

## SECTION XI

### SECURITY

11.1 All Classified Information or classified Material provided or generated pursuant to this MOU will be stored, handled, transmitted, and safeguarded in accordance with the Participants' national security laws and regulations to the extent that they provide a degree of protection no less stringent than that provided for NATO Classified Information as detailed in the document CM(55)15(Final), "Security Within the North Atlantic Treaty Organization," dated 15 October 1997 and subsequent amendments.

11.2 Classified Information and classified Material will be transferred only through official government-to-government channels or through channels approved by the Designated Security Authorities (DSAs) of the Participants. Such Classified Information and classified Material will bear the level of classification, denote the country of origin, the conditions of release, and the fact that the Classified Information relates to this MOU.

11.3 Each Participant will ensure, in a manner consistent with its laws and regulations, that Classified Information provided or generated pursuant to this MOU is protected from further disclosure, except as permitted by paragraph 11.8 below, unless the respective Participant consents to such disclosure. Accordingly, each Participant will ensure that:

11.3.1 The receiving Participant will not release the Classified Information to any government, national organization, or other entity of a Third Party without the prior written consent of the originating Participant in accordance with the procedures detailed in Section XII (Third Party Sales and Transfers).

11.3.2 The receiving Participant will not use the Classified Information for other than the purposes provided for in this MOU.

11.3.3 The receiving Participant will comply with any distribution and access restrictions on Information that is provided under this MOU.

11.4 The Participants will investigate all cases in which it is known or where there are grounds for suspecting that Classified Information or classified Material provided or generated pursuant to this MOU has been lost or disclosed to unauthorized persons. Each Participant also will promptly and fully inform the other Participants of the detail of any such occurrences, and of the final results of the investigation and of the corrective action taken to preclude recurrences.

11.5 The DSA of the Participant which awards a classified Contract will assume responsibility for administering within its territory security measures for the protection of the Classified Information, in accordance with its laws and regulations. Prior to the release to a Contractor, prospective Contractor, or subcontractors of any Classified Information received under this MOU, the DSAs will:

11.5.1 ensure that such Contractor, prospective Contractor or sub-contractors and their facilities have the capacity to protect the Information adequately;

11.5.2 grant a security clearance to the facility, if appropriate;

11.5.3 grant a security clearance for all personnel whose duties require access to Classified Information, if appropriate;

11.5.4 ensure that all persons having access to the Information are informed of their responsibilities to protect the Information in accordance with national security laws and regulations, and the provisions of this MOU;

11.5.5 carry out periodic security inspections of cleared facilities to ensure that the Classified Information is properly protected; and

11.5.6 ensure that the Classified Information is limited to those persons who have a need-to-know for purposes of this MOU.

11.6 The MMG will prepare a Program Security Instruction and a Classification Guide. The Program Security Instruction and the Classification Guide will describe the methods by which Information and Material will be classified, marked, used, transmitted, and safeguarded. The appropriate Instruction and Guide will be developed by the MMG within three months of the establishment of a WG. They will be reviewed and forwarded to the appropriate DSAs and will be applicable to all government and Contractor personnel participating in the WG. Each Classification Guide will be subject to regular review and revision with the aim of downgrading the classification whenever this is appropriate. The Program Security Instruction and the Classification Guide will be approved by the appropriate DSAs prior to the transfer of any Classified or Controlled Unclassified Information.

11.7 Contractors, prospective Contractors, or subcontractors which are determined by DSAs to be under financial, administrative, policy or management control of nationals or entities of a Third Party, may participate in a Contract or subcontract requiring access to Classified Information provided or generated pursuant to this MOU only when enforceable measures are in effect to ensure that nationals or other entities of a Third Party will not have access to Classified Information. If enforceable measures are not in effect to preclude access by nationals or other entities of a Third Party, the respective Participant will be consulted for approval prior to permitting such access.

