

No. 53314*

Canada
and
Russian Federation

Agreement between the Government of Canada and the Government of the Russian Federation concerning cooperation on the destruction of chemical weapons, the dismantlement of decommissioned nuclear submarines, and the physical protection, control and accountancy of nuclear and radioactive material (with annex). Sea Island, 9 June 2004

Entry into force: provisionally on 9 June 2004 and definitively on 17 August 2005 by notification, in accordance with article XXI

Authentic texts: English, French and Russian

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Canada
et
Fédération de Russie

Accord de coopération entre le Gouvernement du Canada et le Gouvernement de la Fédération de Russie relatif à la destruction d'armes chimiques, le démantèlement de sous-marins nucléaires mis hors service et la protection physique, le contrôle et le dénombrement des matières nucléaires et radioactives (avec annexe). Sea Island, 9 juin 2004

Entrée en vigueur : provisoirement le 9 juin 2004 et définitivement le 17 août 2005 par notification, conformément à l'article XXI

Textes authentiques : anglais, français et russe

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[ENGLISH TEXT – TEXTE ANGLAIS]

**AGREEMENT
BETWEEN
THE GOVERNMENT OF CANADA
AND
THE GOVERNMENT OF THE RUSSIAN FEDERATION
CONCERNING COOPERATION ON THE DESTRUCTION OF CHEMICAL
WEAPONS, THE DISMANTLEMENT OF DECOMMISSIONED NUCLEAR
SUBMARINES, AND THE PHYSICAL PROTECTION, CONTROL AND
ACCOUNTANCY OF NUCLEAR AND RADIOACTIVE MATERIAL**

THE GOVERNMENT OF CANADA (hereinafter referred to as the “Canadian Party”) and the **GOVERNMENT OF THE RUSSIAN FEDERATION** (hereinafter referred to as the “Russian Party”)] [hereinafter referred to together as “the Parties”),

RECOGNIZING the Treaty of Concord and Cooperation between Canada and the Russian Federation, signed in Ottawa on June 19, 1992;

WISHING to cooperate in the implementation of the Global Partnership Against the Spread of Weapons and Materials of Mass Destruction (hereinafter referred to as the “Global Partnership”) launched in Kananaskis, Canada, on June 27, 2002;

COMMITTED to addressing priority concerns identified by G8 leaders at Kananaskis and committed to provide the majority of Assistance under this Agreement to the destruction of chemical weapons and the dismantlement of decommissioned Russian nuclear submarines;

DESIRING to cooperate in the promotion of international peace and security;

HAVE AGREED as follows:

ARTICLE I

Definitions

For the purpose of this Agreement, the following terms shall have the following meaning:

“Assistance”:	Any form of gratuitous aid or contribution provided under this Agreement or as otherwise agreed to between the Canadian Party and the Russian Party.
“Contributor”:	The Canadian Party or any entity authorized by it to provide Assistance under this Agreement.
“Recipient”:	The Russian Party or any Russian entity authorized by it to serve as beneficiary of Assistance or as a partner for the realization of a Cooperation Project under this Agreement.

"Implementing Arrangement":	An arrangement in written form between one or more Contributors and one or more Recipients pursuant to which a Cooperation Project is undertaken.
"Cooperation Project":	A project undertaken pursuant to this Agreement and pursuant to an Implementing Arrangement and for which Assistance is provided.

ARTICLE II

Scope

This Agreement establishes the terms and conditions governing cooperation between the Parties in fulfilment of their commitments under the *Global Partnership*, in particular the destruction of chemical weapons, the dismantlement of decommissioned Russian nuclear submarines, and the strengthening of systems of physical protection, control and accountancy of nuclear and radioactive material.

ARTICLE III

Modes of Cooperation

Cooperation under this Agreement may be effected through Implementing Arrangements or any other mechanism agreed to between the Parties.

ARTICLE IV

Funding

Funding of any Cooperation Project carried out under this Agreement, including projects covered by Implementing Arrangements, shall be provided by the Canadian Party subject to the availability of funds.

