

ANNEX A

PROJECT PLAN

1.1 This Project Plan provides details of the cooperative production program of SM-2 under this MOU. This Project encompasses the cooperative production of SM-2 BLK IIIA missiles for the GE Participant procurements, SM-2 BLK IIIA missiles for the NL Participant procurements, and SM-2 BLK IIIB missiles and missile modification kits for U.S. Participant procurements.

1.2 Initially single year contracts will be awarded. The U.S. Department of the Navy may decide in the future to pursue a multi-year contract strategy. Contract payments will be made in accordance with the provisions of the Financial Management Procedures Document (FMPD). Deliveries will commence approximately 24 months after Contract award.

1.3 Estimated order quantities are identified in Table A-1. Missile modification kits are considered equivalent to one half a missile. The Participants will confirm their order quantities for a given year with the SM PM.

**Table A-1. U.S. Participant, GE Participant, and NL Participant Fiscal Year (FY) Order Quantities**

<u>ESTIMATED ORDER QUANTITIES</u>	<u>FY04-FY05</u>	<u>FY06</u>	<u>FY07</u>	<u>FY08</u>	<u>FY09</u>	<u>FY10</u>	<u>TOTAL</u>	<u>SHARE</u>
<b>United States of America (U.S.)</b>								
SM-2 BLK IIIB Missiles	150	75	75	75	75	75	525	
SM-2 BLK IIIB Mod Kits	150	75	75	75	25	75	475	82.7%
<b>Federal Republic of Germany (GE)</b>								
SM-2 BLK IIIA Missiles	39	29	10	0	0	0	78	8.4%
<b>The Kingdom of the Netherlands (NL)</b>								
SM-2 BLK IIIA Missiles	23	4	28	7	8	12	82	8.9%
<b>TOTAL</b>	<b>287</b>	<b>146</b>	<b>150</b>	<b>120</b>	<b>95</b>	<b>125</b>	<b>923</b>	<b>100.0%</b>

**Table A-2. Estimated Participant Shared Cost Breakdown (Then Year \$M)**

<u>CONTRIBUTIONS</u>	<u>FY04-FY05</u>	<u>FY06</u>	<u>FY07</u>	<u>FY08</u>	<u>FY09</u>	<u>FY10</u>	<u>FY11-19</u>	<u>COST CEILINGS</u>
U.S.	75.85	39.64	40.83	42.05	43.32	44.61	0	286.30
GE	4.88	5.00	5.12	5.27	4.43	4.56	0	29.27

NL	8.16	4.26	4.39	4.52	4.65	4.79	0	30.77
TOTAL	88.89	48.90	50.34	51.84	52.40	53.96	0	346.34

1.4 The plan set out in Section IV (Management (Organization and Responsibility) paragraph 4.5.13 will address the following duties:

- 1.4.1 Define the quantities of missiles, spares, associated support/test equipment and production services to be purchased.
- 1.4.2 Obtain funds to procure missiles, spares, associated support/test equipment and production services.
- 1.4.3 Finalize spend plans and budgets for missiles, spares, associated support/test equipment and production services.
- 1.4.4 Attend periodic cooperative project production reviews.
- 1.4.5 Resolve problems cooperatively through periodic Production team reviews.

## ANNEX B

### COOPERATIVE PROJECT PERSONNEL

#### 1.0 Purpose and Scope

1.1 This Annex establishes the provisions that will govern the conduct of Cooperative Project Personnel (CPP). The Parent Participant will assign military members or civilian employees to the Host Participant project office in accordance with this Annex. CPP must be able to perform all the responsibilities assigned to them under this MOU. Commencement of assignments will be subject to any requirements that may be imposed by the Host Participant or its government regarding acceptance of CPP, such as, but not limited to, visas and visit request documentation. The SMCC will determine the length of tour for the positions at the time of initial assignment.

1.2 CPP will be assigned to the Host Participant's project office for work associated with this MOU and will report to the SM PM regarding that work. The SM PM will be responsible for the creation of a document describing the duties of each CPP position, which will be subject to approval by the SMCC. CPP may act as liaison officers on non-MOU work on a case-by-case basis, if authorized by the Host Participant upon the request of the CPP's Participant. Such CPP may act from time to time on behalf of their respective SMCC member if the former is so authorized in writing.

1.3 CPP will not be assigned to positions that would require them to exercise responsibilities that are reserved by law or regulation to an officer or employee of the Host Participant's government.

