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AGREEMENT

BETWEEN

THE DEPARTMENT OF DEFENSE

OF THE UNITED STATES OF AMERICA

AND

THE MINISTRY OF DEFENCE OF FINLAND ACTING ON BEHALF OF THE GOVERNMENT OF THE REPUBLIC OF FINLAND

FOR

RESEARCH, DEVELOPMENT, TESTING, AND EVALUATION PROJECTS

Certified to be a true copy:

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PREAMBLE

The Department of Defense of the United States of America (U.S. DoD) and the Ministry of Defence of Finland acting on behalf of the Government of the Republic of Finland (FI MoD), hereinafter referred to as the "Parties":

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 Projects; and

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

Have agreed as follows:

ARTICLE I

DEFINITIONS

For the purposes of this Agreement and any of its specific Project Agreements (PAs), the following definitions shall apply:

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. This Information may be in oral, visual, magnetic, or documentary form, or in the form of equipment or technology.
Contract	Any mutually binding legal relationship under national laws that obligates a Contractor to furnish supplies or services, and obligates one or both of the Parties to pay for them.
Contracting	The obtaining of supplies or services by Contract from sources outside the governmental organizations of the Parties. Contracting includes a 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 governmental 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.
Contractor	Any entity awarded a Contract by a Party's Contracting Agency.
Contractor Support Personnel	Persons specifically identified as providing administrative, managerial, scientific, or technical support services to a Party under a support Contract.
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.

Cooperative Project Personnel (CPP)	Military members or civilian employees of a Parent Party assigned to a joint project office or the other Party's facilities who perform managerial, engineering, technical, administrative, Contracting, logistics, financial, planning, or other functions in furtherance of a Project.
Defense Purposes	Manufacture or other use in any part of the world by or for the armed forces of either Party.
Designated Security Authority (DSA)	The security authority designated by national authorities to be responsible for the coordination and implementation of national industrial security aspects of this Agreement.
Equipment and Material	Any material, equipment, end item, subsystem, component, special tooling, or test equipment jointly acquired or provided for use in a PA.
Financial Costs	Project costs met with monetary contributions.
Host Party	The Party whose nation serves as the location of a joint project office or to whose facility a CPP is assigned.
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.
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.

Non-financial Costs	Project costs met with non-monetary contributions.
Parent Party	The Party that sends its CPP to a joint project office located in the nation of the other Party or to the facilities of the other Party.
Party	A signatory to this Agreement, or in the case of PAs, a signatory to a PA under this Agreement, represented by its military or civilian personnel. Contractors and Contractor Support Personnel shall not be representatives of a Party under this Agreement or PAs under this Agreement.
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.
Project	Specific collaborative activity described in a PA.
Project Agreements (PA)	Individually negotiated separate agreements concluded under this Agreement that detail the terms of collaboration on a specific Project.
Project Background Information	Information not generated in the performance of a Project.
Project Foreground Information	Information generated in the performance of a Project.
Project Information	Any Information provided to, generated in, or used in a Project.
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.
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.
Third Party	A government other than the Government of a Party and any person or other entity whose government is not the Government of a Party.

ARTICLE II

OBJECTIVE

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 Project Agreements (PAs) between representatives authorized in accordance with national procedures of the Parties. These PAs 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 purpose of harmonizing the Parties' military requirements to assist in better defining potential future cooperative efforts under this Agreement.

2.2. Detailed terms and conditions of each individual PA shall be consistent with this Agreement. Each PA shall include specific provisions concerning the objectives, scope of work, sharing of work, management structure, financial arrangements, and security classification for the applicable PA in accordance with the format set forth in Annex A (Model Project Agreement) of this Agreement, to the extent applicable and practical.

ARTICLE III

SCOPE OF WORK

3.1. The scope of work for this Agreement shall encompass collaboration in research, development, testing, and evaluation potentially leading to new or improved military capability. 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); developmental test and evaluation of system and subsystem efforts; and evolutionary acquisition or spiral development efforts associated with low-rate initial production or production programs.