ARTICLE V

Schedules, Milestones and Completion Criteria

1. The Parties shall ensure that, prior to the advancement or payment of any funds under a Cooperation Project, schedules, milestones and completion criteria are established.
2. The Russian Party shall ensure that such schedules, milestones and completion criteria are met. The Canadian Party shall provide timely funding for each milestone when it is met.

ARTICLE VI

Selection of Contractors and Sub-contractors

1. The Canadian Party shall have the right, in consultation with the Russian Party, to select non-Russian contractors and sub-contractors engaged to perform activities in relation to Cooperation Projects pursuant to this Agreement.

2. The Canadian Party shall have the right to oversee the selection of Russian contractors and sub-contractors and to approve funding for Russian contractors and sub-contractors receiving Assistance pursuant to this Agreement.

3. Restrictions, if any, under the legislation of the Russian Federation shall be applied to the selection of contractors and sub-contractors. The Russian Party shall notify the Canadian Party of any restrictions in advance of the start of the selection process.

ARTICLE VII

Facilitation Measures

1. The Parties shall promote activities necessary for the implementation of Cooperation Projects under this Agreement.

2. The provision of Assistance shall be complemented by Russian resources, which may be contributed in-kind or otherwise, for the implementation of Cooperation Projects under this Agreement.

3. The Russian Party shall ensure the prompt issuance of, *inter alia*, licenses, permits, approvals and the prompt customs clearances necessary for the effective implementation of Cooperation Projects. The Russian Party shall ensure the provision of data and information necessary for the implementation of Cooperation Projects within the framework of this Agreement. The Russian Party shall grant access to sites and facilities necessary for the implementation of Cooperation Projects within the framework of this Agreement. Should such access be restricted according to the legislation of the Russian Federation, mutually acceptable procedures shall be developed in the Implementing Arrangements. The Russian Party shall notify the Canadian Party of any such restrictions in advance of the start of any Cooperation Project to be undertaken. The Implementing Arrangements shall also define the procedures for, and the scope of, the information to be transferred.

4. There shall be no transfer under this Agreement of information that constitutes a State secret of the Russian Federation. Information that is transmitted under this Agreement or created as a result of its implementation and is considered by either Party to be confidential shall be clearly defined and identified as such. In particular, documents containing confidential information shall be marked accordingly. The Parties shall minimize the number of individuals having access to information identified as confidential. Confidential information shall be handled in accordance with the legislation of the State of the Party receiving the information, and this information shall not be divulged or transmitted to a third party not taking part in the implementation of this Agreement without the written permission of the Party that provided this information. Such information shall be treated by the Russian Federation as restricted official information and by Canada as confidential information. Such information shall be given the appropriate protection.

ARTICLE VIII

Movement and Status of Personnel

1. The Russian Party shall facilitate the entry and exit of Contributors' personnel, and their contractors, subcontractors, consultants, suppliers and sub-suppliers, into and out of the territory of the Russian Federation for the purpose of carrying out activities contemplated under this Agreement.

2. Official representatives of the Canadian Party, who are in the territory of the Russian Federation in order to carry out activities related to cooperation under this Agreement, shall be accredited as administrative and technical personnel of the Canadian Embassy in the Russian Federation, as per Article 37(2) of the Vienna *Convention on Diplomatic Relations* dated April 18, 1961.

ARTICLE IX

Exemption from Taxes or Similar Charges

1. The Russian Party shall exempt Assistance provided under this Agreement from customs duties, profit taxes, other taxes and similar charges. The Russian Party shall take all necessary steps to ensure that no local or regional taxes or similar charges are levied on Assistance provided under this Agreement. These steps will include the provision of letters from the competent local and/or regional authorities confirming that no local and/or regional taxes or similar charges will be levied on Assistance provided under this Agreement. Such letters of confirmation covering localities and regions where Cooperation Projects under this Agreement will be carried out shall be provided to the Canadian Party prior to the commencement of any Cooperation Project.

2. The Russian Party shall exempt remuneration to foreign natural persons, and to Russian citizens not ordinarily resident in the Russian Federation, for work undertaken and services performed by such persons for the implementation of Cooperation Projects under this Agreement from income tax, social security tax contributions and similar charges within the territory of the Russian Federation. With regard to remuneration exempted by this Paragraph, the Russian Party shall not have any obligations in terms of any charges and payments to the persons, indicated in this Paragraph, at the expense of the social security system or any other government funds.

