

## SECTION VI

### FINANCIAL PROVISIONS

- 6.1 Each Participant will contribute its equitable share of the full financial costs and non-financial costs incurred in performing, managing, and administering its responsibilities under this MOU, including overhead costs, administrative costs, and costs of claims.
- 6.2 All financial responsibilities of the Participants under this MOU will be subject to the availability of appropriated funds for such purposes. Each Participant will promptly notify the other Participants if available funds are not adequate to carry out such activities under this MOU, and will immediately consult on the course of action to be taken with a view toward continuation on a changed or reduced basis.
- 6.3 Costs associated with any unique national requirements identified by a Participant will be borne entirely by that Participant.
- 6.4 This MOU creates no financial or non-financial responsibilities regarding individual CBR PAs. Detailed descriptions of the financial arrangements for a specific CBR Project, including the total estimated cost of the CBR Project and each Contributing Participant's share of the total estimated cost, will be contained in the CBR PA. Each Contributing Participant will contribute its equitable share of the total estimated cost of each CBR PA and will receive an equitable share of the results of the CBR Project in accordance with the provisions of this MOU. The Contributing Participants will make funds available in such amounts and at such times as may be required by Contracts or other similar obligations which are entered into for a specific CBR PA. The Contributing Participants may contribute their equitable shares of the full costs of such CBR PAs in funds, or in Defense articles or Defense services needed for such CBR PAs.
- 6.5 The Contributing Participants will use their best efforts to perform, or have performed, work specified in each CBR PA within the costs specified in each CBR PA.
- 6.6 Under a CBR PA, the Contributing Participants may decide that it is necessary for one Contributing Participant to incur contractual or other obligations for the benefit of all Contributing Participants. In the event one Contributing Participant incurs such obligations, the Contributing Participants will pay their equitable share of such obligations, make funds available in such amounts, and at such times as may be required by the obligations, or pay any damages and costs that may accrue from the performance of or cancellation of the obligations in advance of the time such payments, damages, or costs are due.
- 6.7 For each CBR PA, the TOs will be responsible for establishing the detailed financial management procedures under which the CBR Project will operate. These procedures will be detailed in a financial management policies and procedures document proposed by the TOs and subject to the approval of the POs.

6.8 Each Contributing Participant will provide funds for each CBR Project in accordance with the CBR PA and the estimated schedule of financial contributions contained in the financial management policies and procedures document.

6.9 For CBR PAs where funds are transferred between the Contributing Participants, the receiving Contributing Participant will be responsible for the internal audit regarding administration of the other Contributing Participant's(') funds in accordance with its national practices. Audit reports of such funds will be promptly made available by the receiving Contributing Participant to the other Contributing Participant(s).

## SECTION VII

### CONTRACTING PROVISIONS

7.1 If a Participant determines that Contracting is necessary to fulfill that Participant's responsibilities under this MOU, that Participant will contract in accordance with its national laws, regulations and procedures.

7.2 When one Participant individually contracts to fulfill its responsibilities under this MOU, it will be solely responsible for its own Contracting, and the other Participants will not be subject to any liability arising from such Contracts without their prior written consent.

7.3 If the Participants determine that Contracting is necessary to fulfill their responsibilities under a CBR PA, one Participant may make a Contract for the requirements of the CBR PA on behalf of all Contributing Participants, in accordance with its national laws, regulations and procedures with such waivers and deviations as those laws, regulations and procedures permit and as are deemed necessary to implement the provisions of this MOU. Such contractual arrangements will be detailed in that particular CBR PA. Sources from Contributing Participant(s)'(s) industries will be allowed to compete on an equal basis for such Contracts. The Contracting Officer will be the exclusive source for providing contractual direction and instructions to Contractors. The TOs will be responsible for the coordination of activities relating to CBR PAs and will cooperate with the Contracting Officer in the areas of Contract procedures, Contract negotiation, evaluation of offers, and Contract award. The Contracting Officer will also keep the TOs advised of all financial arrangements with Contractors.

