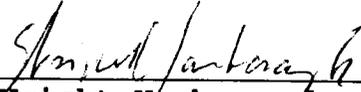


AGREEMENT
BETWEEN
THE GOVERNMENT
OF THE UNITED STATES OF AMERICA
AND
THE GOVERNMENT
OF THE CZECH REPUBLIC
FOR
RESEARCH, DEVELOPMENT, TESTING, AND EVALUATION ACTIVITIES

CERTIFICATE OF AUTHENTICITY

I hereby certify this copy of the U.S.-CR RDT&E Activities Agreement is a certified true copy of the original Agreement Between the Government of the United States of America and the Government the Czech Republic for Research, Development, Testing, and Evaluation Activities and its signatures. The Office of the Under Secretary of Defense (Acquisition, Technology, and Logistics) International Cooperation/International Negotiations maintains custody of the signed copy of this Agreement.



Wright Yarborough, YA-2
Office of the Under Secretary of
Defense (Acquisition, Technology,
and Logistics) JUN 23 2010

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PREAMBLE

The Government of the United States of America and the Government of the Czech Republic (hereinafter referred to as the "Parties"):

Recognizing the applicability of the Agreement between the Parties to the North Atlantic Treaty Regarding the Status of their Forces, done in London on June 19, 1951 (hereinafter referred to as the "NATO SOFA");

Recognizing the applicability of the NATO Agreement on the Communication of Technical Information for Defense Purposes, done at Brussels on October 19, 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 January 1, 1971;

Recognizing the application of the Agreement between the United States of America and the Czech Republic Concerning Security Measures for the Protection of Classified Military Information, done at Prague on September 19, 1995, as amended (hereinafter referred to as the "GSOMIA");

Recognizing the Agreement between the Government of the United States of America and the Government of the Czech Republic concerning Ballistic Missile Defense Cooperation, done at Prague on October 31, 2008;

Having a common interest in defense;

Recognizing the benefits to be obtained from standardization, rationalization, and interoperability of military equipment;

Seeking to make the best use of their respective research and technology development capacities, eliminate unnecessary duplication of work, encourage interoperability, and obtain the most efficient and cost effective results through cooperation in research, development, testing, and evaluation activities;

Desiring to improve their respective conventional defense capabilities through the application of emerging technology;

Have agreed as follows:

ARTICLE I

DEFINITIONS OF TERMS AND ABBREVIATIONS

For the purposes of this Agreement and any of its specific Project Agreements and Equipment and Materiel Transfer Agreements, the following definitions and abbreviations shall apply:

Project Agreement (PA)	An implementing agreement under this Agreement that details the terms of collaboration on a specific Project.
Equipment and Materiel Transfer Agreements (E&MTA)	An implementing agreement under this Agreement that specifies the terms of collaboration on a specific Equipment and Materiel Transfer not part of a specific PA.
Party	A signatory to this Agreement, or PAs/E&MTAs between the United States Department of Defense and the Czech Republic Ministry of Defense on behalf of their respective Governments under this Agreement represented by its military or civilian personnel. Contractors and Contractor Support Personnel shall not be representatives under this Agreement or PAs/E&MTAs under this Agreement.
Information	Knowledge that can be communicated by any means, regardless of form or type, including, but not limited to, that of a scientific, technical, business, or financial nature, and also including photographs, reports, manuals, threat data, experimental data, test data, computer software, designs, specifications, processes, techniques, inventions, drawings, technical writings, sound recordings, pictorial representations, and other graphical presentations, whether in magnetic tape, computer memory, or any other form, and whether or not subject to Intellectual Property rights.
Equipment and Materiel	Any materiel, equipment, end item, subsystem, component, special tooling or test equipment jointly acquired or provided for use in a PA or an E&MTA.
Third Party	A government other than a Party and any physical person or other legal entity whose government is not a Party to this Agreement.

Contractor	Any entity awarded a Contract by a Party's Contracting Agency, including subcontractors.
Contractor Support Personnel	Persons specifically identified as providing administrative, managerial, scientific, or technical support services to a Party under a support Contract.
Financial Costs	PA/E&MTA costs met with monetary contributions.
Non-Financial Costs	PA/E&MTA costs met with non-monetary contributions.
Cooperative Project Personnel (CPP)	Military members or civilian employees of a Parent Party assigned to the joint project office (JPO) or the other Party's facilities who perform managerial, engineering, technical, administrative, Contracting, logistics, financial, planning, or other functions in furtherance of a PA.
Contract	Any mutually binding legal relationship under national law that obligates a Contractor to furnish supplies or services, and obligates one or both of the Parties to pay for them.
Parent Party	The Party that sends its CPPs to a JPO located in the territory of the other Party.
Contracting	The obtaining of supplies or services by Contract from sources outside the government organizations of the Parties. Contracting includes description (but not determination) of supplies and services required, solicitation and selection of sources, preparation and award of Contracts, and all phases of Contract administration.
Contracting Agency	The entity within the government organization of a Party that has authority to enter into, administer, or terminate Contracts.
Contracting Officer	A person representing a Contracting Agency of a Party who has the authority to enter into, administer, or terminate Contracts.
Prospective Contractor	Any entity that seeks to enter into a Contract to be awarded by a Party's Contracting Agency and that, in the case of a solicitation involving the release of export-controlled Information, is eligible to receive such Information.
Project Foreground Information	Information generated in the performance of a specific PA/E&MTA.

Defense Purposes	Manufacture or other use in any part of the world by or for the armed forces of either Party.
Project Background Information	Information not generated in the performance of a specific PA/E&MTA.
Project	Specific collaborative activity described in a PA.
Intellectual Property	In accordance with the World Trade Organization Agreement on Trade-related Aspects of Intellectual Property Rights of April 15, 1994, all copyright and related rights, all rights in relation to inventions (including Patent rights), all rights in registered and unregistered trademarks (including service marks), registered and unregistered designs, undisclosed Information (including trade secrets and know-how), layout designs of integrated circuits, geographical indications, and any other rights resulting from creative activity in the industrial, scientific, literary, and artistic fields.
Controlled Unclassified Information	Unclassified Information to which access or distribution limitations have been applied in accordance with applicable national laws or regulations. It could include Information that has been declassified, but remains controlled.
Classified Information	Official Information that requires protection in the interests of national security and is so designated by the application of a security classification marking. It may be in oral, visual, magnetic, electronic or documentary form, or in the form of materiel, equipment, or technology.
Patent	Grant by any Government or a regional office acting for more than one Government of the right to exclude others from making, using, importing, selling, or offering to sell an invention. The term refers to any and all patents including, but not limited to, patents of implementation, improvement or addition, petty patents, utility models, appearance design patents, registered designs, and inventor certificates or like statutory protection, as well as divisions, reissues, continuations, renewals, and extensions of any of these.

Project Invention

Any invention in any field of technology, provided it is new, involves an inventive step, is capable of industrial application, and is formulated or made (conceived or "first actually reduced to practice") in the course of work performed under a Project. The term "first actually reduced to practice" means the first demonstration, sufficient to establish to one skilled in the art to which the invention pertains, of the operability of an invention for its intended purpose and in its intended environment.

Designated Security Authority (DSA)

The security office approved by national authorities to be responsible for the security aspects of this Agreement.

ARTICLE II

OBJECTIVES & SCOPE

- 2.1 The objective of this Agreement is to define and establish the general terms and conditions that shall apply to the initiation, conduct, and management of research, development, testing, and evaluation activities detailed in separate PAs or E&MTAs between representatives authorized in accordance with national procedures of the Parties. These PAs/E&MTAs shall be entered into pursuant to this Agreement and shall incorporate by reference the terms of this Agreement. Additionally, this Agreement shall allow the exchange of Information for the purposes of attempting to harmonize the Parties' research, development, testing, and evaluation requirements to assist in identifying potential future cooperative efforts under this Agreement.
- 2.2 Detailed terms and conditions of each individual PA/E&MTA shall be consistent with this Agreement. Additionally, each PA/E&MTA shall include specific provisions concerning the objectives, scope of work, sharing of work, management structure, financial arrangements and classification for the applicable PA/E&MTA consistent with the models set forth in Annexes A and B.
- 2.3 The scope of work for this Agreement shall encompass collaboration in research, development, testing, and evaluation potentially leading to new or improved military capability, using the mechanisms described in Article III (Methods of Work) of this Agreement.

ARTICLE III

METHODS OF WORK

3.1 Cooperation within the framework of this Agreement may be carried out using PAs, E&MTAs, Information exchange, and working groups (WGs).

3.2 PAs:

PAs may encompass one or more of the following activities: basic research; applied research; advanced technology development; concept of operation studies and analyses; advanced concept technology demonstrations; system prototypes; system development and demonstration (engineering and manufacturing development); loan of materiel, supplies, or equipment for the purposes of research, development, testing, or evaluation; developmental test and evaluation of system/subsystem efforts and evolutionary acquisition/spiral development efforts associated with low rate initial production or production programs.