3. The Russian Party shall ensure that the Contributors, their personnel, contractors, subcontractors, suppliers and sub-suppliers *may import into, and export out of, the territory of the Russian Federation* goods (equipment, supplies, materials) or services required to implement this Agreement. More particularly, goods (equipment, supplies, materials) or services that are imported or exported on a temporary basis for the implementation of this Agreement shall not be subject to customs or any other type of duties, license or other fees, taxes or similar charges.

4. In addition to the preceding paragraphs, sale of goods, works, services in the framework of the implementation of the Cooperation Projects to persons and entities participating in the implementation of the Cooperation Projects within the territory of the Russian Federation in accordance with this Agreement, shall be exempt from taxation.

5. Imposition of taxation shall be regarded as a valid reason for suspension or termination of a Cooperation Project, or not to initiate a Cooperation Project.

6. The Russian Party shall be responsible for procedures ensuring the implementation of this Article. Necessary certificates shall be issued by the relevant competent authority.

ARTICLE X

Peaceful Uses

The Russian Party shall ensure that all goods (equipment, supplies, materials), services, technology and expertise provided in connection with the implementation of this Agreement shall be used solely for peaceful purposes and in a manner consistent with this Agreement.

ARTICLE XI

Use and Retransfer of Assistance

1. Unless the written consent of the Contributor has first been obtained, the Recipient shall not transfer title to, or possession of, any Assistance provided pursuant to this Agreement to any entity, other than an officer, employee or agent of that Contributor or that Recipient and shall not permit the use of such Assistance for purposes other than those for which it has been furnished.

2. The Russian Party shall take all reasonable measures within its power to ensure the security of, ensure the appropriate use of, and prevent the unauthorized transfer of Assistance provided pursuant to this Agreement.

ARTICLE XII

Intellectual Property

1. The term "intellectual property" shall have the meaning found in Article 2 of the *Convention Establishing the World Intellectual Property Organization*, which was signed in Stockholm on July 14, 1967.

2. The term "background intellectual property" shall mean intellectual property resulting from work carried out independently, whether created inside or outside this Agreement, belonging to the Parties or to rightsholders involved in activities under this Agreement, the use of which is necessary for the implementation of activities under this Agreement.

3. This Article is applicable to all cooperative activities undertaken pursuant to this Agreement, except as otherwise agreed by the Parties.

4. This Article addresses the protection and allocation of intellectual property rights and takes into consideration the interests of the Parties.

5. Each Party shall ensure that the other Party can obtain the rights to intellectual property allocated in accordance with this Article. Nothing under this Article in any way alters or prejudices the allocation of intellectual property rights between a Party and its rightsholders.

6. The carrying out of joint work shall not otherwise affect the rights of the Parties or rightsholders involved in activities under this Agreement to background intellectual property.

7. Disputes concerning intellectual property that may arise in relation to the implementation of this Agreement shall be resolved through discussions. If the dispute cannot be resolved within a reasonable time, it may be referred to arbitration in accordance with the Arbitration Rules of the United Nations Commission on Trade Law (UNCITRAL).

8. All rights and interests in intellectual property created under this Agreement shall vest in the Russian Party or in such person as the Russian Party determines.

9. Each Party shall ensure that the other Party receives a licence for background intellectual property in the scope sufficient for the other Party's proper implementation of a Cooperation Project under this Agreement, provided any such licence shall be in writing and shall contain a prohibition against adapting, modifying, reverse engineering or further licensing the licensed intellectual property.

10. Business confidential information must be properly identified as such. Responsibility for this identification is on the Party or rightsholders involved in activities under this Agreement, demanding such confidentiality. Where information is identified as "business confidential information" and is furnished under this Agreement, each Party or rightsholder shall protect such information in accordance with applicable laws, regulations and administrative practices. Information may be identified as "business confidential" if: a person receiving the business confidential information may derive an economic benefit from it or may obtain a competitive advantage over those who do not have it; and if the information is not generally known or publicly available from other sources; and if the rightsholder has not previously made the information available without imposing in a timely manner an obligation to keep it confidential. Neither Party nor rightsholders shall publish or transfer to third parties information identified as "business confidential" furnished or created under this Agreement without the prior written consent of the Party or rightsholder transferring the business confidential information.

