SINGAPORE-ISRAEL INDUSTRIAL R&D AND TECHNOLOGICAL INNOVATION FUND (SIIRD)

Operating Guidelines

Version effective as of: <u>16 December 2024</u>

1. PURPOSE

These Operating Guidelines provide the framework for the Singapore-Israel Industrial R&D and Technological Innovation Fund ("SIIRD") between Enterprise Singapore ("EnterpriseSG") and the National Technological Innovation Authority, the State of Israel ("IIA") to promote, facilitate and support research, development, or technological innovation cooperation between entities from Singapore and Israel ("Co-Innovation") that will lead to successful commercialisation and benefits for both countries.

2. OBJECTIVES AND EXPECTED OUTCOMES

Based on the Agreement on Cooperation in Technological Innovation, Research and Development signed between EnterpriseSG and the IIA (together the "Implementing Entities" or "IE") on 6 April 2023 ("R&D Agreement"), the objectives of SIIRD include the following:

a) Promote, directly or indirectly, activities to intensify or foster mutual cooperation in Co-Innovation, including partnerships leading to Co-Innovation;

b) Facilitate the identification of specific projects, partnerships, or collaborations between entities from both the State of Israel and the Republic of Singapore ("States") that could lead to cooperation in Co-Innovation, including partnerships leading to Co-Innovation; and

c) Coordinate and focus suitable resources and programs to support, directly and indirectly, Co-Innovation, including partnerships leading to Co-Innovation, in both States, according to each agency's mandate and availability of funds.

3. R&D AGREEMENT AND NATIONAL RULES

3.1 The implementation of these Guidelines and any activity hereunder shall be in accordance with the R&D Agreement and the respective applicable laws, regulations, rules, procedures, programs, mechanisms, or benefit plans applicable in Singapore or in the State of Israel including those of or set by EnterpriseSG or the IIA.

3.2 In case of divergence between these Guidelines and the R&D Agreement, the latter shall prevail.

3.3 Any call for proposal, or other form of procedure to allocate benefits under these Guidelines, shall be made in accordance with:

3.3.1 The IIA's Procedure for Implementing International Agreements in the Field of Research, Development or Technological Innovation, or another IIA procedure or benefit track indicated in the relevant public publication made by the IIA ("IIA Rules"), with the required adjustments, including that the SIIRD Governing Board (as defined

below) will have all rights and authorities of the research committee regarding the approval or rejection of grant applications.

It is clarified that the IIA Rules will apply to applications from Israeli entities regarding, among others:

3.3.1.1 Framework for public referrals

3.3.1.2 Application submission, eligibility and evaluation criteria, project evaluation and project activation.

3.3.1.3 Administration of the accounting system, work-hour report, periodic performance reports, recognized expenses, audits and final report.

3.3.1.4 Requests for amendment.

3.3.1.5 Advance payments.

3.3.1.6 Royalties payments and reporting.

3.3.1.7 Ownership of know-how.

3.3.1.8 Place of manufacturing.

3.3.1.9 Changes of shareholders or control.

3.3.1.10 Termination and cancellation of a project.

3.3.1.11 Supervisory and enforcement rights of the IIA.

3.3.2 The Policy Guidelines for the Enterprise Development Grant (Co-innovation Programme) ("EDG(CIP)") grant scheme by EnterpriseSG will apply to applications from Singapore entities, including that the Singapore applicant should meet the following criteria:

3.3.2.1 Be a business entity that is registered/incorporated and operating in Singapore;

3.3.2.2 Have at least 30% of its ordinary shares held directly or indirectly by Singapore Citizens or Singapore Permanent Residents, whereby this will be determined by the ultimate individual ownership of the applicant;

3.3.2.3 Be in a financially viable position to start and complete the project.

3.4 In case of divergence between these Guidelines, including the rules set under Section 7 (Implementation) and the Table of Grant Categories attached as Annex B to these Operating Guidelines, and the IIA Rules or the EnterpriseSG EDG(CIP) Policy Guidelines, the former shall prevail.

4. ACTIVITIES

To achieve the objectives and expected outcomes, EnterpriseSG and the IIA will invest in the following activities:

4.1 **Projects**

Support, directly or indirectly, cooperation projects undertaken by entities from both the States for Co-Innovation of innovative products or processes based on new innovative technologies to be commercialised in the global market ("Projects"), as described in <u>Section 7.1</u>. Such support may be conditioned upon compliance with one of the categories detailed under the Table of Grant Categories attached as <u>Annex B</u> to these Operating Guidelines.