7.4 For all Contracting activities performed by the Participants, the POs will, upon request, provide a copy of all statements of work prior to the issuance of solicitations.

7.5 Each Participant's Contracting Agency will negotiate to obtain the rights to use and disclose Information required by Section IX (Disclosure and Use of Information). Each Participant's Contracting Agency will insert into its prospective Contracts (and require its Contractors to insert in subcontracts) suitable provisions to satisfy the requirements of this MOU, including Section VIII (Equipment and Material Transfers and Disposal), Section IX (Disclosure and Use of Information), Section X (Controlled Unclassified Information), Section XII (Security) and Section XIII (Third Party Sales and Transfers and Alternative Uses) of this MOU. However, the Contracting Officer will inform a prospective Contractor, during the contracting process, of its obligation to notify the Contracting Agency immediately if they are subject to any new license, agreement or arrangement that will restrict that Participant's freedom to disclose Information or permit its use. The Contracting Officer will also advise prospective Contractors not to enter into any new agreement or arrangement that will result in restrictions.

7.6 In the event a Participant's Contracting Agency is unable to secure adequate rights to use and disclose Information as required by Section IX (Disclosure and Use of Information), or is

notified by Contractors or potential Contractors of any restrictions on the disclosure and use of Information, that Participant will notify the other Contributing Participant(s) of the restrictions.

7.7 Each Contributing Participant will promptly advise the other Contributing Participant(s) of any cost growth, schedule delay or other performance problems of any Contractor in connection with a Contract placed by its Contracting Agency.

7.8 No requirement will be imposed by any Participant for work sharing or other industrial or commercial compensation in connection with this MOU or any CBR PA.

7.9 Should price or cost investigation services be required, such services will be obtained through the responsible national authorities of the Participants within whose territory the Contractor or subcontractor is located, consistent with any existing arrangements between the Participants in that regard.

## SECTION VIII

### EQUIPMENT AND MATERIAL TRANSFERS AND DISPOSAL

#### Equipment and Material Transfers

8.1 For the purpose of carrying out a CBR Activity, each Participant may loan without charge to the other Participant(s) Equipment and Material necessary for the corresponding CBR Activity, to be documented in the format at Appendix A, CBR Equipment and Material Transfer Form.

8.2 Equipment and Material loaned will be used by the receiving Participant(s) only for the purposes of that CBR Activity. Equipment and Material will remain the property of the providing Participant. In addition, the receiving Participant(s) will maintain Equipment and Material in good order, repair, and operable condition and will return it in operable condition and in as good condition as received, normal wear and tear excepted, unless the providing Participant has approved in the CBR Activity the expenditure or consumption of Equipment and Material as necessary for the purposes of the CBR Activity. Such expenditure or consumption will be without reimbursement to the providing Participant. However, the receiving Participant(s) will bear the cost of any damage to (other than normal wear and tear) or loss of Equipment and Material loaned to it that is not approved for expenditure or consumption. In no event will such cost exceed replacement cost less an amount determined to represent reasonable wear and tear.

8.3 A CBR PA will provide specific details of any loan of Equipment and Material. Equipment and Material identified at the time of CBR PA signature will be detailed in the CBR PA as set out in Appendix B, Sample CBR Project Arrangement. Equipment and Material which cannot be identified at the time of CBR PA signature will be documented in a list to be developed and maintained by the POs in the format at Appendix A, CBR Equipment and Material Transfer Form. Approval for all loans will be in accordance with national procedures.

8.4 The Participants will make every effort to ensure that the Equipment and Material is furnished in a serviceable and usable condition according to its intended purpose. However, the providing Participant makes no warranty or guarantee of fitness of the Equipment and Material for a particular purpose or use, and makes no commitment to alter, improve, or adapt the Equipment and Material or any part thereof.

8.5 The providing Participant will transfer the Equipment and Material for the stated loan period, provided that the duration will not exceed the effective period of the CBR Activity. The providing Participant may terminate a loan at any time.