11. The Parties shall take all necessary measures in regard to its personnel, contractors and subcontractors to observe the obligation to keep the confidentiality of business confidential information.

ARTICLE XIII

Environmental Protection

1. Cooperation Projects under this Agreement shall be implemented in accordance with sound environmental practices, and all possible measures shall be taken prior to and during their implementation to prevent and mitigate any significant adverse environmental effects.

2. Cooperation Projects under this Agreement and related to activities within the territory of the Russian Federation must be submitted to the State environmental assessment in accordance with the legislation of the Russian Federation.

3. Environmental assessments shall be conducted by the Parties, including prior to the selection of Cooperation Projects, as necessary, in order to comply with Canadian and Russian legal requirements. The collection of samples and environmental data in the territory of the Russian Federation shall be done in accordance with the legislation of the Russian Federation.

4. The Russian Party shall take all necessary measures to ensure the timely performance of the State environmental assessment and examinations called for by the legislation of the Russian Federation in the field of environmental protection and the assurance of environmental safety.

5. The Russian Party shall ensure the fulfilment of occupational health and safety measures that are required under the legislation of the Russian Federation, in cooperation with the Canadian Party.

ARTICLE XIV

Evaluation, Monitoring and Verification

The Russian Party shall grant to the Canadian Party the right to conduct evaluation, monitoring and verification activities in order to ensure and confirm that the use of any Assistance provided by the Canadian Party is in full compliance with this Agreement. Should restrictions be imposed by the relevant legislation of the Russian Federation, mutually acceptable procedures shall be developed in the Implementing Arrangements. The Russian Party shall notify the Canadian Party of any restrictions in advance of the start of any Cooperation Project to be undertaken.

ARTICLE XV

Accounts, Audits and Examinations

1. The Russian Party shall ensure that proper records relating to funds, and anything supplied or acquired with Assistance provided under this Agreement are created and maintained by the Recipient and ensure that such records are furnished together with full supporting documentation, to the Canadian Party or anyone it designates, at regular intervals as specified in the Implementing Arrangements.

2. The Canadian Party or anyone it designates shall have the right to audit and examine any and all related records or documentation for a period of seven years after the completion or early termination of any Cooperation Project conducted under this Agreement, unless another period is specified in the Implementing Arrangements. The practical details of such audits and examinations shall be set out in the Implementing Arrangements.

3. All records created or transferred between the Parties pursuant to this Agreement, shall be held and maintained, and will be disclosed only in accordance with the provisions of Article VII(4) of this Agreement.

ARTICLE XVI

Indemnification for Certain Claims (Nuclear)

1. For the purposes of this Article, the following terms have the following meanings:

“Nuclear Incident”: Any occurrence or series of occurrences having the same origin which causes Nuclear Damage;

“Nuclear Damage”: (i) loss of life, any personal injury or any loss of, or damage to, property which arises out of or results from the radioactive properties or a combination of radioactive properties with toxic, explosive or other hazardous properties of nuclear fuel or radioactive products or waste in, or of nuclear material coming from, originating in, or sent to, a nuclear installation;

(ii) any other loss or damage so arising or resulting if and to the extent that the law of the competent court so provides; and

(iii) if the law of the State in which the nuclear installation of the liable operator is situated so provides, loss of life, any personal injury or any loss of, or damage to, property which arises out of or results from other ionizing radiation emitted by any other source of radiation inside a nuclear installation.

2. For the purposes of this Article, whenever both Nuclear Damage and damage other than Nuclear Damage have been caused by a Nuclear Incident, or jointly by a Nuclear Incident and one or more other occurrences, such other damage shall, to the extent that it is not reasonably separable from the Nuclear Damage, be deemed, for the purposes of this Article, to be Nuclear Damage caused by that Nuclear Incident.