11.8 For any facility wherein Classified Information or classified Material is to be used, the responsible Participant or Contractor will approve the appointment of a person or persons to exercise effectively the responsibilities for safeguarding at such facility the Information or classified Material pertaining to this MOU. These officials will be responsible for limiting access to Classified Information or classified Material involved in this MOU to those persons who have been properly approved for access and have a need-to-know.

11.9 Each Participant will ensure that access to the Classified Information is limited to those persons who possess requisite security clearances and have a specific need for access to the Information in order to participate in this MOU.

11.10 Information or Material provided or generated pursuant to this MOU may be classified as high as Confidential. The existence of this MOU is Unclassified and the contents are Unclassified.

## SECTION XII

### THIRD PARTY SALES AND TRANSFERS

12.1 Each Participant will retain the right to sell, transfer title to, disclose, or transfer possession of Foreground Information which:

12.1.1 is generated solely by either that Participant or that Participant's Contractors in the performance of that Participant's work allocation under Section III (Scope of Work) and Section IV (Program of Work); and which

12.1.2 does not include any Background Information of any other Participant or its Contractors.

12.2 In the event questions arise whether the Foreground Information that a Participant intends to sell, transfer title to, or transfer to a Third Party is within the scope of Paragraph 12.1 above, the matter will be brought to the immediate attention of the other Participants. The Participants will resolve the matter prior to any sale or other transfer of such Foreground Information to a Third Party.

12.3 Except to the extent permitted in paragraph 12.1 above, a Participant or that Participant's Contractors, will not sell, transfer title to, disclose, or transfer possession of Foreground Information to any Third Party without the prior written consent of the other Participants. Such consent will not be given unless the government of the intended recipient agrees in writing with the Participants that it will:

12.3.1 not retransfer, or permit the further retransfer of, any equipment or Information provided; and

12.3.2 use, or permit the use of, the equipment or Information provided only for the purposes specified by the Participants.

12.4 A Participant or that Participant's Contractors will not sell, transfer title to, disclose, or transfer possession of Background Information provided by another Participant to any Third Party without the prior written consent of the Participant which provided such equipment or Information. The originating Participant will be solely responsible for authorizing such transfers and, as applicable, specifying the method and conditions for implementing such transfers.

12.5 Consent for Third Party sales and transfers of Foreground Information will not be withheld except for reasons of national policy, national security, or national laws. No Participant will refuse approval of a sale or transfer to a Third Party when it would itself be willing to sell or transfer such Information to the same Third Party.

## SECTION XIII

### LIABILITY AND CLAIMS

13.1 Subject to multilateral and bilateral obligations among the Participants, when applicable, regarding liability arising out of, or in conjunction with activities undertaken in the performance of official duty in the execution of this MOU, the following provisions will apply.

13.1.1 Subject to the provisions of Paragraph 15.3, each Participant waives all claims against each other for injury or death of its military or civilian personnel and for damage to or loss of its property caused by the personnel or agents (which do not include Contractors) of another Participant. If, however, such injury, death or damage or loss results from reckless acts or reckless omissions, wilful misconduct or gross negligence of a Participant, its personnel or agents, the cost of any liability will be borne by that Participant alone.

13.1.2 Claims from third parties for damage of any kind caused by a Participant's personnel or agents (which do not include Contractors) arising out of, or in connection with the implementation of this MOU, will be processed by the most appropriate Participant, as determined by the Participants. The cost incurred in satisfying such claims will be shared as determined by the Participants. If, however, such liability results from the reckless acts or reckless omissions, wilful misconduct or gross negligence of a Participant, its personnel or agents, the liability for any costs will be the responsibility of that Participant alone.

## SECTION XIV

### CUSTOMS DUTIES, TAXES AND SIMILAR CHARGES

14.1 Taxes, customs duties and similar charges will be administered in accordance with each Participant's respective laws and regulations. Insofar as existing national laws and regulations permit, the Participants will endeavour to ensure that readily identifiable taxes, duties, and similar charges on imports and exports, are not imposed in connection with work carried out under this MOU.

14.2 Each Participant will use its best efforts to ensure that any such charges are waived or administered in a manner favourable to the efficient and economical conduct of the work. If any such duties, taxes, or similar charges are levied, the Participant in whose country they are levied will bear such costs.