3.3 E&MTAs:

The Parties also recognize it may be necessary to transfer Equipment and Materiel for the purpose of implementing this Agreement, but not for the purposes of a specific PA. In such cases, the Parties will execute an E&MTA using the model set forth in Annex B.

3.4 Information exchange:

3.4.1 Information may be exchanged to attempt to harmonize the Parties' requirements to assist in formulating, developing, and negotiating potential PAs/E&MTAs under this Agreement.

3.4.1.1 Information exchange shall take place on an equitable basis, but need not necessarily coincide in time, technical field, or form of the Information.

3.4.1.2 If Information is exchanged but no PA/E&MTA is signed, or before a PA/E&MTA is signed, the receiving Party shall use such exchanged Information only for information and evaluation purposes and shall not disclose or transfer such exchanged Information to a Third Party.

3.4.1.3 The receiving Party shall not disclose such Information to Contractors or any other persons, other than its Contractor Support Personnel, without the specific prior written consent of the furnishing Party.

3.5 WGs:

3.5.1 WGs may be established to attempt to harmonize the Parties' research, development, testing, and evaluation requirements. WGs normally shall be limited in scope to a well-defined area and shall endeavor to assess the issue based on Information provided by both Parties in such a way as to arrive at a jointly determined position within a set time period.

3.5.1.1 WGs shall have their own written terms of reference (TOR).

3.5.1.2 Unless and until Information exchanged in WGs is used in a PA/E&MTA, the receiving Party shall use such Information only for information and evaluation purposes and shall not disclose or transfer such exchanged Information to a Third Party.

3.5.1.3 The receiving Party shall not disclose such Information to Contractors or any other persons, other than its Contractor Support Personnel, without the specific prior written consent of the furnishing Party.

ARTICLE IV

MANAGEMENT (ORGANIZATION AND RESPONSIBILITY)

- 4.1 Implementation of this Agreement shall be coordinated by the Executive Agents. The United States Executive Agent is the Department of Defense (DoD). The Czech Republic Executive Agent is the Ministry of Defense (MOD).
- 4.2 An Executive Steering Committee (ESC) shall be established by the Executive Agents to oversee all activities under this Agreement. The Director for International Cooperation, Office of the Under Secretary of Defense (Acquisition, Technology, and Logistics) (or his/her successor in the event of reorganization) is the U.S. ESC representative. The Deputy Minister of Defense of the Czech Republic (or his/her successor in the event of reorganization) is the Czech ESC representative. The ESC representatives shall be responsible for:
 - 4.2.1 monitoring implementation of this Agreement and exercising executive-level oversight;
 - 4.2.2 monitoring the overall use and effectiveness of the Agreement;
 - 4.2.3 recommending amendments to this Agreement to the Parties; and
 - 4.2.4 resolving issues brought forth by the Management Agents (MAs).
- 4.3 The appropriate U.S. Service Acquisition Executive or Defense Agency Director, or his/her designee, is designated U.S. Management Agent (U.S. MA) for those projects within his/her respective military service or defense agency. The Director of Armaments Division of the Ministry of Defence of the Czech Republic (or his/her successor in the event of reorganization) is designated Czech Management Agent (CR MA). The MAs shall be responsible for:
 - 4.3.1 establishing PAs/E&MTAs in accordance with this Agreement and national policies and procedures;
 - 4.3.2 establishing a management structure for each PA considering its scope and the requirement for a Steering Committee (SC);
 - 4.3.3 appointing Project Officers (POs), and, as appropriate, SC members;
 - 4.3.4 selecting their respective Contractors in accordance with Article VI (Contractual Arrangements) of this Agreement;

- 4.3.5 providing administrative direction to appropriate SCs, if established, or POs appointed to their projects;
 - 4.3.6 designating a point of contact for exchange of Information to harmonize requirements for the development and negotiation of potential PAs/E&MTAs, in accordance with paragraphs 3.2 and 3.3 of Article III (Methods of Work) of this Agreement;
 - 4.3.7 approving and signing TORs for WGs in accordance with paragraph 3.5.1.1 of Article III (Methods of Work) of this Agreement;
 - 4.3.8 resolving issues brought forth by the SC or, if no SC is established, by the POs;
 - 4.3.9 if no SC is established, employing its best efforts to resolve, in consultation with the export control authorities of the Parties, any export control issues raised in accordance with paragraph 4.7 of this Article; and
 - 4.3.10 forwarding issues, when necessary, to the ESC for resolution.
- 4.4 If a SC is established under a particular PA, it shall be responsible for:
- 4.4.1 providing policy and management direction to the POs during PA execution;
 - 4.4.2 monitoring overall PA implementation, including technical, cost, and schedule performance against requirements;
 - 4.4.3 approving plans for transfers of Equipment and Materiel or disposal of jointly acquired Equipment and Materiel, in accordance with Article VII (Equipment and Materiel) of this Agreement;
 - 4.4.4 resolving issues brought forth by the POs;
 - 4.4.5 maintaining oversight of the security aspects of a project;
 - 4.4.6 approving assignment of personnel working on a project at the other Party's facilities in accordance with the provisions set out in Appendix (1) to Annex A of this Agreement;
 - 4.4.7 appointing a Project security officer;
 - 4.4.8 establishing the detailed financial procedures of a PA in the event that one Party contracts on behalf of the other Party or on behalf of both Parties;
 - 4.4.9 reporting status and activity of assigned PAs on an annual basis to the MAs and ESC; and

- 4.4.10 employing its best efforts to resolve, in consultation with the export control authorities of the Parties, any export control issues raised in accordance with paragraph 4.7 of this Article.
- 4.5 In accordance with the terms of the PA, the POs shall have primary responsibility for effective implementation, efficient management and direction of their assigned PA including technical, cost, and schedule performance against requirements. The POs shall monitor export control arrangements required to implement any PA/E&MTA and, if applicable, shall immediately refer to the SC any export control issues that could adversely affect the implementation of the PA/E&MTA. Additionally, the POs shall have the responsibilities under paragraph 4.4 if no SC is established for their PA, except that the MA shall be responsible for resolving issues brought forth by the POs. The POs shall also maintain a list of all Equipment and Materiel transferred by either of the Parties.
- 4.6 In accordance with the terms of an approved PA and with the provisions set out in Appendix (1) to Annex A of this Agreement attached to the approved PA, a Party may assign CPP to a JPO or the other Party's facilities to assist in the implementation of an approved PA.
- 4.7 If a Party finds it necessary to exercise a restriction on the retransfer of export controlled Information as set out in paragraph 8.1.2 of Article VIII (Disclosure and Use of Project Information) of this Agreement, it will promptly inform the other Party. If a restriction is then exercised and the affected Party objects, that Party's SC representative or PO shall promptly notify the other Party's SC representative or PO, and they shall immediately consult in order to discuss ways to resolve such issues or mitigate any adverse effects.
- 4.8 The MAs, SCs, and POs shall meet as required, alternately in the United States and the Czech Republic. The Chairperson for each meeting shall be the senior official of the host Party. During such meetings, all decisions shall be made unanimously with each Party having one vote. In the event that the MAs are unable to reach a timely decision on an issue, the issue shall be referred to the ESC for resolution. In the meantime, the approved PA shall continue to be implemented without interruption under the direction of the POs while the issue is being resolved.

ARTICLE V

FINANCIAL ARRANGEMENTS

- 5.1 Each Party shall contribute its equitable share of the full Financial and Non-Financial Costs of each PA, including overhead costs, administrative costs, and cost of claims, and shall receive an equitable share of the results of each PA.
- 5.2 The financial and non-financial arrangements for a PA, including the total cost of the PA and each Party's share of the total cost, shall be included in the PA.
- 5.3 For each PA, the POs shall be responsible for establishing the detailed financial management procedures under which the project will operate. Where necessary, these procedures shall be detailed in a financial management procedures document (FMPD) proposed by the POs and subject to the approval of the SC, if one is established.
- 5.4 Both Parties shall perform, or have performed, their tasks and shall use their best efforts to perform the tasks within the cost estimates specified in each PA. Both Parties shall bear the full costs they incur for performing, managing, and administering their own activities under this Agreement and participation in each PA, including their share of the costs of any Contracts under paragraph 5.10 of this Article.
- 5.5 The following costs shall be borne entirely by the Party incurring the costs or on whose behalf the costs are incurred:
 - 5.5.1 costs associated with any unique national requirements identified by a Party;
and
 - 5.5.2 any other costs not expressly stated as shared costs or any other costs outside the scope of this Agreement and its PAs.
- 5.6 For PAs with shared costs that involve the establishment of a JPO with CPP assignments to the other Party's facilities or the JPO, the PA shall address the financial and non-financial contributions required for JPO administration and associated support services including, but not limited to, JPO costs of travel incurred in support of project efforts, JPO training costs, Contract award, Contract administration, office space, security services, information technology services, communications services, and supplies.
- 5.7 In addition to the shared costs of JPO administration and associated support services costs described in paragraph 5.6 of this Article, the cost of CPP in the JPO or assigned to the other Party's facilities shall be borne as follows:

