

ARTICLE XII
SECURITY

12.1. All Classified Information provided or generated pursuant to this AEGIS Framework MOA or ACS PAs under it shall be stored, handled, transmitted, and safeguarded in accordance with the General Security of Military Information Agreement between Spain and the United States of America, dated 12 March 1984, and including the Industrial Security Annex thereto, of 12 March 1984.

12.2. Classified Information shall be transferred only through official government-to-government channels or through channels approved by the Designated Security Authorities (DSAs) of the Parties. Such Classified Information shall bear the level of classification, denote the country of origin, the conditions of release, and the fact that the information relates to this AEGIS Framework MOA and the corresponding ACS PA.

12.3. Each Party shall take all lawful steps available to it to ensure that Classified Information provided or generated pursuant to this AEGIS Framework MOA and corresponding ACS PAs is protected from further disclosure, except as permitted by paragraph 12.8., unless the other Party consents to such disclosure. Accordingly, each Party shall ensure that:

12.3.1. The recipient shall 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 Party in accordance with the procedures set forth in Article XIII (Third Party Sales and Transfers).

12.3.2. The recipient shall not use the Classified Information for other than the purposes provided for in this AEGIS Framework MOA and corresponding ACS PAs.

12.3.3. The recipient shall comply with any distribution and access restrictions on information that is provided under this AEGIS Framework MOA and corresponding ACS PAs.

12.4. The Parties shall investigate all cases in which it is known or where there are grounds for suspecting that Classified

Information provided or generated pursuant to this AEGIS Framework MOA and corresponding ACS PAs has been lost or disclosed to unauthorized persons. Each Party also shall promptly and fully inform the other Party of the details of any such occurrences, and of the final results of the investigation and of the corrective action taken to preclude recurrences.

12.5. The PM shall prepare a Project Security Instruction (PSI) and a Classification Guide (CG) for this Aegis Framework MOA and update it as necessary for relevant ACS PAs. The PSI and the CG shall describe the methods by which Project Information shall be classified, marked, used, transmitted, and safeguarded. The PSI and CG shall be developed by the PM within three months after the Aegis Framework MOA and updated within three months after each relevant ACS PA enters into force. They shall be reviewed and forwarded to the Parties' DSAs for approval and shall be applicable to all government and Contractor personnel participating in the Project. The CG shall be subject to regular review and revision with the aim of downgrading the classification whenever this is appropriate. The PSI and the CG Classification Guide shall be approved by the appropriate DSA prior to the transfer of any Classified Information or Controlled Unclassified Information.

12.6. The DSA of the Party in which a classified Contract is awarded shall 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 Subcontractor of any Classified Information received under this AEGIS Framework MOA and corresponding ACS PAs, the DSAs shall:

- 12.6.1. Ensure that such Contractor, prospective Contractor or subcontractor and their facility(ies) have the capability to protect the Classified Information adequately.
- 12.6.2. Grant a security clearance to the facility(ies), if appropriate.
- 12.6.3. Grant a security clearance for all personnel whose duties require access to Classified Information, if appropriate.
- 12.6.4. Ensure that all persons having access to the Classified Information are informed of their responsibilities to protect the Classified

Information in accordance with national security laws and regulations, and provisions of this AEGIS Framework MOA and corresponding ACS PAs.

12.6.5. Carry out periodic security inspections of cleared facilities to ensure that the Classified Information is properly protected.

12.6.6. Ensure that access to the Classified Information is limited to those persons who have a need-to-know for purposes of the AEGIS Framework MOA and corresponding ACS PAs.

12.7. 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 AEGIS Framework MOA and corresponding ACS PAs only when enforceable measures are in effect to ensure that nationals or other entities of a Third Party shall 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 other Party shall be consulted for approval prior to permitting such access.

12.8. For any facility wherein Classified Information is to be used, the responsible Party or Contractor shall approve the appointment of a person or persons to exercise effectively the responsibilities for safeguarding at such facility the information pertaining to this AEGIS Framework MOA. These officials shall be responsible for limiting access to Classified Information involved in this AEGIS Framework MOA and corresponding ACS PAs to those persons who have been properly approved for access and have a need-to-know.

12.9. Each Party shall 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 Classified Information in order to participate in the Project.

12.10. Information provided or generated pursuant to an ACS PA under this AEGIS Framework MOA may be classified as high as Secret. The existence of this AEGIS Framework MOA is Unclassified and the contents are Unclassified.

ARTICLE XIII
THIRD PARTY SALES AND TRANSFERS

13.1. In recognition of the U.S. DOD's substantial prior investment in the AEGIS Combat System, the Parties agree to the following: the U.S. DOD shall retain the right to sell, transfer title to, disclose, or transfer possession of Project Foreground Information, jointly acquired Project Equipment, or any item produced either wholly or in part from Project Foreground Information to Third Parties.