14.3 If, in order to apply European Union (EU) regulations, it is necessary to levy duties, then these will be met by the EU member end recipient. To this end, parts of components or equipment coming from outside the EU will proceed to their final destination accompanied by the relevant customs document enabling settlement of duties to take place.

## SECTION XV

### PROGRAM EQUIPMENT

15.1 No equipment will be jointly acquired under the provisions of this MOU.

15.2 Each Participant may provide equipment identified as being necessary for executing the tasks undertaken in accordance with this MOU to another Participant. Equipment will remain the property of the providing Participant. Participants involved in the loan of equipment will comply with their applicable regulations and accountability procedures.

15.3 The receiving Participant will maintain any such equipment in good order, repair, and operable condition and return the items in as good a condition as received, normal wear and tear excepted. In the event that equipment is damaged whilst in the possession of the receiving Participant, the receiving Participant will pay to the providing Participant a sum equivalent to that required to return the equipment to the condition in which it was supplied, normal wear and tear excepted. If equipment is destroyed or damaged beyond economic repair whilst in the possession of the receiving Participant, the receiving Participant will certify such destruction or damage to the providing Participant and pay to the providing Participant the replacement value as computed pursuant to the providing Participant's national laws, regulations, and procedures. If the equipment is lost, the receiving Participant will certify such loss to the providing Participant and pay the providing Participant the replacement value as computed pursuant to the providing Participant's national laws, regulations, and procedures.

15.4 All equipment that is transferred will be used by the receiving Participant only for the purposes of carrying out this MOU.

15.5 Equipment transferred to one or more Participants under this MOU will be returned to the providing Participant prior to the termination or expiration of this MOU.

## SECTION XVI

### JOINING PROCEDURES FOR NEW PARTICIPANTS AND OBSERVERS

16.1 The Participants recognize that non-Participants may wish to join MIP. Should a non-Participant wish to join, the MMG will discuss the matter and advise the Participants accordingly. Admission will only be possible under provisions acceptable to all existing Participants, taking into consideration the work and financial efforts already performed by the Participants. The participation of a new Participant will require an amendment to this MOU.

16.2 The Participants recognize that non-Participants may wish to observe MIP activities. Should a non-Participant wish to observe MIP activities, the MMG will discuss the matter and advise the Participants accordingly. All Participants must consent in writing, stating the required arrangements, prior to those observations taking place.

## **SECTION XVII**

### **SETTLEMENT OF DISPUTES**

Any disputes regarding the interpretation or implementation of this MOU will be resolved only by consultation among the Participants and will not be referred to a national or international tribunal or any other third party for settlement.

## SECTION XVIII

### AMENDMENT, WITHDRAWAL AND TERMINATION

18.1 Amendment. This MOU may be amended only by the mutual written approval of the Participants.

18.2 Withdrawal. A Participant may withdraw from this MOU upon 90 days written notification to the other Participants. Such notice will be the subject of immediate consultation by the other Participants to decide whether to proceed on a changed or reduced basis. In the event of such a withdrawal the following will apply.

18.2.1 The withdrawing Participant will continue participation, financial or otherwise, up to the effective date of withdrawal.

18.2.2 Each Participant will pay any costs it incurs as a result of withdrawal.

18.2.3 Subject to the provisions of this MOU, all Information and rights therein received under the provisions of this MOU prior to the withdrawal will be retained by the Participants.

18.2.4 Each Participant will make available to the other Participants all Foreground Information generated and delivered prior to termination, and which has not been provided to the other Participants prior to the termination.

18.3 Termination. This MOU may be terminated at any time upon the written approval of all the Participants. In such an event, all the Participants will consult prior to the date of termination to ensure that termination takes place on the most economical and equitable basis.

18.4 The respective rights and responsibilities of the Participants regarding Section VIII (Disclosure and Use of Information), Section XI (Security), Section XII (Third Party Sales and Transfers), Section XIII (Liability and Claims) and Section XVII (Settlement of Disputes) will continue notwithstanding the withdrawal of a Participant or termination or expiration of this MOU.