8.6 The providing Participant will make available the Equipment and Material to the receiving Participant(s) at the location(s) mutually approved. Responsibility for the Equipment and Material will pass from the providing Participant to the receiving Participant(s) at the time of receipt. Any further transportation is the responsibility of the receiving Participant(s). The responsibility for meeting any costs arising from this process will be detailed in the relevant CBR

PA or a document in the format of Appendix A, CBR Equipment and Material Transfer Form.

8.7 The providing Participant will furnish the receiving Participant(s) such Information as is necessary to enable the Equipment and Material to be used.

8.8 The receiving Participant(s) will inspect and inventory the Equipment and Material upon receipt. The receiving Participant(s) will also inspect and inventory the Equipment and Material prior to its return (unless the Equipment and Material is to be expended or consumed).

8.9 The receiving Participant(s) will provide written notice of consumption or expenditure of Equipment and Material. In the event the intended consumption or expenditure does not occur, or upon expiration or termination of the loan, the receiving Participant(s) will, unless otherwise determined by the providing Participant, return the Equipment and Material to the providing Participant at the location mutually approved.

8.10 National procedures for an Equipment and Material Transfer (EMT) may require a test report, delivered free of charge by the receiving Participant(s) to the providing Participant. Such a requirement will be stated in the relevant CBR PA or document in the format at Appendix A, CBR Equipment and Material Transfer Form.

8.11 Any Equipment and Material loaned under this MOU will only be used by the receiving Participant(s) in accordance with the provisions of the appropriate CBR PA or document in the format at Appendix A, CBR Equipment and Material Transfer Form.

#### Disposal

8.12 Any Equipment and Material which is jointly acquired for use under this MOU will be disposed of as mutually approved by the appropriate Participants

#### Retransfer

8.13 In accordance with section XIII (Third Party Sales and Transfers and Alternative Uses), Equipment and Material will not be retransferred to a Third Party without the prior written consent of the providing Party.

## SECTION IX

### DISCLOSURE AND USE OF INFORMATION

#### General

9.1 The Participants recognize that successful collaboration in CBR defense depends on full and prompt exchange of Information necessary to carry out such collaborative activities and use the results. The Participants intend to acquire sufficient Information and rights to use such Information to achieve this objective.

#### Information Exchange

9.2 The disclosure and use provisions which govern exchange of Information authorized in Section III (Scope), paragraph 3.7.1 are as follows:

9.2.1 Disclosure: At its discretion, the furnishing Participant may disclose Information to one or more of the other Participants. Prior written permission from the furnishing Participant will be required for further disclosure of the Information by the receiving Participant to any other entity, for example, a Contractor. Such permission will not be required in the case of further disclosure to the receiving Participant's Contractor Support Personnel.

9.2.2 Use: Use of Information will be for information and evaluation purposes only. Written permission from the furnishing Participant will be required for any other use.

#### Other CBR Activities

9.3 The disclosure and use provisions which govern other CBR Activities authorized in Section III (Scope of Work), paragraphs 3.7.2 , 3.7.3 or 3.7.4, are set out below, unless for the purposes of a particular CBR PA, the Contributing Participants involved specify that the provisions of paragraph 9.9, Special IPR Provisions for CBR PAs, will apply. The disclosure of Information arising from any CBR Activity to any non-Contributing Participant or the use thereof in that CBR Activity will be subject to the prior written consent of the originating Contributing Participant(s) to that activity.

#### 9.4 Government Foreground Information

9.4.1 Disclosure: Government Foreground Information of one Contributing Participant will be disclosed without charge to all other Contributing Participants.

9.4.2 Use: Each Contributing Participant may further disclose, use or have used on its behalf all Government Foreground Information without charge, only for Defense Purposes. The Contributing Participant providing Government Foreground Information will also retain its rights therein. If a Contributing Participant intends to use any Government Foreground Information in

a sale or other transfer to a Third Party, however, the provisions of Section XIII (Third Party Sales and Transfers and Alternative Uses) of this MOU will also apply.