- 5.7.1 The host Party shall bear the costs of all pay and allowances of host Party personnel in the JPO.
- 5.7.2 The Parent Party shall bear the following CPP-related costs:
 - 5.7.2.1 All pay and allowances.
 - 5.7.2.2 Transportation of the CPP, the CPP's dependents, and their personal property to the place of assignment in the host Party's nation prior to the CPP's commencement of a tour of duty in the JPO or field activity, and return transportation of the foregoing from the place of assignment in the host Party's nation upon completion or termination of the tour of duty.
 - 5.7.2.3 Compensation for loss of, or damage to, the personal property of CPP or the CPP's dependents, subject to the Parent Party's laws and regulations.
 - 5.7.2.4 Preparation and shipment of remains and funeral expenses in the event of the death of the CPP or the CPP's dependents.
- 5.8 For PAs without shared costs that involve the assignment of one Party's CPP to the facilities of the other Party, the Parties shall bear the costs as set forth in paragraph 5.7 of this Article, except that the host Party shall also bear the assignment-related administrative and support costs such as CPP costs of travel incurred in support of a PA, CPP-related training, office space, security services, information technology services, communications services, and supplies.
- 5.9 A Party shall promptly notify the other Party if available funds will not be adequate to fulfill its obligations as agreed under a PA, or if it appears that the cost estimates in a PA will be exceeded, and both Parties shall immediately consult with a view toward continuation on a modified basis.
- 5.10 If one Party contracts on behalf of the other Party or on behalf of both Parties, each Party shall make funds available in the amounts and at the times set forth in the estimated schedule for monetary contributions, as specified in the FMPD.
- 5.11 The Parties recognize that, in performing Contracting responsibilities on behalf of the other Party, it may become necessary for the Contracting Party to incur contractual or other obligations for the benefit of the other Party prior to the receipt of the other Party's funds. In such event, the other Party shall make such funds available in such amounts and at such times as required by the Contract or other obligation and shall pay any damages and costs that may accrue from the performance or cancellation of the Contract or other obligation in advance of the time such payments, damages, or costs are due.

5.12 Each Party shall be responsible for the audit of its activities or its Contractors' activities pursuant to a PA. A Party's audits shall be in accordance with its own national practices and the FMPD. For PA efforts where funds are transferred between the Parties, the receiving Party shall be responsible for the internal audit regarding administration of the other Party's funds in accordance with the receiving Party's national practices. Audit reports of such funds shall be promptly made available by the receiving Party to the other Party.

ARTICLE VI

CONTRACTUAL ARRANGEMENTS

- 6.1 If either Party determines that Contracting is necessary to fulfill that Party's obligations under Article III (Methods of Work) of this Agreement, that Party shall contract in accordance with its respective national laws, regulations, and procedures. Both Parties recognize that transparency in Contracting is essential for successful implementation of this Agreement.
- 6.2 When one Party individually contracts to perform a task under this Agreement, it shall be solely responsible for its own Contracting, and the other Party shall not be subject to any liability arising from such Contracts.
- 6.3 For all Contracting activities performed by either Party, the POs shall, upon request, be provided a copy of all statements of work prior to the issuance of solicitations.
- 6.4 Each Party's Contracting Agency shall negotiate to obtain the rights to use and disclose Project Information required by Article VIII (Disclosure and Use of Project Information) of this Agreement. Each Party's Contracting Agency shall insert into its prospective Contracts (and require its subcontractors to insert in subcontracts) suitable provisions to satisfy the requirements of this Agreement, including Article VIII (Disclosure and Use of Project Information), Article IX (Controlled Unclassified Information), Article X (Classified Information), Article XII (Third Party Sales and Transfers), and Article XVII (Entry into Force, Duration, Amendment, and Termination) of this Agreement, and including export control provisions in accordance with this Agreement, in particular paragraphs 6.5 and 6.6 of this Article. During the Contracting process, each Party's Contracting Officer shall advise Prospective Contractors of their responsibility to notify immediately the Contracting Agency, before Contract award, if they are subject to any license or agreement that will restrict that Party's freedom to disclose Information or permit its use. The Contracting Officer shall also advise Prospective Contractors to employ their best efforts not to enter into any new agreement or arrangement that will result in restrictions.
- 6.5 Each Party shall legally bind its Contractors to a requirement that the Contractor shall not retransfer or otherwise use export-controlled Information furnished by the other Party for any purpose other than the purposes authorized under this Agreement. The Contractor shall also be legally bound not to retransfer the export-controlled Information to another Contractor or subcontractor unless that Contractor or subcontractor has been legally bound to limit use of the Information to the purposes authorized under this Agreement. Export-controlled Information furnished by one Party under this Agreement may only be retransferred by the other Party to its Contractors if the legal obligations required by this paragraph have been established.

- 6.6 Each Party shall legally bind its Prospective Contractors to a requirement that the Prospective Contractor shall not retransfer or otherwise use export-controlled Information furnished by the other Party for any purpose other than responding to a solicitation issued in furtherance of the purposes authorized under this Agreement. Prospective Contractors shall not be authorized use for any other purpose if they are not awarded a Contract. The Prospective Contractors shall also be legally bound not to retransfer the export-controlled Information to a prospective subcontractor unless that prospective subcontractor has been legally bound to limit use of the export-controlled Information for the purpose of responding to the solicitation. Export-controlled Information furnished by one Party under this Agreement may only be retransferred by the other Party to its Prospective Contractors if the legal obligations required by this paragraph have been established. Upon request by the furnishing Party, the receiving Party shall identify its Prospective Contractors and prospective subcontractors receiving such export-controlled Information.
- 6.7 In the event a Party's Contracting Agency is unable to secure adequate rights to use and disclose Project Information as required by Article VIII (Disclosure and Use of Project Information) of this Agreement, or is notified by Contractors or Prospective Contractors of any restrictions on the disclosure and use of Information, that Party's PO shall notify the other Party's PO of the restrictions.
- 6.8 Each Party's PO shall promptly advise the other Party's PO of any cost growth, schedule delay, or performance problems under any Contract for which its Contracting Agency is responsible.

ARTICLE VII

EQUIPMENT AND MATERIEL

- 7.1 Each Party may provide to the other Party, in accordance with its laws, regulations, and policies, Equipment and Materiel identified as being necessary for executing a specific PA. Such Equipment and Materiel shall remain the property of the furnishing Party. A list of all Equipment and Materiel provided by one Party to another Party shall be developed, maintained, approved, and amended by the POs and shall be included in an annex to each PA. In addition and following the format of Annex B (Model Equipment and Materiel Transfer Agreement) to this Agreement, Equipment and Materiel may be transferred from one Party to the other Party for testing purposes. In the event an E&MTA is used, the receiving Party shall provide the furnishing Party a final report, as reflected in Annex B (Model Equipment and Materiel Transfer Agreement) to this Agreement.
- 7.2 The receiving Party shall maintain any such Equipment and Materiel in good order, repair, and operable condition. Unless the furnishing Party has authorized the Equipment and Materiel to be expended or otherwise consumed without reimbursement to the furnishing Party, the receiving Party shall return the Equipment and Materiel to the furnishing Party in as good condition as received, normal wear and tear excepted, or return the Equipment and Materiel and pay the cost to restore it. If the Equipment and Materiel is damaged beyond economical repair, the receiving Party shall return the Equipment and Materiel to the furnishing Party (unless otherwise specified in writing by the furnishing Party) and pay its replacement value as computed pursuant to the furnishing Party's national laws and regulations. If the Equipment and Materiel is lost while in the custody of the receiving Party, the receiving Party shall issue a certificate of loss to the furnishing Party and pay the replacement value as computed pursuant to the furnishing Party's national laws and regulations. If known at the time of entry into force of a PA/E&MTA, the replacement value of the Equipment and Materiel shall be specified in the PA/E&MTA.
- 7.3 All Equipment and Materiel that is transferred shall be used by the receiving Party only for the purposes of carrying out the activities under a PA/E&MTA. In addition, in accordance with Article XII (Third Party Sales and Transfers) of this Agreement, Equipment and Materiel shall not be re-transferred to a Third Party without the prior written consent of the furnishing Party.
- 7.4 The furnishing Party shall deliver Equipment and Materiel to the receiving Party at a mutually agreed location. Possession of the Equipment and Materiel shall pass from the furnishing Party to the receiving Party at the time of receipt of the Equipment and Materiel. Any further transportation is the responsibility of the receiving Party unless otherwise specified in the appropriate PA/E&MTA.

- 7.5 Equipment and Materiel transferred to one Party under a PA/E&MTA shall be returned to the furnishing Party prior to the termination or expiration of that PA/E&MTA.
- 7.6 Any Equipment and Materiel which is jointly acquired on behalf of both Parties for use under a PA shall be disposed of during the PA or when the PA ceases, as agreed or directed by the SC or, if no SC is established, the POs.
- 7.7 Disposal of jointly acquired Equipment and Materiel may include a transfer of the interest of one Party in the Equipment and Materiel to the other Party, or the sale of such Equipment and Materiel to a Third Party in accordance with Article XII (Third Party Sales and Transfers) of this Agreement. The Parties shall share the consideration from jointly acquired Equipment and Materiel transferred or sold to a Third Party in the same ratio as Financial Costs and Non-Financial Costs are shared under the appropriate PA or in a manner they determine to be fair at that time.