18.5 All activities of the participants under this MOU will be carried out in accordance with their national laws. The responsibilities of the Participants will be subject to the availability of funds for such purposes.

## SECTION XIX

### ENTRY INTO EFFECT AND DURATION

19.1 This MOU, which consists of the Introduction and nineteen (19) Sections, will enter into effect upon signature by all Participants, and unless terminated or extended, will remain in effect until 31 December 2005. It may be extended by the written consent of all Participants.

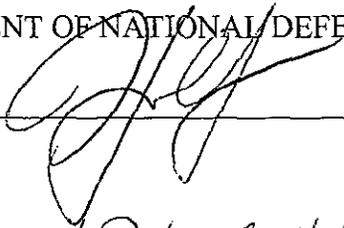
19.2 All activities of the Participants under this MOU will be carried out in accordance with their national laws.

19.3 The foregoing represents the understanding reached between the Department of National Defence of Canada, the Minister of Defence of the French Republic, the Federal Ministry of Defence of the Federal Republic of Germany, the Ministry of Defence of the Italian Republic, the Secretary of State for Defence of the United Kingdom of Great Britain and Northern Ireland and the Secretary of Defense on behalf of the Department of Defense of the United States of America.

Signed in twelve originals, six each in English and six each in French, each version being equally authentic.

FOR THE DEPARTMENT OF NATIONAL DEFENCE OF CANADA:

(Signature)

  
Brigadier-General Peter J. Nelt

(Name)

Director General Land Equipment Program Management

(Appointment)

3 February 2005

(Date)

FOR THE MINISTER OF DEFENCE OF THE FRENCH REPUBLIC:

A stylized handwritten signature consisting of a vertical line on the left, a horizontal line at the top, and a horizontal line at the bottom, with a diagonal stroke crossing the vertical line.

(Signature)

(Name)

COLIST SIZON

(Appointment)

Adjoint du SGA

(Date)

06 JAN. 2005

FOR THE FEDERAL MINISTRY OF DEFENCE OF THE FEDERAL REPUBLIC OF  
GERMANY:

*Lederer*

(Signature)

LEDERER

(Name)

EDiv IT-Fmt Bw

(Appointment)

13. Oct. 2004

(Date)

FOR THE MINISTRY OF DEFENCE OF THE ITALIAN REPUBLIC:

*Gianni Botondi*

(Signature)

GIANNI BOTONDI

(Name)

NATIONAL ARMAMENT DIRECTOR

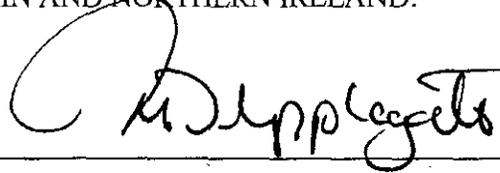
(Appointment)

ROME

26 OTT. 2004

(Date)

FOR THE SECRETARY OF STATE FOR DEFENCE OF THE UNITED KINGDOM OF  
GREAT BRITAIN AND NORTHERN IRELAND:



(Signature)

MAJ GEN RAD APPLGATE

(Name)

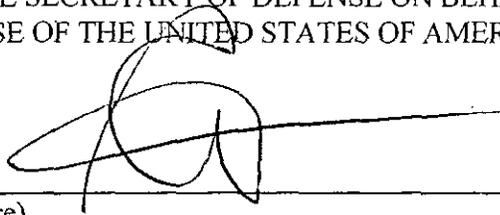
CAPABILITY MANAGER (BATTLESPACE MANOEUVRE)

(Appointment)

19 JAN 05

(Date)

FOR THE SECRETARY OF DEFENSE ON BEHALF OF THE DEPARTMENT OF  
DEFENSE OF THE UNITED STATES OF AMERICA:



(Signature)

C. Hunter

(Name)

Deputy Assistant Secretary of the Army for Defense Exports and Cooperation *US US S NR(A)*

(Appointment)

24 September 2004

(Date)