## 9.5 Contractor Foreground Information

9.5.1 Disclosure: Contractor Foreground Information generated and delivered by Contractors will be disclosed without charge to all Contributing Participants.

9.5.2 Use: Each Contributing Participant may further disclose, use or have used on its behalf, without charge, only for Defense Purposes, all Contractor Foreground Information. The Contributing Participant whose Contractors generate and deliver Contractor Foreground Information will also retain rights of use therein in accordance with the applicable Contract(s). If a Contributing Participant intends to use any Contractor Foreground Information in a sale or other transfer to a Third Party, the provisions of Section XIII (Third Party Sales and Transfers and Alternative Uses) of this MOU will also apply.

## 9.6 Government Background Information

9.6.1 Disclosure: Each Contributing Participant, upon request, will disclose to the other Contributing Participant(s) any relevant Government Background Information, provided:

9.6.1.1 such Background Information is necessary to or useful in the CBR Activity, with the disclosing Participant determining whether it is "necessary to" or "useful in" the CBR Activity;

9.6.1.2 such Background Information may be made available without incurring liability to holders of proprietary rights; and

9.6.1.3 disclosure is consistent with national disclosure policies and regulations of the disclosing Participant.

9.6.2 Use: Government Background Information disclosed by one Contributing Participant to the other(s) may be used without charge by or for the other Contributing Participant(s) for conducting the CBR Activity for which it was provided and using the results of the CBR Activity for Defense Purposes. The disclosing Participant will retain all its rights with respect to such Government Background Information.

## 9.7 Contractor Background Information

9.7.1 Disclosure: Any relevant Contractor Background Information (including Information subject to proprietary rights) which is or has been generated outside of the CBR Activity delivered by Contractors of one Contributing Participant will be made available to the other Contributing Participant(s) provided the following provisions are met:

9.7.1.1 such Background Information is necessary to or useful in the CBR Activity, with the disclosing Participant determining whether it is "necessary to" or "useful in" the CBR Activity;

9.7.1.2 such Background Information may be made available without incurring liability to holders of proprietary rights;

9.7.1.3 disclosure is consistent with national disclosure policies and regulations of the disclosing Participant.

9.7.2 Use: Contractor Background Information disclosed by one Contributing Participant may be used without charge by or for the other Contributing Participant(s) for conducting the CBR Activity for which it was provided and using the results of the CBR Activity for Defense Purposes. Such Background Information may be the subject of further restrictions of proprietary rights.

## 9.8 Jointly Generated Foreground Information

9.8.1 Disclosure: All Jointly Generated Foreground Information generated in a CBR Activity will be disclosed to all Contributing Participants promptly and without charge.

9.8.2 Use: Contributing Participants generating or receiving Jointly Generated Foreground Information may use or have used such Information without charge for its Defense Purposes unless mutually decided otherwise in writing.

9.8.3 Information resulting from the assignment of CPP will be treated as Jointly Generated Foreground Information unless otherwise decided.

## Special IPR Provisions for CBR PAs

9.9 In any CBR PA, the Contributing Participants may choose to alter the provisions for use of Government Background Information or Contractor Background Information, or both. This choice will be detailed in the Special Provisions section of the PA by inserting either one or both of the following:

9.9.1 Government Background Information: Use: Government Background Information disclosed by one Contributing Participant may be used without charge by or for the other Contributing Participant(s) only for conducting this CBR PA. The disclosing Participant will retain all its rights with respect to such Government Background Information.

9.9.2 Contractor Background Information: Use: Contractor Background Information disclosed by one Contributing Participant may be used without charge by or for the other Contributing Participant(s) only for conducting this CBR PA. The disclosing Participant will retain all its rights with respect to such Contractor Background Information. Such Background Information may be the subject of further restrictions of proprietary rights.

## 9.10 Proprietary Information

9.10.1 All unclassified Information subject to proprietary interests will be identified and marked, and will be handled as Controlled Unclassified Information.

9.10.2 The provisions of the NATO Agreement on the Communication of Technical Information for Defence Purposes, done at Brussels on 19 October 1970, and the Implementing Procedures for the NATO Agreement on the Communication of Technical Information for Defence Purposes, approved by the North Atlantic Council on 1 January 1971, will apply to proprietary Information related to this MOU.