3.2. Information may be exchanged for the purpose of harmonizing the Parties' requirements and formulating, developing, and negotiating potential PAs under this Agreement. If Information is exchanged but no PA is signed, or Information is exchanged before a PA 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. 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.

3.3. Working Groups (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 issues based on Information provided by both Parties in such a way as to arrive at a jointly determined position within a set time period. WGs shall have their own written terms of reference (TOR), using the format set out in Annex B (Model Working Group Terms of Reference) of this Agreement. The Information exchanged in WGs shall be subject to the disclosure and use limitations on Information that are described in paragraph 3.2. of this Article.

3.4. This Agreement does not preclude the Parties from entering into any other agreement in the area of research and development.

ARTICLE IV

MANAGEMENT (ORGANIZATION AND RESPONSIBILITY)

4.1. The Director, International Cooperation, in the Office of the Under Secretary of Defense (Acquisition, Technology, and Logistics) (or successor in the event of reorganization), is designated the U.S. Agreement Director (U.S. AD). The Director General, Resource Policy Department (or successor in the event of reorganization), is designated the Finnish Agreement Director (FI AD). The Agreement Directors (ADs) shall be responsible for:

4.1.1. Monitoring implementation of this Agreement and exercising executive-level oversight;

4.1.2. Monitoring the overall use and effectiveness of the Agreement;

4.1.3. Recommending amendments to this Agreement to the Parties; and

4.1.4. Resolving issues brought forth by the Management Agents (MAs).

4.2. The appropriate U.S. military department acquisition executive or defense agency director (or designee) is designated the U.S. MA for those Projects within the respective military department or defense agency. The Chief Armaments, Armaments Division, Defence Command Finland (or designee) is designated the Finnish MA (FI MA). The MAs shall be responsible for:

4.2.1. Establishing PAs in accordance with this Agreement and national policies and procedures;

4.2.2. Establishing a management structure for each PA, considering its scope and the requirement for a Steering Committee (SC);

4.2.3. Appointing Project Officers (POs), and, as appropriate, SC members;

4.2.4. Providing administrative direction to SCs, if established, or POs if there is no SC;

4.2.5. Designating a point of contact for exchange of Information to harmonize requirements and for the formulation, development, and negotiation of potential PAs, in accordance with paragraph 3.2. of Article III (Scope of Work) of this Agreement;

4.2.6. Approving and signing TORs for WGs in accordance with paragraph 3.3. of Article III (Scope of Work) of this Agreement subject to any applicable national requirements for authorization of TOR signature;

4.2.7. Resolving issues brought forth by the SC or, if no SC is established, by the POs;

4.2.8. Approving plans for disposal of jointly acquired Equipment and Material if no SC is established; and

4.2.9. Forwarding issues, when necessary, to the ADs for resolution.

4.3. If an SC is established under a particular PA, it shall be responsible for:

4.3.1. Providing policy and management direction to the POs during PA execution;

4.3.2. Monitoring overall PA implementation, including technical, cost, and schedule performance against requirements;

4.3.3. Approving plans for transfers of Equipment and Material or disposal of jointly acquired Equipment and Material, in accordance with Article XII (Third Party Sales and Transfers) of this Agreement;

4.3.4. Resolving issues brought forth by the POs;

4.3.5. Maintaining oversight of the security aspects of a Project;

4.3.6. Approving assignment of CPP at a joint project office (JPO) or the other Party's facilities in accordance with the provisions set out in Appendix 1 to Annex A (Model Project Agreement) of this Agreement;

4.3.7. Appointing a Project security officer;

4.3.8. 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;

4.3.9. Reporting status and activity of assigned PAs on an annual basis to the MAs and ADs;

4.3.10. Employing its best efforts to resolve, in consultation with the export control authorities of the Party concerned, any export control issues raised by the POs in accordance with paragraph 4.4. of this Article or raised by a Party's SC representative in accordance with subparagraph 8.1.2.4. of Article VIII (Disclosure and Use of Project Information) of this Agreement; and

4.3.11. Monitoring Third Party sales and transfers authorized in accordance with Article XII (Third Party Sales and Transfers) of this Agreement.