4.2 **Partnership Development Activities**

Partnership Development Activities (PDAs) are networking, educational and matchmaking activities aimed to facilitate the identification of potential partnership opportunities and/or specific collaborations between Singapore and Israeli entities, that can lead to Projects.

The process for implementing PDAs is described in <u>Section 7.2</u>.

4.3 **Promotion of SIIRD**

Activities to identify opportunities and tools to promote SIIRD and to reinforce the benefits of bilateral Co-Innovation.

The process for implementing the promotion of SIIRD is described in <u>Section 7.3</u>.

5. FUNDING

The funds allocated by the IE in accordance with Article II of the R&D Agreement will be used to support the activities identified in <u>Section 3</u> of these Operating Guidelines, including administrative expenses of SIIRD, such as PDAs, up to an annual amount as determined by the Governing Board ("Operational Budget"). The allocated amount from IIA will be made in New Israeli Shekels and the allocated amount from EnterpriseSG will be in Singapore Dollars. Unused monies from one year will not be rolled over to the next year.

The allocated funds will be managed separately by IIA for the Israeli side of the cooperation, including the funding of Israeli entities, and by EnterpriseSG for the Singapore side of the cooperation, including the funding of Singapore entities, under the guidance of SIIRD Governing Board and these Operating Guidelines No internal transfer of funds will take place across the border/country, at any point in time.

6. SIIRD GOVERNANCE

6.1 Governing Board and Co-Managers

The governance of SIIRD, and the roles and responsibilities of its board of directors ("Governing Board"), and the Co-Managers shall be as described hereunder and under the Terms of Reference attached as Annex A to these Operating Guidelines.

6.2 EnterpriseSG Role and Responsibilities

As one of the IE, EnterpriseSG is responsible for the administration of the calls for proposals (CFP) from the Singapore side and funding of the Singapore entities who are parties to Projects. This includes vetting project proposals and monitoring funding to such Singapore entities. EnterpriseSG is responsible for engaging IIA to define and coordinate application processes, the evaluation of projects, and project eligibility based on the direction provided by the Governing Board.

EnterpriseSG will be responsible for leading any in-market PDAs to Israel, by selecting a delegation of Singapore companies to travel to Israel for a PDA in a targeted sector as directed by the Governing Board. EnterpriseSG may, in its sole discretion, fund eligible Singapore entities participating in PDAs to Israel. EnterpriseSG will also work with IIA to identify and recruit potential Singapore partners for Israeli entities participating in PDAs conducted in Singapore.

6.3 IIA Role and Responsibilities

As one of the IE, IIA is responsible for the administration of the CFP from the Israeli side and funding of the Israeli entities who are parties to Projects. This includes vetting project proposals and monitoring funding to such Israeli entities. IIA is responsible for engaging EnterpriseSG to define and coordinate application processes, the evaluation of projects, and project eligibility based on the direction provided by the Governing Board.

IIA will be responsible for leading any in-market PDAs to Singapore, by selecting a delegation of Israeli companies to travel to Singapore for a PDA in a targeted sector as directed by the Governing Board. IIA may, in its sole discretion, fund eligible Israeli entities participating in PDAs to Singapore. IIA will also work with EnterpriseSG to identify and recruit potential Israeli partners for Singapore entities participating in PDAs conducted in Israel.

7. IMPLEMENTATION

As detailed under Section 3, the implementation of these Guidelines and any activity hereunder, shall be in accordance with the IIA Rules for Israeli applicants and EnterpriseSG's EDG(CIP) Policy Guidelines for Singapore applicants, including but not limited to CFP and PDAs.

7.1 Co-Innovation Projects

EnterpriseSG and IIA will launch three joint CFP per year, or any other number of CFP as agreed by the Governing Board. Each CFP will detail the categories from the Table of Grant Categories (attached as Annex B to these Operating Guidelines) which are open for applications. Projects targeted for funding may include technology validation, co-development or adaptation of a product, service, or process that is close to commercialisation.

To cater to Projects of different TRLs, SIIRD will offer different grant categories, each with their own respective set of support parameters and terms. Applicants should apply for the corresponding grant category that best fits their project's scope, needs, and intended outcomes. For further information on the grant categories offered by SIIRD, please refer to the Table of Grant Categories attached as Annex B to these Operating Guidelines.

7.1.1 CFP Implementation Process

Each of the IE will simultaneously announce the CFP on their respective websites.