3. With the exception of claims for injury or damage against individuals arising from omissions or acts of such individuals done with the intent to cause injury or damage, the Russian Party shall bring no claims or legal proceedings of any kind against the Contributors and their personnel or contractors, subcontractors, consultants, suppliers or sub-suppliers of equipment, goods or services at any tier and their personnel, for any loss or damage of whatsoever nature, including but not limited to personal injury, loss of life, direct, indirect and consequential damage to property owned by the Russian Federation arising from activities undertaken pursuant to this Agreement. This Paragraph shall not apply to the enforcement of the express provisions of a contract.

4. With the exception of claims for Nuclear Damage against individuals arising from omissions or acts of such individuals done with intent to cause damage, the Russian Party shall provide for the adequate legal defence of and indemnify, and shall bring no claims or legal proceedings against the Contributors and their personnel, or any contractors, subcontractors, consultants, suppliers, or sub-suppliers of equipment, goods or services at any tier and their personnel in connection with third party claims, in any court or forum, arising from activities undertaken pursuant to this Agreement, for Nuclear Damage occurring within or outside the territory of the Russian Federation, that results from a Nuclear Incident occurring within the territory of the Russian Federation.

5. Contributors, contractors, subcontractors, consultants, suppliers or sub-suppliers of equipment, goods or services at any tier, and their personnel, may refer any dispute concerning the implementation of obligations under Paragraphs 3 and 4 of this Article to arbitration in accordance with the Arbitration Rules of the United Nations Commission on Trade Law (UNCITRAL), if such dispute has not been resolved amicably within ninety days of its submission to the Russian Party. Any arbitration award shall be final and binding on the parties to the dispute.

6. Upon request by the Canadian Party, the Russian Party or its authorized representative shall issue an indemnity confirmation letter, to any contractor, subcontractor, consultant, supplier or sub-supplier, confirming paragraphs 3, 4 and 5 of this Article. A standard form of such Indemnity Confirmation Letter is contained in the Annex which is an integral part of this Agreement.

7. Any payments related to indemnification shall be made promptly and shall be freely transferable to the beneficiary in its national currency.

ARTICLE XVII

Other Claims (other than under Article XVI of this Agreement)

1. The Canadian Party or a natural or legal person responsible for the organization and oversight of the work of contractors shall not incur any civil liability for any loss or damage (other than Nuclear Damage) of whatsoever nature incurred within the territory of the Russian Federation, including but not limited to personal injury, loss of life, direct, indirect and consequential damage to property owned by the Russian Federation, arising from activities undertaken pursuant to this Agreement. The Russian Party shall settle any third party claims brought in connection with any such loss or damage in a Russian court within three years of the time at which the loss or damage was or should have been discovered. This Paragraph shall not apply to damage (other than Nuclear Damage) arising from:

- a) wilful misconduct or gross negligence; or
- b) a road accident caused by a vehicle owned or operated by the Canadian Party or a natural or legal person responsible for the organization and oversight of the work of contractors, where the damage is not recoverable from civil liability insurance.

2. The Russian Party shall bring no claims or legal proceedings of any kind against the Canadian Party or a natural or legal person responsible for the organization and oversight of the work of contractors for any loss or damage (other than Nuclear Damage) of whatsoever nature incurred within the territory of the Russian Federation, including but not limited to personal injury, loss of life, direct, indirect and consequential damage to property owned by the Russian Federation, arising from activities undertaken pursuant to this Agreement. This Paragraph shall not apply to the enforcement of the express provisions of a contract or to damage (other than Nuclear Damage) arising from:

- a) wilful misconduct or gross negligence; or
- b) a road accident caused by a vehicle owned or operated by the Canadian Party or a natural or legal person responsible for the organization and oversight of the work of contractors, where the damage is not recoverable from civil liability insurance.

3. Either Party may refer any dispute concerning the implementation of obligations under Paragraphs 1 and 2 of this Article and Paragraphs 1 and 2 of Article XVIII to arbitration in accordance with the Arbitration Rules of the United Nations Commission on Trade Law (UNCITRAL), if such dispute has not been resolved amicably within ninety days of its submission. An arbitration award shall be final and binding on the Parties to the dispute.

