mutual interest in making progress in the fields of industrial research and development (hereinafter referred to as "**R&D**") and the resulting advantages for both Parties;

DESIRING to enhance their industrial competitiveness through cooperation in Industrial R&D and to develop and strengthen economic and commercial cooperation between them;

RESOLVING to undertake a sustained effort to promote, facilitate and support joint Industrial R&D projects, between businesses, corporations or entities (hereinafter referred to as the "**Entities**") from the two countries;

Have reached the following Agreement:

Article I - Scope

1. The Parties determine that the objectives of this Agreement are to:

(a) Promote the activities of their respective public and private sectors to intensify bilateral Industrial R&D cooperation;

(b) Facilitate the identification of specific projects, partnerships or collaborations between Entities from the Republic of Cyprus and from the State of Israel that could lead to Industrial R&D cooperation;

(c) Coordinate and focus suitable government resources and programs to support industrial cooperation and commercial exploitation of Industrial R&D projects results;

(d) Give expression to the initiative by establishing a framework for financial support under which the Parties shall support jointly approved Industrial R&D cooperation projects between Entities from the two countries leading to commercialization in the global market.

2. The implementation of this Agreement and any activity hereunder shall be in accordance with the respective applicable laws, regulations, rules, procedures and mechanisms of each Party.

Article II - Definition

For the purpose of this Agreement, Industrial R&D means, inter alia, research, development and demonstration activities intended to develop new knowledge, products, and processes to be commercialized in the global market.

Article III - Cooperating Authorities

1. The Planning Bureau of Cyprus and the Ministry of Industry, Trade and Labor of the State of Israel (hereinafter referred to as "**MOITAL**") shall be in charge of the implementation of this Agreement and shall designate Cooperating Authorities for the purpose of implementing this Agreement.

2. The Research Promotion Foundation on behalf of Cyprus (hereinafter referred to as "**RPF**") and the Office of the Chief Scientist of MOITAL (hereinafter referred to as the "**OCS**"), on behalf of Israel shall be the Cooperating Authorities for implementing this Agreement. They shall be responsible for their respective costs in promoting and administering the objectives of this Agreement such as traveling expenses, organization of seminars and publications.

3. The Cooperating Authorities may set up a Joint Committee consisting of an equal number of representatives from each Party in order to advice the Cooperating Authorities as to activities that will promote cooperation within the framework of this Agreement and to identify potential industrial or technological fields of cooperation.

Article IV – Industrial R&D Projects

1. The Parties within their competence and according to their applicable internal laws, regulations, rules, procedures and mechanisms shall facilitate, support and encourage cooperation projects in the field of Industrial R&D undertaken by Entities from The Republic of Cyprus and from the State of Israel, for joint development of products or processes based on new innovative technologies to be commercialized in the global market (hereinafter referred to as the "**Projects**").

2. Each partner to the Projects will be subject to the provisions of the applicable internal laws, regulations, rules, procedures and mechanisms of its respective State with respect to assistance and funding of Industrial R&D provided by its own government, including the level of support and the terms and conditions under which that support may be provided, and if applicable, the obligation to pay royalties.

Article V - Fair and Equitable Treatment

Subject to their applicable internal laws, regulations, rules, procedures and mechanisms, each Party shall accord fair and equitable treatment to the individuals,

government agencies and other Entities of the other Party engaged in the pursuit of activities under this Agreement.

Article VI - Disclosure of information

1. Each Party commits itself, subject to its applicable internal laws, regulations, rules, procedures and mechanisms, not to transmit, without written approval of the other Party, information concerning the results obtained from the cooperative programs for Industrial R&D covered under this Agreement to a third person, organization, or to any other country or state.

2. Each Party shall notify the other immediately upon any requirement arising under which it might be compelled by law to disclose information or documents relating to this Agreement which would otherwise be subject to confidentiality.

3. The Party required to disclose shall in any event use its best endeavors to ensure that the person obtaining disclosure of the information in these circumstances protects the confidentiality at all times and observes the terms of this Agreement.

Article VII - Intellectual Property Rights (IPR)

1. The partners to Projects supported under this Agreement shall be required to submit to the Parties evidence of contractual arrangements between them relating to the performance of the Projects; commercialization of the Projects' results; royalties and intellectual property rights in particular:

   (a) The ownership and use of know-how and intellectual property owned by the partners to the Projects prior to the Projects;

   (b) Arrangements for the ownership and use of know-how and intellectual property to be created in the course of the Projects.

2. Notwithstanding the provisions of paragraph 1 above, it shall be the responsibility of the partners to Projects supported under this Agreement to safeguard their own interests.

3. Scientific and technological information of a non-proprietary nature arising from the cooperative activities under this Agreement may be made available to the public through customary channels.

Article VIII - Final Provisions

1. Each Party shall notify the other Party, in writing, through diplomatic channels, of the completion of internal legal procedures required for bringing this Agreement into force. This Agreement shall enter into force on the date of the later notification.

2. This Agreement shall remain in force until either Party terminates it. Either Party may terminate this Agreement by written notification to the other Party, through diplomatic channels. The Agreement shall cease to be in force six months after the date of such notification.

3. This Agreement may be amended, in writing, by mutual agreement of the Parties. Any such amendment shall enter into force in accordance with the procedure set forth in paragraph (1) of this Article.

4. The amendment or termination of this Agreement shall not affect the validity of arrangements and contracts already concluded.

5. This Agreement shall not affect the present and future rights or obligations of the Parties arising from other international agreements and treaties.

In witness whereof, the undersigned being duly authorized, have signed this Agreement.

Done in duplicate at Nicosia on the 3 day of November 2011, corresponding to the 6 day of Cheshvan of 5772, in the Hebrew calendar, each in the Hebrew, the Greek, and the English languages, all texts being equally authentic. In case of divergence of interpretation, the English text shall prevail.

For the Government
of the State of Israel

For the Government
of the Republic of Cyprus