Israeli and Singapore entities that intend to perform a joint Project in response to a CFP will submit their applications as follows: the Singapore Project partner will submit an application to EnterpriseSG, while the Israeli Project partner will submit an application to IIA. Both the Singapore and Israeli Project partners are required to submit their applications to EnterpriseSG and IIA respectively, in order for the application to be considered as submitted. EnterpriseSG and IIA will each provide more details on the submission procedures and requirements on their respective websites as well.

After the CFP closes, each of the IE will separately evaluate the applications received, using its respective funding criteria and evaluation metrics. Thereafter, the Co-Managers will exchange summaries of the evaluations made by their organisations and will strive to prepare joint recommendations to the Governing Board on behalf of the IE, for all of the Projects, taking into consideration the allocated budget. The IE recommendations and all the applications will be presented to the Governing Board for final evaluation and funding decision.

7.1.2 Eligibility and Evaluation Criteria

In addition to the terms and conditions set in the IIA Rules and EnterpriseSG's EDG(CIP) Policy Guidelines, the Governing Board shall take into consideration the following eligibility and evaluation criteria when considering funding a Project submitted to SIIRD:

(i) **Eligibility Criteria**:

    (a) The application is for the funding of a Co-Innovation Project undertaken by entities from both States for joint research or development.

    (b) The Project is in one of the categories detailed under the Table of Grant Categories attached as Annex B to these Operating Guidelines.

(c) The Project is for the Co-Innovation of innovative products or processes based on new innovative technologies to be commercialised in the global market.

(d) The application must be jointly submitted by a Singapore-registered business entity to EnterpriseSG and by an Israel-registered industrial corporation to the IIA.

(e) Either applicant must not have more than 20% holdings in the partner applicant, whether directly or indirectly.

(f) The Project must be undertaken in Singapore and Israel, with at least 30% of the actual Co-Innovation work done in Singapore, and at least 30% of the actual Co-Innovation work done in Israel.

(g) Either applicant does not have restricted accounts and is not undergoing processes of asset consolidation, liquidation, or similar procedures.

(h) The application shall include an LOI (Letter of Intent) or a preliminary agreement which addresses the ownership and use of know-how and the rights deriving therefrom, including intellectual property rights developed as the result of the Project, commercialisation strategy, and the division of labour between the applicants. Approved Projects will be conditioned upon a signed agreement between the applicants that sets said issues in compliance with these Operating Guidelines, the IIA Rules and EnterpriseSG's EDG(CIP) Policy Guidelines.

(ii) **Evaluation Criteria**:

(a) The level of innovation in the Project.

(b) The level of challenges associated with the execution of the Project, commercialisation of its results, including the timeframe necessary for the completion of the Co-Innovation, and regulatory complexity.

(c) The abilities of the applicants, including with respect to the level of personnel, resources, infrastructure, financial viability, and match-funding which are required to complete the Project and to reach commercialisation thereafter.

(d) The level of synergy between the applicants in the Project.

(e) The level of contribution of the Project to the economies of both States.

7.1.3 **Governing Board Decision**

A Decision of the Governing Board to approve a Project shall also detail, for each applicant, the amount of total approved budget, the percentage of grant out of the total approved budget, the time period to perform the Project, requirement to pay royalties (if applicable) and any other milestone or special condition to the Project set by the Governing Board.

Each of the IE shall notify the applicants from its country on the decision of the Governing Board and, if the decision was to approve the Project, enter into funding arrangements with the respective applicant entities.

Thereafter, the relationship with each applicant will be managed by the respective IE, in accordance with funding arrangement made with it and the IIA Rules or EnterpriseSG's EDG(CIP) Policy Guidelines, as applicable, including with respect to the following matters: advance payments, periodic and final reports, requests for amendments, Royalties payments and reporting, Ownership of know-how, Place of manufacturing, Changes of shareholders or control, termination and cancellation of the Project, supervisory and enforcement.

The Co-Managers will periodically report to the Governing Board on the progress and material events occurred with respect to approved Projects.

7.1.4 Intellectual Property Rights

The ownership of intellectual properties generated as outcomes of the Projects, their protection, maintenance, and subsequent exploitations will be jointly determined by the Singapore and Israeli applicants collaborating in a Project subject to the IIA Rules and EnterpriseSG's EDG(CIP) Policy Guidelines.

7.2 Partnership Development Activities

EnterpriseSG and IIA will collaborate closely on sector-focused PDAs, which should alternate between Singapore and Israel, with the IIA or EnterpriseSG taking the implementation lead respectively. The IE not leading will support the lead agency in planning and implementing the PDA. While each IE may, in its sole discretion, fund eligible entities participating in PDAs, the lead agency will be responsible for any local operating expenses involved in the execution of the PDA.