ARTICLE XVIII

Miscellaneous Terms

With respect to Articles XVI and XVII of this Agreement:

1. The Canadian Party shall immediately inform the Russian Party of any claims or proceedings brought against it in any court or forum in connection with this Article .
2. The Parties may consult, as appropriate, on claims and proceedings under this Article
3. Nothing in Articles XVI and XVII of this Agreement shall be construed as acknowledging the jurisdiction of any court or forum outside the Russian Federation over third party claims to which Article XVI(4) of this Agreement applies, except as provided in Article XVI(5) and Article XVII(3) of this Agreement, or in any other case where the Russian Federation has pledged itself to acknowledge and execute a legal decision on the basis of provisions of international agreements.
4. Nothing in Articles XVI and XVII of this Agreement shall be construed as waiving the sovereign, jurisdictional, diplomatic, consular or other immunities of the Parties with respect to potential third party claims that may be brought against either one of them.

ARTICLE XIX

Consultations

1. The Parties shall consult annually, and at any other time upon the request of either Party, on the implementation of this Agreement and any other issue that may arise in relation to this Agreement.
2. Each Party agrees to designate a responsible authority for all consultations and coordination matters including the reception of any notices required under this Agreement and shall notify the other through diplomatic channels the designation of its responsible authority.

ARTICLE XX

Dispute Settlement

1. The Parties shall strive, in good faith, to resolve any disputes between them arising from the interpretation or implementation of this Agreement amicably, through consultations. Consultations shall take place as soon as reasonably possible under the circumstances but in any case, no later than two months after one Party submits a request in writing to the other Party.
2. The Canadian Party may, without incurring liability, suspend, in whole or in part, any Cooperation Project, pending the outcome of the dispute settlement process, provided that work, deliveries and services that are properly performed and are in accordance with relevant specifications are paid for.

ARTICLE XXI

Entry into Force, Duration and Termination

1. This Agreement shall enter into force on the date of receipt of the latter written notification that domestic procedures necessary for entry into force have been completed by the Parties. This Agreement shall remain in force for ten years. It shall automatically be renewed for a subsequent period of one year, unless either Party notifies the other Party in writing its intention not to renew this Agreement, at least ninety days prior to its date of termination.
2. Either Party may terminate this Agreement at any time upon ninety days written notification to the other Party.
3. Obligations under Articles VII(4), X, XII, XVI, XVII(2), and (3) as applied to XVII(2), and XVIII of this Agreement shall remain in effect, regardless of the termination of this Agreement, unless otherwise agreed to by the Parties.
4. Obligations under Articles IX, XI, XIII and XIV of this Agreement shall remain in effect, regardless of the termination of this Agreement, until the completion of the Cooperation Projects unless otherwise agreed to by the Parties.
5. Obligations under Article XVII(1) of this Agreement shall remain in effect, regardless of the termination of this Agreement, three years after its termination unless otherwise agreed to by the Parties.
6. Obligations under Article XV of this Agreement shall remain in effect, regardless of the termination of this Agreement, seven years after the completion of the Cooperation Projects unless otherwise agreed to by the Parties.
7. Notwithstanding any termination of this Agreement, the obligations hereunder shall continue to apply to any Implementing Arrangement for its duration, unless the Parties decide to terminate such Implementing Arrangement.
8. This Agreement shall be applied on a provisional basis from the date of its signature pending its entry into force.

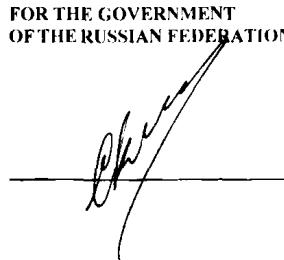
IN WITNESS WHEREOF, the undersigned, duly authorized thereto by their respective Governments, have signed the present Agreement.

DONE in two originals, at Sea Island, on the 1 day of June 2004, in the English, French and Russian languages, each version being equally authentic.