4.4. In accordance with the terms of each PA, the POs shall have primary responsibility for effective implementation, efficient management, and direction of the applicable PA, including managing technical, cost, and schedule performance against requirements. The POs shall monitor export control arrangements required to implement each PA and, if applicable, shall immediately refer to the SC (or the MAs if there is no SC) any export control issues that could adversely affect the implementation of the PA. Additionally, the POs shall have the responsibilities under paragraph 4.3. of this Article if no SC is established for their PA, except that the MAs shall be responsible for resolving issues brought forth by the POs and for approving plans for the disposal of jointly acquired Equipment and Material. The POs shall also maintain a list of all Equipment and Material transferred by either of the Parties.

4.5. In accordance with the terms of a PA concluded under this Agreement that includes the provisions set out in Appendix 1 to Annex A (Model Project Agreement) of this Agreement, a Party may assign CPP to a JPO or the other Party's facilities to assist in the implementation of the PA.

4.6. The MAs, SCs, and POs shall meet as required, alternately in the United States and Finland. The Chairman for each meeting shall be the senior official of the Party hosting the meeting. During such meetings, all decisions shall be made unanimously, with each Party having one vote. In the event that the Parties are unable to reach a timely decision on an issue, each Party shall refer the issue to its higher authority for resolution. In the meantime, the applicable PA shall continue to be implemented without interruption under the direction of the POs while the issue is being resolved by higher authority.

ARTICLE V

FINANCIAL PROVISIONS

5.1. Each Party shall contribute its equitable share of the full Financial Costs and Non-financial Costs of each PA, including overhead costs, administrative costs, and costs of claims, and shall receive an equitable share of the results of each PA.

5.2. The financial provisions 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 in accordance with Annex A (Model Project Agreement) of this Agreement.

5.3. 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 Financial Costs and Non-financial 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 5.11. of this Article.

5.4. The following costs shall be borne entirely by the Party incurring the costs or on whose behalf the costs are incurred and shall not be considered to be part of the total cost of a PA:

5.4.1. Costs associated with any unique national requirements identified by a Party; and

5.4.2. Any other costs not expressly stated as shared costs or any other costs outside the scope of this Agreement and its PAs.

5.5. For PAs with shared costs that involve the establishment of a JPO with CPP assignments, 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.

5.6. In addition to the shared costs of JPO administration and associated support services costs described in paragraph 5.5. of this Article, the cost of personnel in the JPO or in the other Party's facilities shall be borne as follows:

5.6.1. The Host Party shall bear the costs of all pay and allowances of Host Party personnel assigned to the JPO.

5.6.2. The Parent Party shall bear the following CPP-related costs:

5.6.2.1. All pay and allowances of CPP assigned to the JPO or to the other Party's facilities.

5.6.2.2. Transportation of the CPP, CPP 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 the other Party's facilities, and return transportation of the foregoing from the place of assignment in the Host Party's nation upon completion or termination of the CPP assignment.

5.6.2.3. Compensation for loss of, or damage to, the personal property of CPP or the CPP's dependents, subject to the laws and regulations of the Parent Party's Government.

5.7. 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 5.6. 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, Contract award, Contract administration, office space, security services, information technology services, communications services, and supplies.

5.8. A Party shall promptly notify the other Party if available funds will not be adequate to fulfill its obligations as agreed under a PA. If a Party notifies the other Party that it is terminating or reducing its funding for a Project, both Parties shall immediately consult with a view toward continuation on a modified basis.

5.9. For each PA, the POs shall be responsible for establishing the financial management procedures under which the Project shall operate. In the event that a Party contracts on behalf of the other Party or on behalf of both Parties, those procedures, which must accord with the national accounting and audit requirements of the Parties, shall be detailed in a Financial Management Procedures Document (FMPD) prepared by the POs and subject to the approval of the SC, if one is established.