The SIIRD Governing Board will provide guidance on the number of PDAs to be held annually, the annual budget out of the Operational Budget to be allocated to PDAs, and the selected sector(s) of focus. Decisions on the sectors of focus and funding for PDAs undertaken in one year should be made in the previous year.

Both EnterpriseSG and IIA will promote the PDAs through their various networks. PDA participants are selected by the lead agency. The lead agency will work with the other agency and its network to identify appropriate entities to meet with the incoming PDA participants. Where applicable, EnterpriseSG and IIA will separately execute funding arrangements with the respective entities selected to participate in the PDAs. EnterpriseSG and IIA will share the results achieved from the PDAs and report them to SIIRD Governing Board.

7.3 **Promotion of SIIRD**

With guidance from the Governing Board, the Co-Managers will define opportunities and tools to promote SIIRD and activities of the respective entities from both countries to reinforce the benefits of bilateral Co-Innovation, including partnerships leading to Co-Innovation. This could include engagement with different levels of government officials or agencies in both countries to coordinate and focus suitable government resources and programs to support closer Co-Innovation.

ANNEX A

Singapore-Israel Industrial R&D and Technological Innovation Fund (SIIRD)
Terms of Reference

1. **Title**

The name of the board is the **SIIRD Governing Board**.

2. **Definitions**

Any term not explicitly defined otherwise herein shall have the same meaning as in the SIIRD Operating Guidelines.

3. **Purpose**

The SIIRD Governing Board is the oversight mechanism for SIIRD, and will have the authority and responsibilities as provided hereunder. It sets the strategic direction for the fund based on priorities and opportunities identified by the IIA and EnterpriseSG.

4. **Governing Board Structure**
    4.1. **Co-Chairs:**

    (1) Chairman of the IIA;

    (2) CEO of EnterpriseSG.

    4.2. **Additional Members of the Governing Board:**

    For Singapore:

    (1) Executive Vice President, New Ventures (EDB);

    (2) Chief Defence Scientist (MINDEF);

    (3) Assistant Chief Executive, Innovation & Enterprise (A*STAR).

    For Israel:

    (1) CEO of the IIA;

    (2) Vice-President, International Collaboration Division of the IIA;

    (3) Appointed by the CEO of the IIA. Provided, however, that if such appointment is of a representative from the public, the appointment will be made in accordance with Section 9(a3) of the Israeli Encouragement of

Research, Development and Technological Innovation in the Industry Law, 5144-1984.

Membership of the Governing Board will be updated by each of the IEs as needed, with approval from the Co-Chairs.

4.3. **Observers**

Additional individuals may be invited by the IIA or EnterpriseSG to attend, as observers, a Governing Board meeting or a portion thereof depending on the meeting agenda.

5. Responsibilities

5.1. The **SIIRD Governing Board** is the governing body with direct responsibility for the oversight of SIIRD. The Governing Board:

5.1.1. Provides strategic direction and oversight of key initiatives and programmes that aim to facilitate Co-Innovation, including partnerships leading to Co-Innovation, collaborations between Singapore and Israel;

5.1.2. Facilitates linkages between the IIA and EnterpriseSG;

5.1.3. Ensures alignment and cohesion with priorities of the R&D Agreement;

5.1.4. Reviews recommendations from the IE regarding strategic and/or financial issues and concerns, and decides in accordance with its own discretion;

5.1.5. Decides whether to approve or reject applications for the funding of Projects, including assessment of eligibility and evaluation criteria and quality of applications for funding, Project budget and amount of funding, terms and conditions or milestones in an approved Project at the time of its approval;

5.1.6. Provides guidance to the Co-Managers in terms of strategic direction, facilitation of innovation, business collaboration, implementation, project evaluation and allocation of funds to support SIIRD;

5.1.7. Reviews and approves annual performance reports prepared by the Co-Managers; and

5.1.8. Provides a forum to discuss and resolve strategic and financial issues, policies, procedures, priorities, and processes.

5.2. Each of EnterpriseSG and IIA is an **Implementing Entity (IE)** and in addition to the description in the SIIRD Operating Guidelines, their role is to provide support to the Governing Board, via the Co-Managers, with respect to annual funding, assessment of priority areas for collaboration, project approvals, PDAs, and any identified delivery issues.