## Inventions and Patents

9.11 Reporting of Inventions. A Contributing Participant will disclose to the other Contributing Participant(s) any Invention made by its respective employees or Contractors as promptly as possible after the Invention is made. The disclosure will be in the form of a written report listing the inventor(s) and describing the manner and process of making and using the Invention in sufficient technical detail as to enable any person skilled in the art to which it pertains to make and use the Invention.

9.12 Title to Inventions. Each Participant will retain title to each Invention made by its respective employees.

9.12.1 The Participant retaining title to such Inventions will grant to the other Contributing Participant(s) at least a royalty-free, nonexclusive, irrevocable license to practice or have practiced worldwide for Defense Purposes by or on behalf of the other Contributing Participant(s) such Inventions covered by any resulting Patents.

9.12.2 The Participant retaining title to such Inventions may, in its discretion, grant rights in such Inventions covered by any resulting Patents to the other non-Contributing Participant(s), or any other person or entity, upon such terms and conditions as it deems appropriate.

9.13 Title to Joint Inventions. Title to Inventions made jointly by employees of two or more of the Contributing Participants will be held jointly by those two or more Participants unless otherwise determined.

9.13.1 Those two or more Participants will grant to the other Contributing Participant(s) at least a royalty-free, nonexclusive, irrevocable license to practice or have practiced worldwide for Defense Purposes by or on behalf of the other Contributing Participant(s) such Inventions covered by any resulting Patents.

9.13.2 Those two or more Participants may grant rights in such joint Inventions to the other non-Contributing Participant(s), or any other person or entity, upon such terms and

conditions, as those two or more Participants unanimously deem appropriate.

9.14 Contractor Generated Inventions. Title to Inventions made by Contractors will be held in accordance with the terms of the respective Contract. Where any Contract fails to specify how title in any Patent will be held, title will be determined in accordance with the national laws governing Inventions by Contractors of the Participant who awarded the Contract.

9.14.1 Contractor Generated Inventions in Unique National Variants. Where Inventions are made in connection with unique national variants, paid for fully by or on behalf of only one Contributing Participant, regardless of who is the Contracting Agency, the Contracting Agency must ensure that the Contract grants to the Contributing Participant funding the national variant any rights as directed by that Contributing Participant.

9.14.2 Contractor Generated Inventions of Contributing Participants. Where a Contract is awarded by a Contributing Participant on its own behalf or by a Contracting Agency on behalf of two or more Contributing Participants, the Contract so awarded must ensure that the owner of any Invention made by a Contractor will grant to the Contributing Participant(s) at least a royalty-free, nonexclusive, irrevocable license to practice or have practiced worldwide for Defense Purposes by or on behalf of the Contributing Participant(s) the Invention covered by any resulting Patents.

9.15 Patent Applications. A Contributing Participant having the right to hold title to an Invention may elect to file Patent applications or otherwise seek Patent protection thereon provided it so advises the other Contributing Participant(s) of its intention to do so and the countries in which it intends to seek Patent protection within 60 days from the date it reports the Invention to the other Contributing Participant(s).

9.15.1 If a Participant initially elects to seek Patent protection, but later decides not to continue seeking Patent protection, or if a Participant decides not to share the costs of seeking Patent protection of a joint Invention, then the other Contributing Participant(s) may elect (but is/are not required) to seek Patent protection on such Invention in those countries in which the Participant has not elected to seek Patent protection.

9.15.2 If the other Contributing Participant(s) elect(s) to seek Patent protection in those countries, the Participant initially having the right to seek Patent protection on the Invention agrees to consent to such filing by the other Contributing Participant(s) and the Contributing Participant(s) will equitably share any royalties from the licensing of any resulting Patents taking into consideration the expenses incurred by each Contributing Participant in securing Patent protection.