ARTICLE VIII

DISCLOSURE AND USE OF PROJECT INFORMATION

8.1 General

- 8.1.1 Both Parties recognize that successful collaboration depends on full and prompt exchange of Information necessary for carrying out each PA/E&MTA. The Parties intend to acquire sufficient Information and rights to use such Information to enable collaboration on basic, exploratory, and advanced technologies the maturation of which may lead to the development of technologically superior systems. The nature and amount of Information to be acquired shall be consistent with the objectives stated in Article II (Objectives and Scope), Article III (Methods of Work), and Article VI (Contractual Arrangements) of this Agreement and the objectives and scope of PAs/E&MTAs under this Agreement.
- 8.1.2 The following export control provisions shall apply to the transfer of Project Information:
- 8.1.2.1 Transfer of Project Information shall be consistent with furnishing Party's applicable export control laws and regulations.
- 8.1.2.2 Unless otherwise restricted by duly authorized officials of the furnishing Party at the time of transfer to the other Party, all export-controlled Information furnished by one Party to the other Party may be retransferred to the other Party's Contractors, subcontractors, Prospective Contractors, and prospective subcontractors, subject to the requirements of paragraphs 6.5 and 6.6 of Article VI (Contractual Arrangements) of this Agreement.
- 8.1.2.3 Export-controlled Information may be furnished by Contractors, subcontractors, Prospective Contractors, and prospective subcontractors located on the territory of one Party to the Contractors, subcontractors, Prospective Contractors, and prospective subcontractors located on the territory of the other Party pursuant to this Agreement, subject to the conditions established in licenses or other approvals issued by the Government of the furnishing Party in accordance with its applicable export control laws and regulations.
- 8.1.2.4 If a Party finds it necessary to exercise a restriction on the retransfer of export-controlled Information as set out in subparagraph 8.1.2.2

of this Article, it shall promptly inform the other Party. If a restriction is then exercised and the affected Party objects, that Party's SC representative shall promptly notify the other Party's SC representative and they shall immediately consult in order to discuss ways to resolve such issues or mitigate any adverse effects.

8.2 Government Project Foreground Information

8.2.1 All Project Foreground Information generated by a Party's military or civilian employees (hereinafter referred to as "Government Project Foreground Information") shall be disclosed promptly and without charge to the other Party.

8.2.2 Each Party may use or have used all Government Project Foreground Information without charge for Defense Purposes. The Party generating Government Project Foreground Information shall also retain all its rights of use thereto. Any sale or other transfer to a Third Party shall be subject to the conditions of Article XII (Third Party Sales and Transfers) of this Agreement.

8.3 Government Project Background Information

8.3.1 Disclosure: Each Party, upon request, shall disclose promptly and without charge to the other Party any relevant Government Project Background Information generated by its military or civilian employees, provided that:

8.3.1.1 Such Government Project Background Information is necessary to or useful in the Project, with the Party in possession of the Information determining, after consulting with the requesting Party, whether it is "necessary to" or "useful in" the Project.

8.3.1.2 Such Government Project Background Information may be made available only if the rights of holders of Intellectual Property rights are not infringed.

8.3.1.3 Disclosure of such Government Project Background Information is consistent with national disclosure policies and regulations of the furnishing Party.

8.3.1.4 Any disclosure or transfer of such Government Project Background Information to Contractors is consistent with the furnishing Party's export control laws and regulations.

8.3.2 Government Project Background Information furnished by one Party to the requesting Party may be used without charge by or for the requesting Party for Project purposes. However, subject to Intellectual Property rights held by entities other than the Parties, such Government Project Background

Information may be used for Defense Purposes by the requesting Party, without charge, when such Information is necessary for the use of Project Foreground Information. The furnishing Party, in consultation with the other Party, shall determine whether the Government Project Background Information is necessary for the use of Project Foreground Information. The furnishing Party shall retain all its rights with respect to such Government Project Background Information.

8.4 Contractor Project Foreground Information

8.4.1 Project Foreground Information generated and delivered by Contractors (hereinafter referred to as "Contractor Project Foreground Information") shall be disclosed promptly and without charge to both Parties.

8.4.2 Each Party may use or have used without charge for Defense Purposes all Contractor Project Foreground Information generated and delivered by Contractors of the Parties. The Party whose Contractors generate and deliver Contractor Project Foreground Information shall also retain all its rights of use thereto in accordance with the applicable Contracts. Any sale or other transfer to a Third Party of Contractor Project Foreground Information shall be subject to the conditions of Article XII (Third Party Sales and Transfers) of this Agreement.

8.5 Contractor Project Background Information

8.5.1 A Contracting Party shall make available to the other Party promptly and without charge all Contractor Project Background Information generated by Contractors that is delivered under Contracts awarded in accordance with this Agreement. Any other Project Background Information that is generated by Contractors and that is in the possession of one Party shall be made available promptly and without charge to the other Party, upon its request, provided the following conditions are met:

8.5.1.1 Such Contractor Project Background Information is necessary to or useful in the Project, with the Party in possession of the Information determining, after consultation with the requesting Party, whether it is "necessary to" or "useful in" the Project.

8.5.1.2 Such Contractor Project Background Information may be made available only if the rights of holders of Intellectual Property rights are not infringed.

8.5.1.3 Disclosure of such Contractor Project Background Information is consistent with national disclosure policies and regulations of the furnishing Party.

8.5.1.4 Any disclosure or transfer of such Contractor Project Background Information to Contractors is consistent with the furnishing Party's export control laws and regulations.

8.5.2 All Contractor Project Background Information delivered by Contractors under Contracts awarded in accordance with this Agreement may be used by or for the receiving Party, without charge, for Defense Purposes, subject to any restrictions by holders of Intellectual Property rights other than the Parties. Any other Contractor Project Background Information furnished by one Party's Contractors and disclosed to the requesting Party may be used without charge by the requesting Party for Project purposes, subject to any restrictions by holders of Intellectual Property rights other than the Parties. When necessary for the use of Project Foreground Information, such other Contractor Project Background Information may be used by the requesting Party for Defense Purposes, subject to such fair and reasonable terms as may be necessary to be arranged with the Contractor. The furnishing Party, in consultation with the requesting Party, shall determine whether such other Contractor Project Background Information is necessary for the use of Project Foreground Information. The furnishing Party shall retain all its rights with respect to Contractor Project Background Information.

8.6 Alternative Uses of Project Information

8.6.1 Any Project Background Information provided by one Party shall be used by the other Party only for the purposes set forth in this Agreement, unless otherwise consented to in writing by the providing Party.

8.6.2 The prior written consent of each Party shall be required for the use of Project Foreground Information for purposes other than those provided for in this Agreement.

8.7 Proprietary Project Information

8.7.1 All Project Information that is subject to disclosure and use restrictions with respect to Intellectual Property rights shall be identified and marked, and it shall be handled in accordance with Article IX (Controlled Unclassified Information) or in accordance with Article X (Classified Information) of this Agreement, depending on its security classification.

8.7.2 The provisions of the NATO Agreement on the Communication of Technical Information for Defence Purposes, done at Brussels on October 19, 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 January 1, 1971 (or any successor agreement and procedures) shall apply to Project Information that is subject to Intellectual Property rights.

8.8 Patents

- 8.8.1 Each Party shall include in all its Contracts for the Project a provision governing the disposition of rights in regard to Project Inventions and Patent rights relating thereto that either:
- 8.8.1.1 Provides that the Party shall hold title to all such Project Inventions together with the right to make Patent applications for the same, free of encumbrance from the Contractor concerned; or
 - 8.8.1.2 Provides that the Contractor shall hold title (or may elect to retain title) for such Project Inventions together with the right to make Patent applications for the same, while securing for the Parties a license for the Project Inventions, and any Patents thereto, on terms in compliance with the conditions of subparagraph 8.8.2 of this Article.
- 8.8.2 In the event that a Contractor owns title (or elects to retain title) to any Project Invention, the Contracting Party shall secure for the other Party non-exclusive, irrevocable, royalty-free licenses under all Patents secured for that invention, to practice or have practiced the patented Project Invention throughout the world for Defense Purposes.
- 8.8.3 The conditions of subparagraphs 8.8.4 through 8.8.6 below shall apply in regard to Patent rights for all Project Inventions made by the Parties' military or civilian employees, including those within Government-owned facilities, and for all Project Inventions made by Contractors for which the Contracting Party holds title or is entitled to acquire title.
- 8.8.4 When a Party has or can secure the right to file a Patent application with regard to a Project Invention, that Party shall consult with the other Party regarding the filing of such Patent application. The Party that has or receives title to such Project Invention shall, in other countries, file, cause to be filed, or provide the other Party with the opportunity to file on behalf of the Party holding title, Patent applications covering that Project Invention. A Party shall immediately notify the other Party that a Patent application has been filed. If a Party, having filed or caused to be filed a Patent application, abandons prosecution of the application or ceases maintaining the Patent granted or issued on the application, that Party shall notify the other Party of that decision and permit the other Party to continue the prosecution or maintain the Patent as the case may be.