5.10. If one Party contracts on behalf of the other Party or on behalf of both Parties for a Project, each Party shall provide its funds for the applicable Contracts in accordance with the estimated schedule of financial contributions contained in the FMPD, which shall be consistent with paragraph 5.11. of this Article.

5.11. The Parties recognize that, in performing Contracting responsibilities for the other Party or both Parties in accordance with a PA, it may become necessary for the Contracting Party to incur contractual or other obligations for the benefit of the other Party or both of the Parties prior to the receipt of the other Party's funds. In the event that the Contracting Party incurs such contractual or other obligations, the other Party shall pay its equitable share of the Contract or other obligation, and shall make such funds available in such amounts and at such times as required by the Contract or other obligation and shall pay its equitable share of 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 the procurement activities for which it is responsible under a Project in accordance with its national practices. For PAs under which funds are transferred between the Parties, the receiving Party shall be responsible for the internal audit regarding administration of the other Party's Project funds in accordance with the receiving Party's national practices. Audit reports of such funds shall be made available promptly by the receiving Party to the other Party.

ARTICLE VI

CONTRACTUAL PROVISIONS

6.1. If either Party determines that Contracting is necessary to fulfill that Party's obligations under the scope of work of a PA, that Party shall contract in accordance with its respective national laws, regulations and procedures.

6.2. When one Party individually contracts to carry out a task under a PA, 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. The POs may make use of a Party's Contracting Agency in the event that Contracting on behalf of the other Party or both Parties is required to implement a PA. The Contracting Agency so used shall place Contracts in accordance with its respective national laws, regulations, and procedures with such waivers and deviations from those regulations and procedures as those regulations and procedures permit and as deemed necessary to implement the PA. The Contracting Party's Contracting Officer shall be the exclusive source for providing contractual direction and instructions to Contractors for Contracts awarded by that Party.

6.4. 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 to ensure that they are consistent with the provisions of this Agreement and the applicable PA. The Contracting Officer shall keep the POs advised of all significant developments associated with award and performance of Project Contracts awarded for the other Party or both Parties, and shall keep the POs advised of all financial arrangements with the prime Contractor.

6.5. For all Contracting activities performed by either Party, each Party's Contracting Agency shall insert into its prospective Contracts (and require its Contractors to insert in subcontracts) suitable conditions to satisfy the requirements of this Agreement, including Article VIII (Disclosure and Use of Project Information), Article IX (Controlled Unclassified Information), Article XI (Security), Article XII (Third Party Sales and Transfers), and Article XVII (Amendment, Termination, Entry Into Force, and Duration), and including export control provisions in accordance with this Agreement, in particular paragraphs 6.7. and 6.8. of this Article. Each Party's Contracting Officer 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. During the Contracting process, each Party's Contracting Officer shall advise prospective Contractors of their responsibility to notify the Contracting Agency, before Contract award, if they are subject to any license or agreement that shall restrict their 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 shall result in such restrictions.

6.6. 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), or is notified by Contractors or prospective Contractors of any restrictions on the disclosure and use of Project Information, that Party's PO shall notify the other Party's PO of the restriction(s), and the POs shall submit the matter to the SC (or the MAs if no SC is established) for resolution.

6.7. 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 or PAs 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 or PAs under this Agreement. Export-controlled Information furnished by one Party under this Agreement or PAs under this Agreement may only be retransferred by the other Party to its Contractors if the legal arrangements required by this paragraph have been established.

6.8. 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 or a PA 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 or a PA under this Agreement may only be retransferred by the other Party to its Prospective Contractors if the legal arrangements 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.

6.9. Each Party's PO shall promptly advise the other Party's PO of any anticipated or actual cost growth, schedule changes, delay, or performance problems under any Contract for which its Contracting Agency is responsible.

6.10. No requirement shall be imposed by either Party for worksharing or other industrial or commercial compensation in connection with this Agreement or its PAs that is not in accordance with this Agreement or its PAs.