#### 2.0 Security

2.1 The SM PM will establish the level of security clearance required, if any, to permit CPP to have access to Classified Information and facilities in which Classified Information is used in accordance with the Project Security Instruction (PSI) and Classification Guide (CG). Access to Classified Information and facilities in which Classified Information is used will be consistent with, and limited by, Section II (Objective) and Section III (Scope of Work) of this MOU, and will be kept to the minimum required to accomplish the work assignments.

2.2 The Parent Participant will file visit requests for the CPP through prescribed channels in compliance with the Host Participant's procedures.

2.3 The Host Participant and Parent Participant will use their best efforts to ensure that CPP assigned to the Host Participant's program office are aware of, and comply with, applicable laws and regulations as well as the requirements of Section X (Controlled Unclassified Information), Section XI (Visits to Establishments), Section XII (Security), and paragraph 19.4 of Section XIX (Amendment, Withdrawal, Termination, Entry into Force/Effect, and Duration) of this MOU and the provisions of the PSI and CG.

2.4 Upon or shortly after a CPP's arrival, the SM PM will be responsible for informing CPP about applicable laws, orders, regulations, and customs and the need to comply with them. Prior to commencing assigned duties, CPP will, if required by the Host Participant's government laws, regulations, policies, or procedures, sign a certification concerning the conditions and responsibilities of CPP. CPP will at all times be required to comply with the security and export control laws, regulations, and procedures of the Host Participant's government. Any violation of security procedures by CPP during their assignment will be reported to the Parent Participant for appropriate action. CPP committing significant violations of security and export control laws, regulations, or procedures during their assignments will be withdrawn from the Project with a view toward appropriate administrative or disciplinary action by their Parent Participant.

2.5 All Classified Information made available to CPP will be considered as Classified Information furnished to the Parent Participant, and will be subject to all provisions and safeguards provided for in Section XII (Security), and the PSI and CG.

2.6 CPP will not have personal custody of Classified Information or Controlled Unclassified Information unless approved by the Host Participant and as authorized by the Parent Participant. They will be granted access to such Information in accordance with Section X (Controlled Unclassified Information), Section XII (Security), and the PSI during normal duty hours at the Host Participant's program office when access is necessary to perform Project work.

2.7 CPP assigned will not serve as a conduit between the Host Participant and Parent Participant for requests and/or transmission of Classified Information or Controlled Unclassified Information unless specifically authorized by the PSI.

3.0 Technical and Administrative Matters

3.1 Consistent with Host Participant's government laws and regulations, CPP will be subject to the same restrictions, conditions, and privileges as Host Participant personnel of comparable rank and in comparable assignments. Further, to the extent authorized by Host Participant's government laws and regulations, CPP and their authorized dependents will be accorded:

3.1.3 Exemption from any Host Participant's government tax upon income received from the Parent Participant.

3.2.3 Exemption from any Host Participant's government customs and import duties or similar charges levied on items entering the country for their official or personal use, including their baggage, household effects, and private motor vehicles.

3.2 CPP will also be provided briefings arranged by the Host Participant's project office regarding entitlements, privileges, and obligations such as:

3.2.1 Any medical and dental care that may be provided to CPP and their dependents at Host Participant medical facilities, subject to the requirements of applicable laws and regulations, including reimbursement requirements.

3.2.2 Purchasing and patronage privileges at military commissaries, exchanges, theaters, and clubs for CPP and their dependents, subject to the requirements of applicable laws and regulations.

3.2.3 Responsibility of CPP and their accompanying dependents to obtain motor vehicle liability insurance coverage in accordance with the laws and regulations applicable in the area where they are residing. In case of claims involving the use of private motor vehicles by CPP, the recourse will be against such insurance.

3.3 The Host Participant PM will, in consultation with the CPP, establish standard operating procedures for CPP in the following areas:

3.3.1 Working hours, including holiday schedules.

3.3.2 Leave authorization, consistent to the extent possible with the military and civilian personnel

regulations and practices of the Host Participant and Parent Participant.

3.3.3 Dress regulations, consistent to the extent possible with the military and civilian personnel regulations and practices of the Host Participant and Parent Participant.

3.3.4 Performance evaluations, recognizing that such evaluations will be rendered in accordance with the Parent Participant's military or civilian personnel regulations and practices.

3.4 CPP committing an offense under the laws of the government of the Host Participant or Parent Participant may be withdrawn from the Program Office with a view toward further administrative or disciplinary action by the Parent Participant. Disciplinary action, however, will not be taken by the Host Participant against CPP, nor will the CPP exercise disciplinary powers over the Host Participant's personnel. In accordance with Host Participant's government laws and regulations, the Host Participant will assist the Parent Participant in carrying out investigations of offenses involving CPP.