- 8.8.5 Each Party shall be furnished with copies of Patent applications filed and Patents granted with regard to Project Inventions.
- 8.8.6 Each Party shall grant to the other Party a non-exclusive, irrevocable, royalty-free license under its Patents for Project Inventions, to practice or have practiced the Project Invention throughout the world for Defense Purposes.
- 8.9 Each Party shall notify the other Party of any Intellectual Property infringement claims brought against that Party arising in the course of work performed under the Project on behalf of the other Party. Insofar as possible, the other applicable Party shall provide Information available to it that may assist in defending such claims. Each Party shall be responsible for handling such Intellectual Property infringement claims brought against it, and shall consult with the other Party during the handling, and prior to any settlement, of such claims. The Parties shall share the costs of resolving such Intellectual Property infringement claims in proportion to their financial contributions for that work specified in Article V (Financial Arrangements) of this Agreement.
- 8.10 The Parties shall, as permitted by their national laws, regulations, and practices, give their authorization and consent for all use and manufacture in the course of work performed under the Project of any invention covered by Patent, or as determined to be necessary for work under the Project, authorization and consent for non-commercial copyright, granted or otherwise provided by their respective countries.

ARTICLE IX

CONTROLLED UNCLASSIFIED INFORMATION

- 9.1 Except as otherwise provided in this Agreement or as authorized in writing by the originating Party, Controlled Unclassified Information provided or generated pursuant to this Agreement shall be controlled and handled as follows:
- 9.1.1 Such Information shall be used only for the purposes authorized for use of Project Information as specified in Article VIII (Disclosure and Use of Project Information) of this Agreement.
 - 9.1.2 Access to such Information shall be limited to personnel whose access is necessary for the permitted use under subparagraph 9.1.1 of this Article, and shall be subject to the conditions of Article XII (Third Party Sales and Transfers) of this Agreement.
 - 9.1.3 Each Party shall take all lawful steps available to it, including national classification, to keep such Information free from further disclosure (including requests under any applicable national laws and regulations), except as provided in subparagraph 9.1.2 of this Article, unless the originating Party 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 shall be given to the originating Party.
- 9.2 To assist in providing the appropriate controls, the originating Party shall ensure that Controlled Unclassified Information is appropriately marked. The Parties' export-controlled Information shall be marked in accordance with the applicable Party's export control markings as documented in the Security Classification Guide (CG). The Parties shall also decide, in advance and in writing, on the markings to be placed on any other types of Controlled Unclassified Information and describe such markings in the Project Security Instruction (PSI). If no PSI is required for a Project, the Parties' export-controlled Information shall be marked in accordance with the applicable Parties' export control markings as documented in the appropriate Project documentation approved by the SC, such as the Project Plan. The SC shall also decide, in advance and in writing, on the markings to be placed on any other types of Controlled Unclassified Information and shall describe such markings in the appropriate Project documentation.
- 9.3 Prior to authorizing the release of Controlled Unclassified Information to Contractors, or Prospective Contractors, the Parties shall ensure that such Contractors are legally bound to control such Information in accordance with the conditions of this Article.

ARTICLE X

CLASSIFIED INFORMATION

- 10.1 All Classified Information provided or generated pursuant to this Agreement and any of its PAs/E&MTAs shall be stored, handled, transmitted, and safeguarded in accordance with the GSOMIA.
- 10.2 Classified Information shall be transferred only through official government-to-government channels or through channels approved by the DSAs of the Parties. Such 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 Agreement and the applicable PA/E&MTA.
- 10.3 Each Party shall take all lawful steps available to it to ensure that Classified Information provided or generated pursuant to this Agreement is protected from further disclosure, except as permitted by paragraph 10.9 of this Article, unless the other Party consents to such disclosure. Accordingly, each Party shall ensure that the recipient:
 - 10.3.1 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 XII (Third Party Sales and Transfers) of this Agreement:
 - 10.3.2 Shall not use the Classified Information for other than the purposes provided for in this Agreement.
 - 10.3.3 Shall comply with any distribution and access restrictions on Classified Information that are provided under this Agreement.
- 10.4 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 Agreement or any of its PAs/E&MTAs has been lost or disclosed to unauthorized persons or other entities. 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 recurrence.
- 10.5 The PO shall prepare a PSI and a CG for the Project. The PSI and the CG shall describe the methods by which Project Information shall be classified, marked, used, transmitted, and safeguarded, and shall require that markings for all export-controlled Classified Information shall include the applicable export control markings identified in the PSI in accordance with paragraph 9.2 of Article IX (Controlled Unclassified Information) of this Agreement. The PSI and CG shall be developed by the PO within six months after this Agreement 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 shall be approved by the appropriate DSA prior to the transfer of any Classified Information or Controlled Unclassified Information.

- 10.6 The DSA of a Party that awards a classified Contract 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 or Prospective Contractor of any Classified Information provided or generated under this Agreement, the DSA or their designee shall:
- 10.6.1 Ensure that such Contractor or Prospective Contractor (and their facilities) have the capability to protect the Classified Information adequately.
 - 10.6.2 Grant a security clearance to the facilities, if appropriate.
 - 10.6.3 Grant a security clearance for all personnel whose duties require access to the Classified Information, if appropriate.
 - 10.6.4 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 Agreement.
 - 10.6.5 Carry out periodic security inspections of cleared facilities to ensure that the Classified Information is properly protected.
 - 10.6.6 Ensure that access to the Classified Information is limited to those persons who have a need-to-know for purposes of the Project.
- 10.7 Contractors or Prospective Contractors that 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 or Equipment and Materiel provided or generated pursuant to this Agreement and any of its PAs/E&MTAs 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 or Equipment and Materiel. 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.
- 10.8 For any facility in which Classified Information or Equipment and Materiel is to be used, the responsible Party or Contractor shall approve the appointment of a person or persons to exercise effectively the obligations for safeguarding at such facility the Information pertaining to this Agreement and any of its PAs/E&MTAs. These officials shall be responsible for limiting access to Classified Information or Equipment and Materiel

involved in this Agreement and any of its PAs/E&MTAs to those persons who have been properly approved for access and have a need-to-know.

- 10.9 Each Party shall ensure that access to the Classified Information or Equipment and Materiel 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 this Agreement or any of its PAs/E&MTAs.

ARTICLE XI

VISITS TO ESTABLISHMENTS

- 11.1 Each Party shall permit visits to its relevant establishments, agencies and laboratories, and Contractor industrial facilities by employees of the other Party or by employees of the other Party's Contractors, provided that the visit is authorized by both Parties and the employees have any necessary and appropriate security clearances and a need-to-know.
- 11.2 All such visiting personnel shall be required to comply with security regulations of the hosting Party. Any Information disclosed or made available to visitors shall be treated as if supplied to the Party sponsoring the visiting personnel, and shall be subject to the provisions of this Agreement.
- 11.3 Requests for visits by personnel of one Party to relevant establishments of the other Party shall be coordinated through established official channels, shall conform with the recognized visit procedures of the host country, and shall refer to this Agreement and the appropriate PA/E&MTA. Lists of personnel of each Party required to visit on a continuing basis shall be submitted through official channels in accordance with recurring international visit procedures.

ARTICLE XII

THIRD PARTY SALES AND TRANSFERS

- 12.1 Except to the extent permitted in paragraph 12.2, the Parties shall not sell, transfer title to, disclose, or transfer possession of Project Foreground Information (or any item produced either wholly or in part from the Project Foreground Information) or jointly acquired or produced Equipment and Materiel to any Third Party without the prior written consent of the other Party. Furthermore, neither Party shall permit any such sale, disclosure, or transfer, including by the owner of the item, without the prior written consent of the other Party. Such consent shall not be given unless the government of the intended recipient agrees in writing with the Parties that it shall:
- 12.1.1 not retransfer, or permit the further retransfer of, any Equipment and Materiel or Information provided; and
 - 12.1.2 use, or permit the use of, the Equipment and Materiel or Information provided only for the purposes specified by the Parties.
- 12.2 Each Party shall retain the right to sell, transfer title to, disclose, or transfer possession of Project Foreground Information:
- 12.2.1 generated solely by either Party or that Party's Contractors in the performance of that Party's work allocation under a PA or Article III (Methods of Work) of this Agreement; and
 - 12.2.2 which does not include any Project Foreground Information or Project Background Information of the other Party and whose generation, test, or evaluation has not relied on the use of Equipment and Materiel of the other Party.
- 12.3 In the event questions arise whether the Project Foreground Information (or any item produced either wholly or in part from the Project Foreground Information) that a Party intends to sell, transfer title to, disclose, or transfer possession of to a Third Party is within the scope of paragraph 12.2, the matter shall be brought to the immediate attention of the other Party's PO. The Parties shall resolve the matter prior to any sale or other transfer of such Project Foreground Information (or any item produced either wholly or in part from the Project Foreground Information) to a Third Party.
- 12.4 A Party shall not sell, transfer title to, disclose, or transfer possession of Equipment and Materiel or Project Background Information provided by the other Party to any Third Party without the prior written consent of the Party that provided such Equipment and Materiel or

Information. The furnishing Party shall be solely responsible for authorizing such transfers and, as applicable, specifying the method and conditions for implementing such transfers.