ARTICLE VII

EQUIPMENT AND MATERIAL

7.1. Each Party may provide Equipment and Material identified as being necessary for executing a specific PA to the other Party. Such Equipment and Material shall remain the property of the providing Party. A list of all Equipment and Material provided by one Party to the other Party shall be developed and maintained by the POs and approved by the SC (if an SC is established).

7.2. The receiving Party shall maintain any such Equipment and Material in good order, repair, and operable condition. Unless the providing Party has authorized the Equipment and Material to be expended or otherwise consumed without reimbursement to the providing Party, the receiving Party shall return the Equipment and Material to the providing Party in as good condition as received, normal wear and tear excepted, or return the Equipment and Material and pay the cost to restore it. If the Equipment and Material is damaged beyond economical repair, the receiving Party shall return the Equipment and Material to the providing Party (unless otherwise specified in writing by the providing Party) and pay its replacement value, which shall be computed pursuant to the providing Party's national laws and regulations. If the Equipment and Material is lost while in the custody of the receiving Party, the receiving Party shall issue a certificate of loss to the providing Party and pay the replacement value as computed pursuant to the providing Party's national laws and regulations. If known at the time of entry into force, the replacement value of the Equipment and Material shall be specified in the PA.

7.3. The providing Party shall deliver Equipment and Material to the receiving Party at a mutually agreed location. Possession of the Equipment and Material shall pass from the providing Party to the receiving Party at the time of receipt of the Equipment and Material. Any further transportation is the responsibility of the receiving Party unless otherwise specified in the applicable PA.

7.4. All Equipment and Material that is transferred shall be used by the receiving Party only for the purposes of carrying out a PA, unless otherwise agreed to in writing by the providing Party. In addition, in accordance with Article XII (Third Party Sales and Transfers) of this Agreement, Equipment and Material shall not be re-transferred or sold to a Third Party without the prior written consent of the providing Party.

7.5. Equipment and Material transferred to one Party under a PA shall be returned to the providing Party prior to the termination or expiration of that PA.

7.6. Any Equipment and Material that 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 determined by the SC or, if no SC is established, the MAs.

7.7. Disposal of jointly acquired Equipment and Material may include a transfer of the interest of one Party in such Equipment and Material to the other Party, or the sale of such Equipment and Material 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 Material transferred or sold to a Third Party in the same ratio as costs are shared under the applicable PA.

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. 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 the articles concerning the objectives and scope of work in the applicable PA.

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 the 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 6.7. and 6.8. of Article VI (Contracting Provisions) of this Agreement.

8.1.2.3. Export-controlled Information may be furnished by Contractors, subcontractors, Prospective Contractors, and prospective subcontractors of one Party's nation to the Contractors, subcontractors, Prospective Contractors, and prospective subcontractors of the other Party's nation pursuant to a PA under this Agreement, subject to the conditions established in licenses or other approvals issued by the Government of the former 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 (or PO, if no SC is established under a PA) shall promptly notify the other Party's SC representative (or PO, if no SC is established), and they shall immediately consult in order to discuss ways to resolve such issues or mitigate any adverse effects.

8.1.3. Pursuant to paragraphs 3.2. and 3.3. of Article III (Scope of Work) of this Agreement, the Parties may exchange Information under this MOU for the objectives of harmonizing the Parties' requirements and formulating, developing, and negotiating potential PAs. The Party furnishing such Information shall clearly indicate to the receiving Party that it is furnishing such Information for such objectives. Until a PA is signed, or if no PA is signed, a Party may use Information received pursuant to paragraphs 3.2. and 3.3. only for information and evaluation purposes and shall not disclose or transfer such information to a Third Party. 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.

8.2. Government Project Foreground Information

8.2.1. Disclosure: 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 Parties.

8.2.2. Use: 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 a specific PA, with the Party in possession of the Information determining, after consulting with the requesting Party, whether it is "necessary to" or "useful in" the specific PA.

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. Use: 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 of a specific PA. 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. Disclosure: 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. Use: 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. Disclosure: 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 a specific PA. 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 a specific PA, with the Party in possession of the Information determining, after consultation with the requesting Party, whether it is "necessary to" or "useful in" the PA.