**FOR THE GOVERNMENT
OF CANADA**



**FOR THE GOVERNMENT
OF THE RUSSIAN FEDERATION**



**ANNEX TO THE AGREEMENT
BETWEEN
THE GOVERNMENT OF CANADA
AND
THE GOVERNMENT OF THE RUSSIAN FEDERATION
CONCERNING COOPERATION ON THE DESTRUCTION OF CHEMICAL
WEAPONS, THE DISMANTLEMENT OF DECOMMISSIONED NUCLEAR
SUBMARINES, AND THE PHYSICAL PROTECTION, CONTROL AND
ACCOUNTANCY OF NUCLEAR AND RADIOACTIVE MATERIAL**

Model of an INDEMNITY CONFIRMATION LETTER

to be provided by
The Federal Agency for Atomic Energy
to [Contractor]

Dear Sir/Madam:

The Government of the Russian Federation and the Government of Canada are Parties to the Agreement Between the Government of Canada and the Government of the Russian Federation Concerning Cooperation on the Destruction of Chemical Weapons, the Dismantlement of Decommissioned Nuclear Submarines, and the Physical Protection, Control and Accountancy of Nuclear and Radioactive Material of 9th of June, 2004 (hereinafter referred to as "the Agreement").

The Federal Agency for Atomic Energy, acting on behalf of the Government of the Russian Federation, hereby acknowledges that [Contractor] has entered into an [Implementing Arrangement/Contract] with [Recipient] on [date] to provide Assistance for the implementation of the Cooperation Project known as [Project name]. The persons and entities identified in the attached list are [Contractor's] personnel, subcontractors, suppliers, sub-suppliers and consultants who will be providing equipment, goods or services pursuant to the [Implementing Arrangement/Contract]. [Contractor] may amend this list, from time to time, upon notification to the Federal Agency for Atomic Energy or its authorised representative for the implementation of the [Project name].

The Federal Agency for Atomic Energy, acting on behalf of the Government of the Russian Federation, confirms that in accordance with Articles XVI(3) and XVI(4) of the Agreement,

- 1) with the exception of claims for injury or damage against individuals arising from omissions or acts of such individuals done with the intent to cause injury or damage, it will bring no claims or legal proceedings of any kind against [Contractor] and its personnel or subcontractors, consultants, suppliers or sub-suppliers of equipment, goods or services at any tier and their personnel identified in the attached list as amended from time to time, *for any loss or damage of whatsoever nature, including but not limited to personal injury, loss of life, direct, indirect and consequential damage to property owned by the Russian Federation arising from activities undertaken pursuant to the Agreement, it being agreed that this paragraph shall not apply to the enforcement of the express provisions of a contract; and*

2) with the exception of claims for Nuclear Damage against individuals arising from omissions or acts of such individuals done with intent to cause damage, it will provide for the adequate legal defence of and indemnify, and shall bring no claims or legal proceedings against the [Contractor] and its personnel or subcontractors, consultants, suppliers, or sub-suppliers of equipment, goods or services at any tier and their personnel identified in the attached list as amended from time to time, in connection with third party claims, in any court or forum, arising from activities undertaken pursuant to the Agreement, for Nuclear Damage occurring within or outside the territory of the Russian Federation, that results from a Nuclear Incident occurring within the territory of the Russian Federation.

The Federal Agency for Atomic Energy, acting on behalf of the Government of the Russian Federation, agrees that any dispute, controversy or claim arising out of or relating to this Indemnity Confirmation Letter, including its existence or validity, shall be referred to and finally resolved by arbitration in accordance with the Arbitration Rules of the United Nations Commission on Trade Law (UNCITRAL), if such dispute has not been resolved amicably within ninety days of its submission to the Government of the Russian Federation for resolution. The appointing authority for the purposes of the Arbitration Rules of the United Nations Commission on Trade Law (UNCITRAL) shall be the Stockholm Chamber of Commerce. The place of arbitration shall be the Arbitration Institute of the Stockholm Chamber of Commerce, Stockholm, Sweden and Swedish law shall apply. Where the Arbitration Rules of the United Nations Commission on Trade Law (UNCITRAL) do not provide for a particular situation the arbitration tribunal shall determine the course of action to be followed.

(Authorised representative of the Federal Agency for Atomic Energy)