9.15.3 A Contributing Participant will not file or cause to be filed any Patent application outside the United States of America, the United Kingdom of Great Britain and Northern Ireland or Canada, or publish or cause to be published any such application or Patent thereon anywhere, without the other Contributing Participant's prior written consent where the application contains either:

9.15.3.1 another Participant's Background Information, or

9.15.3.2 Jointly Generated Foreground Information

9.15.4 Patent applications on Inventions which contain Classified Information will be protected and safeguarded in accordance with the requirements contained in the NATO Agreement for Mutual Safeguarding of Secrecy of Inventions Relating to Defense and for which Applications for Patents have been Made, signed on 21 September 1960, and its Implementing Procedures.

9.16 Patent Prosecution.

9.16.1 The expenses attendant to seeking Patent protection as specified above will be borne by the Participant seeking Patent protection. Where two or more Participants jointly seek Patent protection, the expenses attendant to seeking the Patent protection will be shared equally between those Participants, unless mutually determined otherwise.

9.16.2 Each Participant will provide the other Contributing Participant(s) with copies of Patent applications it files in Patent offices, along with a power to inspect and make copies of all documents retained in the files of the applicable Patent office that are available for inspection and copying by a Participant seeking Patent protection.

9.16.3 A Contributing Participant seeking Patent protection will have the right to control the Patent prosecution where it is solely funding the expenses attendant to seeking the Patent protection. Where two or more Contributing Participants are seeking Patent protection, they will jointly control the Patent prosecution if each is funding a portion of the expenses attendant to seeking the Patent protection. All Participants will cooperate with each other in seeking Patent protection.

9.17 Maintenance Fees. The fees payable to a Patent office in order to maintain the Patent on an Invention will be paid by the Participant having title to the Patent or will be shared equally if title is held jointly by one or more Participant(s). If one Participant decides not to pay the required maintenance fees, it will immediately notify the other Participant(s), who may pay the maintenance fees if it desires to maintain the enforcement of the Patent. In this case, the Participant who has decided not to pay the maintenance fees will assign its rights to the other Participant(s).

## SECTION X

### CONTROLLED UNCLASSIFIED INFORMATION

10.1 Except as otherwise provided in this MOU or authorized in writing by the originating Participant, Controlled Unclassified Information provided or generated pursuant to this MOU will be controlled and handled as follows:

10.1.1 Such Information will be used only for the purposes authorized for use of Information as specified in Section IX (Disclosure and Use of Information).

10.1.2 Access to such Information will be limited to personnel whose access is necessary for the permitted use under subparagraph 10.1.1 and will be subject to the provisions of Section XIII (Third Party Sales and Transfers and Alternative Uses).

10.1.3 Each Participant will take all lawful steps, which may include national classification, available to it to keep such Information free from further disclosure (including requests under any legislative provisions), except as provided in subparagraph 10.1.2, unless the originating Participant consents to such disclosure. In the event of unauthorized disclosure, or if it becomes probable that the Information may have to be further disclosed under any legislative provision, immediate notification will be given to the originating Participant.

10.2 To assist in providing the appropriate controls, the originating Participant will ensure that Controlled Unclassified Information is appropriately marked. The POs will decide, in advance and in writing, on markings to be placed on the Controlled Unclassified Information provided to another Participant(s).

10.3 Prior to authorizing the release of Controlled Unclassified Information to Contractors, the Participants will ensure the Contractors are legally bound to control such information in accordance with the provisions of this Section.

## SECTION XI

### VISITS TO ESTABLISHMENTS

11.1 Each Participant will permit visits to its government establishments, agencies and laboratories, and Contractor industrial facilities by employees of the other Participants or by employees of the other Participants' Contractors, provided that the visit is authorized by all Participants involved and the employees have any necessary and appropriate security clearances and a need-to-know.

11.2 All visiting personnel will be required to comply with security regulations of the host Participant. Any Information disclosed or made available to visitors will be treated as if supplied to the Participant(s) sponsoring the visiting personnel, and will be subject to the provisions of this MOU.