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. Use: All Contractor Project Background Information delivered by Contractors under Contracts awarded in accordance with a specific PA may be used by or for the receiving Party, without charge, for Project 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 a requesting Party may be used without charge by the requesting Party for Project purposes for the specific PA, subject to any restrictions by holders of Intellectual Property rights other than the Parties. 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 or any PA under 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 or any PA under 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 as Controlled Unclassified Information or as Classified Information, depending on its security classification.

8.7.2. The Project Security Instruction (PSI) shall contain such provisions as are necessary to ensure the protected communication of Project Information that is subject to Intellectual Property rights.

8.8. Patents

8.8.1. Each Party shall include in all its Contracts for a 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 8.8.7. of this Article 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.

8.8.7. Patent applications to be filed, or assertions of other Intellectual Property rights, under a PA that contain Classified Information shall be protected and safeguarded consistent with the provisions for protecting and safeguarding Classified Information set forth in Article XI (Security) of this Agreement.

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 a 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 the article concerning financial provisions in the applicable PA.

8.10. The Parties shall, subject to their national laws, regulations, and practices, give their authorization and consent for all use and manufacture in the course of work performed under a 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 and any of its PAs shall be controlled as follows:

9.1.1. Such Information shall be used only for the purposes authorized for use of 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 provisions 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 legislative provisions), 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 to ensure its "in confidence" nature. The Parties' export-controlled Information shall be marked in accordance with the applicable Party's export control markings as documented in the Project Security Instruction for the applicable PA. 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.

9.3. Controlled Unclassified Information provided or generated pursuant to this Agreement and any of its PAs shall be handled in a manner that ensures control as provided for in paragraph 9.1. of this Article.

9.4. Prior to authorizing the release of Controlled Unclassified Information to Contractors, the Parties shall ensure that the Contractors are legally bound to control such Information in accordance with the provisions of this Article.

ARTICLE X

VISITS TO ESTABLISHMENTS

10.1. Each Party shall permit visits to its Government 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.

10.2. All 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.

10.3. Requests for visits by personnel of one Party to a facility of the other Party shall be coordinated through official channels, and shall conform to the established visit procedures of the hosting Party. Requests for visits shall bear the name of this Agreement and the appropriate PA.

10.4. Lists of personnel of each Party required to visit, on a continuing basis, facilities of the other Party shall be submitted through official channels in accordance with recurring international visit procedures.

ARTICLE XI

SECURITY

11.1. All Classified Information provided or generated pursuant to this Agreement and its PAs shall be stored, handled, transmitted, and safeguarded in accordance with the General Security of Military Information Agreement between Finland and the United States of America, which entered into force on October 11, 1991, including the Industrial Security Annex thereto of December 31, 1991.

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

11.3. Each Party shall take all lawful steps available to it to ensure that Classified Information provided or generated pursuant to this Agreement and its PAs is protected from further disclosure, except as permitted by this Article, unless the other Party consents to such disclosure. Accordingly, each Party shall ensure that the recipient:

11.3.1. Shall not release the Classified Information to any government, national, organization, or other entity of a Third Party except as permitted under the procedures set forth in Article XII (Third Party Sales and Transfers) of this Agreement.

11.3.2. Shall not use the Classified Information for other than the purposes provided for in this Agreement and its PAs.

11.3.3. Shall comply with any distribution and access restrictions on Classified Information that are provided under this Agreement and its PAs.

11.4. The Parties shall investigate all cases in which it is known or when there are grounds for suspecting that Classified Information provided or generated pursuant to this Agreement and its PAs has been lost or disclosed to unauthorized persons. Each Party also shall promptly and fully inform the other Party of the details of any such occurrence, and of the final results of the investigation and of the corrective action taken to preclude recurrence.