ARTICLE XIII

LIABILITY AND CLAIMS

- 13.1 With the exception of claims for loss of or damage to Equipment and Materiel under Article VII (Equipment and Materiel) of this Agreement, claims against either Party or its personnel shall be dealt with in accordance with Article VIII of the NATO SOFA. Employees and agents of Contractors shall not be considered to be civilian personnel of a Party for purposes of this Article.
- 13.2 If a person or entity, other than the Party's military or civilian personnel, damages jointly acquired equipment, and the cost of making good such damage is not recoverable from such person or entity, such cost shall be borne by the Parties in the same ratios as their financial and non-financial contributions specified in this Agreement.
- 13.3 Claims arising under any Contract awarded under this Agreement shall be resolved in accordance with the terms and conditions of the Contract.

ARTICLE XIV

CUSTOMS DUTIES, TAXES, AND SIMILAR CHARGES

- 14.1 Customs duties, 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 Agreement, or any of its PAs/E&MTAs.
- 14.2 Each Party shall use its best efforts to ensure that customs duties, taxes, and similar charges are administered in a manner favorable to the efficient and economical conduct of the work.
- 14.3 If it is necessary to levy duties in order to comply with European Union (EU) laws, regulations, or policies, then these duties shall be met by the recipient. To this end, equipment and parts or components of the equipment coming from outside the EU shall proceed to their final destination accompanied by the relevant customs document enabling settlement of duties to take place. The duties shall be levied as a cost over and above the EU member's shared cost of the cooperative activity.

ARTICLE XV

SETTLEMENT OF DISPUTES

- 15.1 Any disputes between the Parties regarding the interpretation or application of this Agreement shall be settled by negotiation between them without recourse to any outside jurisdiction, unless otherwise expressly agreed between the Parties.

ARTICLE XVI
GENERAL PROVISIONS

- 16.1 All activities of the Parties under this Agreement shall be carried out in accordance with their respective national laws and regulations, including their respective export control laws and regulations, and their respective international obligations. Such activities shall be subject to the availability of funds for such purposes.
- 16.2 For activities under this Agreement the working language shall be agreed on a case-by-case basis.
- 16.3 No requirement shall be imposed by either Party for work sharing or other industrial or commercial compensation in connection with this Agreement that is not in accordance with this Agreement.
- 16.4 In the event of a conflict between an Article of this Agreement and any PA or E&MTA under this Agreement, this Agreement shall prevail.

ARTICLE XVII

ENTRY INTO FORCE, DURATION, AMENDMENT, AND TERMINATION

- 17.1 This Agreement shall enter into force upon signature by both Parties and shall remain in force for 25 years. It may be extended by written agreement of the Parties.
- 17.2 Except as otherwise provided, this Agreement may be amended only by the mutual written agreement of the Parties.
- 17.3 This Agreement may be terminated at any time upon the written agreement of the Parties. In the event both Parties agree to terminate this Agreement, the Parties shall consult prior to the date of termination to ensure termination in the most economical and equitable manner.
- 17.4 Either Party may terminate this Agreement upon 180 days written notification to the other Party of its intent to terminate. Such notice shall be the subject of immediate consultation by the ESC to decide upon the appropriate course of action to conclude the activities under this Agreement. In the event of such termination, the following rules apply:
- 17.4.1 The Party terminating this Agreement shall continue participation, financial or otherwise, up to the effective date of termination.
- 17.4.2 All Information and rights therein received under the provisions of this Agreement prior to the termination of this Agreement shall be retained by the Parties, subject to the provisions of this Agreement.
- 17.5 Notwithstanding the termination or expiration of this Agreement, the Classified Information exchanged or generated in the course of implementation of this Agreement shall continue to be protected in accordance with the provisions of the GSOMIA, until the providing Party releases the other Party of this obligation.
- 17.6 Notwithstanding the termination or expiration of this Agreement, the Information, other than referred to in Article X (Classified Information) of this Agreement, exchanged in the course of implementation of this Agreement shall continue to be protected in accordance with the provisions of this Agreement, as authorized by applicable national laws and regulations.

IN WITNESS WHEREOF, the undersigned, being duly authorized representatives of the Parties, have signed this Agreement.

DONE, in Brussels, this 10 day of Jan., 2010, in duplicate, in the English and Czech languages, both texts being equally authentic.



FOR THE GOVERNMENT OF THE
UNITED STATES OF AMERICA



FOR THE GOVERNMENT OF THE
CZECH REPUBLIC

ANNEX A
MODEL PROJECT AGREEMENT
TO THE
AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA
AND THE GOVERNMENT OF THE CZECH REPUBLIC FOR RESEARCH, DEVELOPMENT,
TESTING, AND EVALUATION
ACTIVITIES

DATED

PROJECT AGREEMENT NO. _____ *

BETWEEN

THE DEPARTMENT OF DEFENSE OF THE UNITED STATES OF AMERICA

AND

THE MINISTRY OF DEFENSE OF THE CZECH REPUBLIC

CONCERNING

(FULL DESIGNATION OF THE PROJECT)

* **The Project Agreement Numbers shall be structured as follows:**

XX-NN-nnnn where XX is a U.S. Military Service or Defense Agency designator such as N for Navy, A for Army, AF for Air Force, AR for ARPA, etc.; NN is the calendar year, and nnnn is a sequential number.

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(At a minimum, a PA should include the above Articles. If additional topics need to be addressed, articles, annexes, or special provisions should be included as necessary and appropriate.)

PREAMBLE

This Project Agreement (PA) is entered into pursuant to the Agreement between the Government of the United States of America and the Government of the Czech Republic for Research, Development, Testing, and Evaluation Activities, which entered into force (date) (hereinafter referred to as the "RDT&E Agreement").

ARTICLE I

DEFINITIONS OF TERMS AND ABBREVIATIONS

ARTICLE II

OBJECTIVES

2.1 The objectives of this _____ PA are:

2.1.1 The development of _____
_____.

2.1.2 The improvement of _____
_____.

ARTICLE III

SCOPE OF WORK

3.1 The following work shall be undertaken under this PA.

3.1.1 Develop _____
_____.

3.1.2 Evaluate _____
_____.

3.1.3 Design, fabricate and test _____
_____.

ARTICLE IV

SHARING OF TASKS

4.1 The sharing of tasks shall be as follows:

4.1.1 The U.S. DoD shall _____
_____.

4.1.2 The Czech MoD shall _____
_____.

4.1.3 U.S. DoD and Czech MoD shall jointly _____
_____.

ARTICLE V

BREAK DOWN AND SCHEDULE OF TASKS
(OPTIONAL)

5.1 The Project shall proceed according to the following phases and schedule:

<u>Phase 1</u> Description of Phase 1	<u>Start</u> MM/DD/YY	<u>End</u> MM/DD/YY
<u>Phase 2</u> Description of Phase 2	<u>Start</u> MM/DD/YY	<u>End</u> MM/DD/YY
<u>Phase 3</u> Description of Phase 3	<u>Start</u> MM/DD/YY	<u>End</u> MM/DD/YY

5.2 The final report must be transmitted to the MAs six months before the termination date for this PA.

ARTICLE VI
MANAGEMENT

Alternative 1

6.1 This PA shall be directed and administered on behalf of the Parties by one Project Officer (PO) from each Party. The POs are:

U.S. PO	Title/Position	_____
	Organization	_____
	Address	_____ _____ _____
CZECH PO	Title/Position	_____
	Organization	_____
	Address	_____ _____ _____

6.2 Project Offices shall be established in _____ (**name of U.S. location**) and in _____ (**name of Czech location**). The POs are responsible for management of those tasks listed as national responsibilities in Article V (Sharing of Tasks) in this PA.

6.3 Particular Management Procedures:

(Mention only those additional management responsibilities not covered under Article IV (Management) of the RDT&E Agreement.)

(If a Project requires the establishment of a Steering Committee, use the following format to set forth how the Project will be managed.)

Alternative 2

6.1 This PA shall be directed and administered on behalf of the Parties by an organization consisting of a Steering Committee (SC) and one Project Officer (PO) from each Party. The SC members are:

U.S. Co-Chairperson Title/Position _____
Organization _____
Address _____

CR Co-Chairperson Title/Position _____
Organization _____
Address _____

6.2 The POs are:

U.S. PO Title/Position _____
Organization _____
Address _____

CR PO Title/Position _____
Organization _____
Address _____

6.3 Particular Management Procedures:

(Mention only those additional management responsibilities not covered under Article IV (Management) of the RDT&E Agreement. For instance, if a PA will be administered by one joint program office staffed by members from each Party, add the following paragraph):

(Either Party may assign personnel to the JPO to assist in administering a PA. The host Party shall provide office space and administrative support to personnel of the other Party in accordance with the host Party's normal practice. A Party's assigned personnel shall be subject to the normal procedures and regulations of the host Party. Provisions for the personnel provided are described in Appendix (1) of this PA.)