13.2. The MOD of Spain shall not sell, transfer title to, disclose, or transfer possession of Project Foreground Information, jointly acquired Project Equipment, or any item produced either wholly or in part from Project Foreground Information to any Third Party without the prior written consent of the U.S. Government. Furthermore, the Spanish MOD shall not permit any such sale, disclosure, or transfer by others, including the owner of the item, without the prior written consent of the U.S. Government. The Spanish MOD recognizes that such sales, disclosures, or other transfers shall not be authorized by the U.S. Government unless the government of the intended recipient agrees in writing with the U.S. that it shall:

13.2.1. not retransfer, or permit the further retransfer of, any equipment or information provided; and

13.2.2. use, or permit the use of, the equipment or information provided only for the purposes specified by the Parties.

13.3. A Party shall not sell, transfer title to, disclose, or transfer possession of Project Background Information or Project Equipment provided by the other Party to any Third Party without the prior written consent of the Party that provided such equipment or information. The providing Party shall be solely responsible for authorizing such transfers and, as applicable, specifying the method and conditions for implementing such transfers.

13.4. U.S. Government consent for Third Party sales and transfers of Project Foreground Information, jointly acquired Project Equipment, or any item produced either wholly or in part from Project Foreground Information shall be subject to its foreign policy, national security considerations, and national

laws, regulations, and policies. The U.S. Government's prior written consent for a sale or transfer by the Spanish MOD to a Third Party shall take into account the U.S. Government's willingness to sell or transfer such equipment or information to the same Third Party.

ARTICLE XIV
LIABILITY AND CLAIMS

14.1. Claims against either Party or its personnel shall be dealt with in accordance with the terms of Article VIII of the NATO Status of Forces Agreement (NATO SOFA) dated 19 June 1951. Civilian employees of the Parties assigned to duty within their government's Defense Department or Ministry shall be deemed for the purpose of Article VIII of NATO SOFA to be members of a civilian component within the meaning of Article I of NATO SOFA while present in the territory of the other Party for the purpose of this AEGIS Framework MOA or any ACS PAs under it.

14.2. Claims arising under or related to any Contract awarded under an ACS PA shall be resolved in accordance with the provisions of the Contract.

14.3. Employees and agents of Contractors shall not be considered to be a civilian component for the purpose of paragraph 14.1. and NATO SOFA shall not apply to them.

ARTICLE XV
PARTICIPATION OF ADDITIONAL PARTIES

15.1. It is recognized that other national defense organizations may wish to join this AEGIS Framework MOA and subsequently join corresponding ACS PAs.

15.2. Mutual consent of the Parties shall be required to conduct discussions with potential additional Parties. The Parties shall discuss the arrangements under which another Party might join, including the furnishing of releasable Project Information for evaluation prior to joining. If the disclosure of Project Information is necessary to conduct discussions, such disclosure shall be in accordance with Article IX (Disclosure and Use of Project Information), Article X (Controlled Unclassified Information) and Article XIII (Third Party Sales and Transfers).

15.3. The Parties shall jointly formulate the provisions under which additional Parties might join. The addition of new Parties shall require amendment of this AEGIS Framework MOA and subsequent amendment of relevant ACS PAs by the Parties.

ARTICLE XVI
CUSTOMS DUTIES, TAXES, AND SIMILAR CHARGES

16.1. Customs duties, import and export taxes, and similar charges shall be administered in accordance with each Party's respective laws and regulations. Insofar as existing national laws and regulations permit, the Parties shall endeavor to ensure that such readily identifiable duties, taxes and similar charges, as well as quantitative or other restrictions on imports and exports, are not imposed in connection with work carried out under this AEGIS Framework MOA and corresponding ACS PAs.

16.2. Each Party shall use its best efforts to ensure that customs duties, import and export taxes, and similar charges are administered in a manner favorable to the efficient and economical conduct of the work. If any such duties, taxes, or similar charges are levied, the Party in whose country they are levied shall bear such costs.

ARTICLE XVII
SETTLEMENT OF DISPUTES

17.1. Disputes between the Parties arising under or relating to this AEGIS Framework MOA and corresponding ACS PAs shall be resolved only by consultation between the Parties and shall not be referred to a national court, an international tribunal, or to any other person or entity for settlement.

ARTICLE XVIII
LANGUAGE

18.1. The working language for the AEGIS Framework MOA and corresponding ACS PAs shall be the English language.

18.2. All data and information generated under this AEGIS Framework MOA and its implementing Contracts and provided by one Party to the other Party shall be furnished in the English language.

ARTICLE XIX
AMENDMENT, TERMINATION, ENTRY INTO FORCE, AND DURATION

19.1. All activities of the Parties under this AEGIS Framework MOA and ACS PAs under it shall be carried out in accordance with their national laws. The obligations of the Parties shall be subject to the availability of funds for such purposes.

19.2. In the event of a conflict between an Article of this AEGIS Framework MOA and any Annex to this AEGIS Framework MOA, the Article shall control.

19.3. Except as otherwise provided, this AEGIS Framework MOA may be amended by the mutual written consent of the Parties.