5.3. The **Co-Chairs** are members of the Governing Board. For Governing Board meetings, the Co-Chairs are to:

5.3.1. Review and approve the draft agenda before distribution;

5.3.2. Facilitate the meeting according to the agenda and time available; and

5.3.3. Ensure all discussion items end with a recommendation, action, or definite outcome.

5.4. The **Co-Managers** are the staff who will be in charge of the daily management of SIIRD on behalf of the IE. Each of the IE will appoint at least one Co-Manager. The Co-Managers will work in coordination to:

5.4.1. Manage the daily operations of SIIRD, including the CFPs and PDAs, application processes and evaluation procedure, document preparation, recommendation, Project monitoring and all other related operational activities;

5.4.2. Coordinate, convene, and prepare meetings of the Governing Board, communicate the draft agenda to members, prepare and bring to the approval of the Co-Chairs protocols of the Governing Board meetings, distribute the approved protocols to the members of the Governing Board;

5.4.3. Ensure actions approved by the Governing Board are implemented;

5.4.4. Recommend to the Governing Board any corrective measures necessary for the delivery of SIIRD; and

5.4.5. Prepare annual performance reports to the Governing Board.

6. Quorum

A quorum of Governing Board members must be present in person or by teleconference for a meeting to proceed. A quorum constitutes the Co-Chairs or their designates and two other Governing Board members, provided that there is at least one member from each State.

7. Decision-making

When the Governing Board approves and/or chooses to make a recommendation, a majority ($\geq$ 51%) of the members present must support the approval and/or recommendation, provided that such majority includes at least one member from each State; however, preferably the approval or recommendation should seek a consensus.

8. Frequency of Meetings

The Governing Board will meet on a biannual basis either in person or virtually. At times, and if needed, information may be circulated by email and decisions may be made through email exchanges or teleconferences.

9. Communications

All communication and documents to the Governing Board will be sent via email from the Co-Managers. Printed copies of documents will not be provided at Governing Board meetings if the documents have already been sent electronically in advance.

10. Language

These Terms of Reference and all other documentation will be available in English. All meetings and presentations of the Governing Board will also be conducted in English.

11. Amendments

These Terms of Reference will be reviewed annually from the date of approval. They may be altered by the Governing Board with respect to subject matter which they address at any time.

12. Interpretation

In case of divergence between these Terms of Reference and the SIIRD Operating Guidelines, the latter shall prevail.

ANNEX B

Singapore-Israel Industrial R&D and Technological Innovation Fund (SIIRD)

Table of Grant Categories

Grant Category	Feasibility Study	R&D Project	Pilot Project	Strategic Sector Programme
Project Objectives	To determine the technical feasibility and market acceptability of a new product or process concept	To create or enhance product or technology that can be commercialised	To test-bed existing near-market technologies in beta sites	To create disruptive technologies by tapping on academia and research performers, and to fast-track their commercialisation
Supported Sector(s)	All	All	All	To be determined annually with guidance from the SIIRD Governing Board
Recommended Project TRL	3 – 4	5 – 6	7 – 8	3/4 – 7/8
Maximum Project Term	6 months	24 months	12 months	36 months
Total Co-funding Level	50% of the total project cost or up to US$50,000, whichever is lower	Up to 50% of the total project cost or up to US$1.5M, whichever is lower	Up to 50% of the total project cost or up to US$1M, whichever is lower	Up to 66% of the total project cost or up to US$3M, whichever is lower

Grant Category	Feasibility Study	R&D Project	Pilot Project	Strategic Sector Programme
Consortium Requirements	1 Israeli Industrial Corporation + 1 Singapore Business Entity	1 Israeli Industrial Corporation + 1 Singapore Business Entity	1 Israeli Industrial Corporation + 1 Singapore Business Entity	1 Israeli Industrial Corporation + 1 Singapore Business Entity + Mandatory Subcontractor(s): 1 Israeli researcher and/or 1 Singapore researcher Optional: additional Industrial Corporations (Israel) / Business Entities (Singapore) / researchers. All up to 3 entities from each side and a total of 6 entities for the whole consortium
Involvement of Academia	Academia as subcontractors up to 20% of the total budget (optional)			Academia as subcontractors up to 30% of total budget (mandatory)
Royalties	N/A	For Israeli applicants: in compliance with IIA Rules For Singapore applicants: N/A		
Other Conditions and Eligibility Criteria	For Israeli applicants: in compliance with IIA Rules For Singapore applicants: in compliance with EnterpriseSG's EDG(CIP) Policy Guidelines			