11.3 Requests for visits by personnel of one Participant to a facility of another Participant will be coordinated through official channels, and will conform with the established visit procedures of the host country. Requests for visits will bear the name of this MOU and, if applicable, the appropriate CBR Activity.

11.4 Lists of personnel of each Participant required to visit, on a continuing basis, facilities of the other Participants will be submitted through official channels in accordance with recurring international visit procedures.

## SECTION XII

### SECURITY

12.1 All Classified Information or Materiel 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 October 1, 1990 and subsequent amendments.

12.2 Classified Information or Materiel 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 or Materiel will bear the level of classification, denote the country of origin, the conditions of release, and the fact that the Information relates to this MOU.

12.3 Each Participant will take all lawful steps available to it to ensure that Classified Information or Materiel provided or generated pursuant to this MOU is protected from further disclosure, except as permitted by paragraph 12.9, unless the providing Participant(s) consents to such disclosure. Accordingly, each Participant will ensure that:

12.3.1 The recipients will not release the Classified Information or Materiel to any government, national, organization, or other entity of a country other than the UK, CA or US, without the prior written consent of the originating Participant in accordance with the procedures set forth in Section XIII (Third Party Sales and Transfers and Alternative Uses).

12.3.2 The recipients will not use the Classified Information or Materiel for other than the purposes provided for in this MOU.

12.3.3 The recipients will comply with any distribution and access restrictions on Classified Information or Materiel that is provided under this MOU.

12.4 Each Participant will maintain the security classification assigned to Classified Information or Materiel by the originating Participant and will afford to such Classified Information or Materiel the same degree of security protection provided by the originating Participant.

12.5 The Participants will investigate all cases in which it is known or where there are grounds for suspecting that Classified Information or Materiel 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 details of any such occurrences, and of the final results of the investigation and of the corrective action taken to preclude recurrences.

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

12.6.1 Ensure that such Contractors, prospective Contractors, or subcontractors and their facilities have the capability to protect the Classified Information or Materiel 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 the Classified Information or Materiel, if appropriate.

12.6.4 Ensure that all persons having access to the Classified Information or Materiel are informed of their responsibilities to protect the Classified Information or Materiel in accordance with national security laws and regulations, and the provisions of this MOU.

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

12.6.6 Ensure that access to the Classified Information or Materiel is limited to those persons who have a need-to-know for purposes of the MOU.

12.7 For any CBR Activity carried out under this MOU, the appropriate representative of each Contributing Participant will mutually determine whether any Security Instructions and/or classification guide for that Activity will be required, over and above the provisions of this MOU, to provide a mutually acceptable degree of security protection for any Classified Information or Materiel provided or generated in the course of that Activity. If determined to be necessary, the CBR Activity Security Instruction and the Classification Guide will be prepared, and will describe the methods by which CBR Activity Information and Materiel will be classified, marked, used, transmitted, and safeguarded. The Instruction and Guide will be developed within three months after initiation of a CBR Activity.

12.8 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 country other than the UK, CA or US, may participate in a Contract or subcontract requiring access to Classified Information or Materiel provided or generated pursuant to this MOU only when enforceable measures are in effect to ensure that such nationals or entities will not have access to Classified Information or Materiel. If enforceable measures are not in effect to preclude access by such nationals or other entities, the other Participants will be consulted for approval prior to permitting such access.

12.9 For any facility wherein Classified Information or Materiel 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 Classified Information or Materiel pertaining to this MOU. These officials will be responsible for limiting access to Classified Information or Materiel involved in this MOU to those persons who have been properly approved for access and have a need-to-know.

12.10 Each Participant will ensure that access to Classified Information or Materiel is limited to those persons who possess requisite security clearances and have a specific need for access to the Classified Information or Materiel in order to participate in the CBR Activity.

12.11 Information or Materiel provided or generated pursuant to this MOU may be classified as high as TOP SECRET. The existence of this MOU is UNCLASSIFIED, and its contents are UNCLASSIFIED. The classification of a specific PA or CBR E&MT Form and its content will be stated in the PA or CBR E&MT Form.