ARTICLE VII

FINANCIAL ARRANGEMENTS

7.1 The Parties estimate that the cost of performance of the tasks under this PA shall not exceed ___ U.S.\$/ ___ CZK.

(If a PA will involve the assignment of CPP, the PA shall include a provision that refers to paragraphs 5.6 - 5.8 of the RDT&E Agreement, that identifies which Party is sending or hosting CPP, and that specifies the number of CPP to be assigned. In addition, the PA shall include the amount of financial and non-financial contributions related to CPP in one of the two alternatives below in this Article.)

(If a PA will not involve one Party contracting for the other or both Parties, and no funds will be exchanged between the Parties, use the following format for the Financial Arrangements. Both financial and non-financial contributions should be included in the total U.S. DoD and Czech MoD costs.)

Alternative 1

7.1.1 The U.S. DoD tasks shall not cost more than: _____ U.S. \$.

7.1.2 The Czech MoD tasks shall not cost more than: _____ CZK.

Or:

(If a PA will involve one Party contracting for the other Party or both Parties, or the Parties will transfer or exchange funds between them, use the following format for the Financial Arrangements.)

Alternative 2

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
CR						
U.S.						

(Using the above table and whatever description is necessary, explain and demonstrate how the PA will be funded. Identify both financial (funds) and non-financial (range time, use of Equipment and Material, etc.) contributions and identify the amount of funds to be transferred between the Parties.)

ARTICLE VIII

CLASSIFICATION

8.1 The existence of the PA and its contents are unclassified.

Only one of the two following possibilities must be selected:

8.2 **No Classified Information shall be exchanged under this PA;**

8.2 **The highest level of Classified Information exchanged under this PA is:
(Specify the highest level of classification).**

ARTICLE IX

PRINCIPAL ORGANIZATIONS INVOLVED

(List relevant laboratories, research centers, and other organizations for both the U.S. and Czech Republic.)

ARTICLE X

EQUIPMENT AND MATERIEL

In the event that the collaborative efforts under the PA require the provision of Equipment and Materiel to either Party, then a list of such Equipment and Materiel must be developed in accordance with the following table.

Furnishing Party	Receiving Party	QTY	Description	Part/ Stock #	Consumables\ Non-Consumables	Approx Value

If jointly acquired Equipment and Materiel is an aspect of the collaborative efforts under the PA, then terms and conditions for the disposal of such jointly acquired Equipment and Materiel must be included in the PA.

If Equipment and Materiel is to be loaned for the purposes of conducting research, development, test, or evaluation, the receiving Party will supply the furnishing Party with a copy of the resulting test report or research results within an agreed to period of time following completion of the research, development, test, or evaluation. Procedural details pertaining to the transfer of loaned Equipment and Materiel (transfer of custody, delivery responsibilities, inventory and inspection responsibilities, return/consumption provisions, procedures and responsibilities in the event Equipment and Materiel is lost, damaged, or destroyed, and provision of any Information necessary for the use or maintenance of the Equipment and Materiel, supplies or equipment) must be included in this Article.

ARTICLE XI
SPECIAL PROVISIONS

ARTICLE XII
AMENDMENT AND TERMINATION

- 12.1 The provisions of this PA may be amended only by written agreement of authorized representatives of the Parties in accordance with the RDT&E Agreement.
- 12.2 The activities described in this PA may be terminated at any time in accordance with the following provisions.
 - 12.2.1 Through the written agreement of the authorized representatives of the Parties; or
 - 12.2.2 Either Party may terminate this PA upon 90 days written notification to the other Party of its intent to terminate.
- 12.3 Responsibilities regarding security and protection against unauthorized use, disclosure, or transfer that accrued prior to termination or expiration of the transfer period shall continue to apply without limit of time in accordance with Article XVII (Entry into Force, Duration Amendment, and Termination) of the RDT&E Agreement.

ARTICLE XIII

ENTRY INTO FORCE AND DURATION

This _____ PA, a Project under the Agreement between the Government of the United States of America and the Government of the Czech Republic for Research, Development, Testing, and Evaluation Activities, shall enter into force upon signature by the Parties, and shall remain in force for _____ years.

DONE, in _____, this _____ day of _____, in duplicate, in the English and Czech languages, both texts being equally authentic.

FOR THE DEPARTMENT OF DEFENSE
OF THE UNITED STATES OF AMERICA

FOR THE MINISTRY OF DEFENSE OF THE
CZECH REPUBLIC

APPENDIX (1)
TO ANNEX A

ASSIGNMENT OF (INSERT NAME OF PROJECT) COOPERATIVE PROJECT PERSONNEL

1.1 Purpose and Scope.

- 1.1.1 This appendix to the Project Agreement (PA) establishes the provisions that shall govern the conduct of the U.S. Department of Defense (hereinafter referred to as "U.S. DoD") or Czech Ministry of Defense (hereinafter referred to as "Czech MoD") Cooperative Project Personnel (CPP). During the term of the PA, each Party shall be permitted to assign military members or civilian employees of its U.S. DoD/Czech MoD to the Joint Project Office (JPO), or to U.S. DoD or Czech MoD field activities in accordance with this appendix. CPP shall be able to perform all the responsibilities for the positions assigned to them under this PA. Commencement of assignments shall be subject to any requirements that may be imposed by the other Party or its government regarding acceptance of PA CPP, such as, but not limited to, visas and visit request documentation. The U.S. DoD and Czech MoD SC representatives or in the event no SC is established, the POs, shall determine the length of tour for the positions at the time of initial assignment.
- 1.1.2 CPP shall be assigned to the JPO or to U.S. DoD or Czech MoD field activities for Project work (including work at U.S. or Czech contractor facilities) and shall report to their designated supervisor within those organizations regarding that work. The designated supervisor shall be responsible for the creation of a document describing the duties of each CPP position, which shall be subject to approval by the SC or, in the event no SC is established, the POs. CPP shall not act as liaison officers for their parent organizations or governments. However, such personnel may act from time to time on behalf of their SC representative (or PO as applicable), if the latter so authorizes in writing.
- 1.1.3 CPP shall not be assigned to command or other positions that would require them to exercise responsibilities that are reserved by law or regulation to an officer or employee of the host Government.

2.1 Security.

- 2.1.1 The U.S. DoD and Czech MoD SC representatives (or POs as applicable) shall establish the maximum 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 shall be consistent with, and limited by, Article III (Objectives) and Article IV (Scope of Work) of this PA and the corresponding provisions of this appendix, and shall be kept to the minimum required to accomplish the work assignments.

- 2.1.2 The Parent Party shall file visit requests for the CPP through prescribed channels in compliance with the host Party's procedures. The Parties shall cause security assurances to be filed, through their respective embassies, specifying the security clearances for the CPP being assigned. The security assurances shall be prepared and forwarded through prescribed channels in compliance with established procedures.
- 2.1.3 The Parties shall ensure that both U.S. DoD and Czech MoD personnel assigned to the JPO or field activities are made aware of, and required to comply with, applicable laws and regulations as well as the requirements of Article VIII (Disclosure and Use of Project Information), Article IX (Controlled Unclassified Information), and Article X (Classified Information) of the RDT&E Agreement, and the corresponding provisions of this appendix, and the PSI and CG. Prior to commencing assigned duties, CPP shall, if required by the host Party's laws, regulations, policies, or procedures, sign a certification concerning the conditions and responsibilities of CPP.
- 2.1.4 CPP shall at all times be required to comply with the security and export laws, regulations, and procedures of the host Party, as briefed in accordance with paragraph 3.2 of this appendix. Any violation of security or export procedures by CPP during their assignment shall be reported to their parent organization and government for appropriate action. CPP committing willful violations of security or export laws, regulations, or procedures during their assignments shall be withdrawn from the Project with a view toward appropriate administrative or disciplinary action by their parent organization and government.
- 2.1.5 All Classified Information made available to CPP shall be considered as Classified Information furnished to the U.S. DoD or Czech MoD and shall be subject to all of the provisions and safeguards provided for in this PA, this appendix, the RDT&E Agreement, the PSI and the CG.
- 2.1.6 CPP shall not have personal custody of Classified Information or Controlled Unclassified Information, unless approved by the Project Office and as authorized by the parent organization. They shall be granted access to such Information in accordance with the provisions of the PSI during normal duty hours when access is necessary to perform Project work. They may not have unsupervised access to classified libraries or operating centers, or to document catalogues, unless the Information therein is releasable to the public.

2.1.7 CPP shall not serve as a conduit between the U.S. DoD and the Czech MoD for requests for and/or transmission of Classified Information or Controlled Unclassified Information unless specifically authorized by the PSI.