19.4. This AEGIS Framework MOA may be terminated at any time upon the written consent of the Parties. In the event both Parties consent to terminate this AEGIS Framework MOA, the Parties shall consult prior to the date of termination to ensure termination on the most economical and equitable terms. ACS PA termination will be in accordance with the provisions of this AEGIS Framework MOA and the provisions in the relevant ACS PA.

19.5. Either Party may terminate this AEGIS Framework MOA upon 180 days written notification of its intent to terminate to the other Party. Such notice shall be the subject of immediate consultation by the PRs to decide upon the appropriate course of action to conclude the activities under this AEGIS Framework MOA. In the event of such termination, the following rules apply:

19.5.1. The terminating Party shall continue participation in all ACS PAs, financial or otherwise, up to the effective date of termination.

19.5.2. Except as to Contracts awarded on behalf of both Parties, each Party shall be responsible for its own ACS PA Project-related costs associated with termination of ACS PA Projects. For Contracts awarded on behalf of both Parties, the terminating Party shall pay all Contract modification or termination costs that would not otherwise have been incurred but for the decision to terminate; in no event, however, shall a terminating Party's total financial contribution,

including Contract termination costs, exceed that Party's Total Cost Ceiling for financial contributions as established in the relevant ACS PA.

19.5.3. All Project Information and rights therein received under the provisions of this AEGIS Framework MOA and corresponding ACS PAs prior to the termination shall be retained by the Parties, subject to the provisions of this AEGIS Framework MOA and corresponding ACS PAs.

19.5.4. If requested by the other Party, the terminating Party may, at its discretion, continue to administer Project Contract(s) which it awarded on behalf of the other Party on a reimbursable basis.

19.6. The respective rights and obligations of the Parties regarding Article VIII (Project Equipment), Article IX (Disclosure and Use of Project Information), Article X (Controlled Unclassified Information), Article XII (Security), Article XIII (Third Party Sales and Transfers), and Article XIV (Liability and Claims), Article XVII (Settlement of Disputes) and this Article XIX (Amendment, Termination, Entry into Force, and Duration) shall continue to apply notwithstanding termination or expiration of this AEGIS Framework MOA.

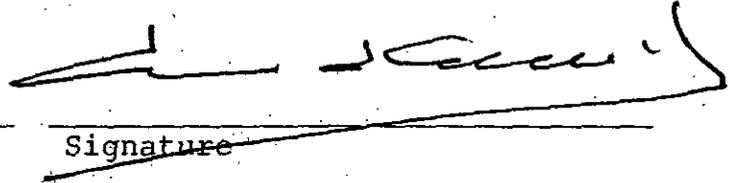
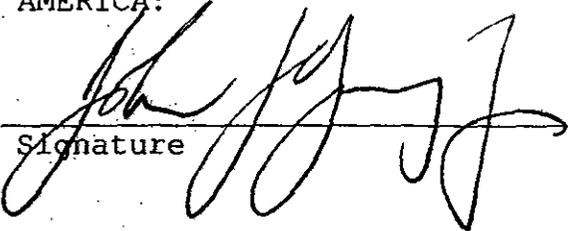
19.7. This AEGIS Framework MOA, which consists of nineteen (19) Articles and one (1) Annex, shall enter into force upon signature by both Parties and shall remain in force for 10 years. It may be extended by written agreement of the Parties.

IN WITNESS WHEREOF, the undersigned, being duly authorized by their governments, have signed this AEGIS Framework MOA.

DONE, in duplicate, in the English language.

FOR THE DEPARTMENT OF DEFENSE
OF THE UNITED STATES OF
AMERICA:

FOR THE MINISTER OF DEFENSE OF
THE KINGDOM OF SPAIN:



Signature

Signature

John J. Young, Jr.

Juan J. Gonzalez-Irún Sanchez

Name

Name

Assistant Secretary of the
Navy (Research, Development,
and Acquisition)

Almirante Jefe del Apoyo
Logístico

Title

Title

28 FEBRUARY 2002

28 FEBRUERO 2002

Date

Date

Ferrol, Spain

28 Ferrol, España

Location

Location

ANNEX A

SAMPLE AEGIS COMBAT SYSTEM PROJECT AGREEMENT

ANNEX TO THE
RESEARCH, DEVELOPMENT, TEST, EVALUATION, PRODUCTION, AND
LIFE CYCLE SUPPORT ACTIVITIES FOR
TECHNOLOGIES AND SYSTEMS
FOR AEGIS-EQUIPPED SHIPS
MEMORANDUM OF AGREEMENT

DATED

AEGIS COMBAT SYSTEM PROJECT AGREEMENT NO. _____

BETWEEN

THE DEPARTMENT OF DEFENSE OF THE UNITED STATES OF AMERICA

AND

THE MINISTER OF DEFENSE OF THE KINGDOM OF SPAIN

FOR

(FULL DESIGNATION OF THE PROJECT)