3.1 Administrative Matters.

3.1.1 Consistent with the host Party's national laws and regulations and subject to applicable multilateral and bilateral treaties, agreements and arrangements, CPP shall be subject to the same restrictions, conditions, and privileges as host Party personnel of comparable rank and in comparable assignments.

3.2 Upon or shortly after arrival, CPP shall be informed by the PO or host Party field activities about applicable laws, orders, regulations, and customs and the need to comply with them. CPP shall also be provided briefings arranged by the PO or host Party field activities regarding applicable entitlements, privileges, and obligations such as:

3.2.1 Any medical or dental care that may be provided to CPP and their dependents at the host Party's medical facilities, subject to applicable laws and regulations, including reimbursement when required by such laws and regulations.

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

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

3.3. The POs, through the JPO and host Party field activities, shall 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 or civilian personnel regulations and practices of both Parties.

3.3.3. Dress regulations, consistent to the extent possible with the military or civilian personnel regulations and practices of both Parties.

3.3.4. Performance evaluations, recognizing that such evaluations must be rendered in accordance with the furnishing Party's military or civilian personnel regulations and practices.

- 3.4. CPP committing an offense under the laws of the government of either Party may be withdrawn from this Project with a view toward further administrative or disciplinary action by the providing Party. Disciplinary action, however, shall not be taken by the host Party against CPP from the furnishing Party, nor shall CPP from the furnishing Party exercise disciplinary authority over host Party personnel. In accordance with the host Party's laws, regulations, and procedures, the host Party shall assist the furnishing Party in carrying out investigations of offenses involving CPP.

ANNEX B

MODEL EQUIPMENT AND MATERIEL TRANSFER AGREEMENT (E&MTA)

TO THE

AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED STATES OF

AMERICA AND THE GOVERNMENT OF THE CZECH REPUBLIC FOR

RESEARCH, DEVELOPMENT, TESTING, AND EVALUATION

ACTIVITIES

DATED

EQUIPMENT AND MATERIEL TRANSFER AGREEMENT NUMBER _____*

BETWEEN

THE DEPARTMENT OF DEFENSE OF THE UNITED STATES OF AMERICA

AND

THE MINISTRY OF DEFENSE OF THE CZECH REPUBLIC

CONCERNING THE

DATED XX XXX 20XX

*** The U.S. DoD will assign the Equipment and Materiel Transfer Agreement number.**

PREAMBLE

This Equipment and Materiel Transfer Agreement (E&MTA) is entered into pursuant to the Agreement between the Government of the United States of America and the Government of the Czech Republic for Research, Development, Testing, and Evaluation Activities of, which entered into force (date) (hereinafter referred to as the "RDT&E Agreement").

ARTICLE I

DESCRIPTION AND QUANTITY

1.1 The following Equipment and Materiel shall be transferred by the furnishing Party to the receiving Party:

Furnishing Party	Receiving Party	QTY	Description	Part/ Stock #	Consumables/ Non-Consumables	Return Date	Estimated Replacement Value *
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(Fill in as appropriate)

* Estimated Replacement Value is a good faith estimate of the replacement value at the time of the E&MTA. Should a loss occur, the actual replacement value shall be determined by the furnishing Party in consultation with the receiving Party.

1.2 *(Choose one of the following alternatives, or use both if both situations apply.)*

Alternative A – *Use when return of Equipment and Materiel is planned.*

None of the Equipment and Materiel identified in paragraph 1.1 of this E&MTA, is intended to be consumed or expended during the course of the E&MTA activities described in paragraph 2.1.1 of this E&MTA.

Alternative B – *Use when return of Equipment and Materiel is not planned due to its consumption during the activity.*

The Equipment and Materiel (specify as appropriate by highlighting in paragraph 1.1) described in paragraph 1.1 is intended to be consumed or expended during the course of the E&MTA activities described in paragraph 2.1.1 of this E&MTA.

ARTICLE II

PURPOSE

2.1 The purpose of this E&MTA is to support the following activities.

2.1.1 (Fill in as appropriate)

ARTICLE III

MANAGEMENT AND RESPONSIBILITIES

3.1 Each Party shall establish a point of contact that shall be responsible for implementing this E&MTA.

3.1.1 For the furnishing Party the point of contact is *

3.1.2 For the receiving Party the point of contact is *

3.2 Responsibilities of the Furnishing Party:

3.2.1 Transfer of the Equipment and Materiel: The furnishing Party shall transfer the Equipment and Materiel listed above for the duration of the transfer period specified in Article VII (Entry into Force and Duration) of this E&MTA unless extended by written agreement.

3.2.2 Equipment and Materiel Delivery: The furnishing Party shall deliver the Equipment and Materiel (specify arrangements). Responsibility for the Equipment and Materiel shall pass from the furnishing Party to the receiving Party at the time of receipt of the Equipment and Materiel. Any further transportation is the responsibility of the receiving Party unless otherwise specified in this paragraph.

3.2.3 Information: The furnishing Party shall furnish the receiving Party such Information as is necessary to enable the Equipment and Materiel to be used in E&MTA activities described in paragraph 2.1.1 in accordance with Article VIII (Disclosure and Use of Project Information) of the RDT&E Agreement.

3.3 Responsibilities of the Receiving Party

- 3.3.1 Inspection and Inventory – The receiving Party shall inspect and inventory the Equipment and Materiel upon receipt. The receiving Party shall also inspect and inventory the Equipment and Materiel prior to its return to the furnishing Party, unless the Equipment and Materiel is consumed.
- 3.3.2 A final report shall be provided to the furnishing Party prior to the expiration of this E&MTA.

Alternative A – Use when return of Equipment and Materiel is planned.

Return of Equipment and Materiel: Upon expiration or termination of the transfer period specified in Article VII (Entry Into Force and Duration) of this E&MTA (taking into account any approved extensions by the furnishing Party), the receiving Party shall return the Equipment and Materiel to the furnishing Party (**specify arrangements**). If the Equipment and Materiel is lost, unintentionally destroyed, or damaged beyond economical repair while in the custody of the receiving Party, the receiving Party shall issue a certificate of loss/destruction/irreparable damage to the furnishing Party.

Alternative B – Use when return of Equipment and Materiel is not planned due to its consumption during the activity.

Consumption of Equipment and Materiel: It is intended that the receiving Party shall consume the Equipment and Materiel specified in paragraph 1.1 during the course of the E&MTA activities described in paragraph 2.1.1. If this does occur, the receiving Party shall provide written notice of its consumption to the furnishing Party. In the event consumption does not occur prior to the end of the transfer period specified in Article VII (Entry Into Force and Duration) of this E&MTA, the receiving Party shall return the Equipment and Materiel to the furnishing Party (**specify arrangements**). If the Equipment and Materiel is lost, unintentionally destroyed, or damaged beyond repair prior to its intended consumption while in the custody of the receiving Party, the receiving Party shall issue a certificate of loss/destruction/irreparable damage to the furnishing Party.

- 3.4 This E&MTA provides only for transfer of Equipment and Materiel associated with E&MTA activities described in paragraph 2.1.1. Signature of this E&MTA does not imply any commitment by a Party to participate in any activities beyond those described herein.

ARTICLE IV
SPECIAL PROVISIONS (OPTIONAL)

4.1 *(Insert any special provisions as required.)*

ARTICLE V
CLASSIFICATION

5.1 *(Insert only one of the two following paragraphs; note that one of these two options must be selected.)*

No classified Equipment and Materiel shall be transferred under this E&MTA.

or

The highest level of classified Equipment and Materiel under this E&MTA is *(insert level of classification)*.

ARTICLE VI
AMENDMENT AND TERMINATION

6.1 The provisions of this E&MTA may be amended only by written agreement of authorized representatives of the Parties in accordance with Article VII (Equipment and Materiel) of the RDT&E Agreement.

6.2 The activities described in this E&MTA may be terminated in accordance with the following provisions.

6.2.1 Through the written agreement of the authorized representatives of the Parties; or

6.2.2 Unilaterally by the receiving Party on 60 days written notice to the furnishing Party;
or

6.2.3 Unilaterally by the furnishing Party at any time.

6.3 Responsibilities regarding security and protection against unauthorized use, disclosure, or transfer that accrued prior to termination or expiration of the transfer period shall continue to apply without limit of time in accordance with Article XVII (Entry Into Force, Duration, Amendment, and Termination) of the RDT&E Agreement.

ARTICLE VII

ENTRY INTO FORCE AND DURATION

This _____ E&MTA, a E&MTA under the Agreement between the Government of the United States of America and the Government of the Czech Republic for Research, Development, Testing, and Evaluation Activities, shall enter into force upon signature by the Parties, and shall remain in force for _____ years unless terminated by either Party.

DONE, in _____, this _____ day of _____, in duplicate, in the English and Czech languages, both texts being equally authentic.

FOR THE DEPARTMENT OF
DEFENSE OF THE UNITED
STATES OF AMERICA

FOR THE MINISTRY OF
DEFENSE OF THE CZECH
REPUBLIC