11.5. The POs shall prepare a PSI and a Classification Guide (CG) for the Project under a PA. 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 POs within three months after the PA enters into force. They shall be reviewed and forwarded to the Parties' DSAs for approval and shall be applicable to all Government and Contractor personnel participating in the Project. The CG shall be subject to regular review and revision with the aim of downgrading the classification whenever this is appropriate. The PSI and the CG shall be approved by the appropriate DSA prior to the transfer of any Classified Information or Controlled Unclassified Information.

11.6. The DSA of the 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, Prospective Contractor, or subcontractor of any Classified Information received under this Agreement and its PAs, the DSAs or their designees shall:

11.6.1. Ensure that such Contractor, Prospective Contractor, or subcontractor (and their facilities) have the capability to protect the Classified Information adequately.

11.6.2. Grant a security clearance to the facilities, if appropriate.

11.6.3. Grant a security clearance for all personnel with duties that require access to Classified Information, if appropriate.

11.6.4. Ensure that all persons having access to the Classified Information are informed of their obligations to protect the Classified Information in accordance with national security laws and regulations and the conditions of this Agreement.

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

11.6.6. Ensure that access to the Classified Information is limited to those persons who have a need-to-know for purposes of the Agreement and its PAs.

11.7. Contractors, Prospective Contractors, or subcontractors 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 provided or generated pursuant to this Agreement and its PAs only when enforceable measures are in effect to ensure that nationals or other entities of a Third Party shall not have access to Classified Information. If enforceable measures are not in effect to preclude access by nationals or other entities of a Third Party, the other Party shall be consulted for approval prior to permitting such access.

11.8. For any facility in which Classified Information 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 its PAs. These officials shall be responsible for limiting access to Classified Information involved in

this Agreement and its PAs to those persons who have been properly approved for access and have a need-to-know.

11.9. Each Party shall ensure that access to Classified Information is limited to those persons who possess requisite security clearances and have a specific need for access to the Classified Information in order to participate in this Agreement and its PAs.

11.10. Information provided or generated pursuant to this Agreement and its PAs may be classified as high as SECRET. The existence of this Agreement is unclassified and the contents are unclassified. The classification of the existence of a PA and its contents shall be stated in the PA.

ARTICLE XII

THIRD PARTY SALES AND TRANSFERS

12.1. Except to the extent permitted in paragraph 12.2. of this Article, the Parties shall not sell, transfer title to, disclose, or transfer possession of Project Foreground Information, any item produced either wholly or in part from Project Foreground Information, or jointly acquired or produced Equipment and Material to any Third Party without the prior written consent of the Government 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 Government of the other Party. Such consent shall not be given unless the government of the intended recipient confirms in writing with the Parties that it shall:

12.1.1. Not retransfer, or permit the further retransfer of, any Equipment and Material or Information provided.

12.1.2. Use, or permit the use of, the Equipment and Material 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 or any item produced wholly, or in part, from Project Foreground Information:

12.2.1. That is generated solely by either that Party or that Party's Contractors in the performance of that Party's work allocation under a PA; and

12.2.2. That 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 Material 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. of this Article, 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 Material or Project Background Information provided by the other Party to any Third Party without the prior written consent of the Government of the other Party that provided such Equipment and Material or Information. The providing Party's Government shall be solely

responsible for authorizing the transfers described in this paragraph and, as applicable, specifying the method and conditions for implementing such transfers.

ARTICLE XIII

LIABILITY AND CLAIMS

13.1. For liability arising out of, or in connection with, activities undertaken in the performance of official duty in the execution of a PA under this Agreement, the following conditions shall apply:

13.1.1. Claims against a Party or its military or civilian personnel shall be dealt with in accordance with the terms of applicable multilateral or bilateral treaties and agreements of the Parties.

13.1.2. For those claims for which multilateral or bilateral treaties or agreements do not apply, the following conditions shall apply:

13.1.2.1. With the exception of claims for loss of or damage to Equipment and Material, which are addressed in Article VII (Equipment and Material) of this Agreement, each Party waives all claims against the other Party in respect to injury to or death of its military or civilian personnel and for damage to or loss of its property (including its interest in jointly acquired Equipment and Material) caused by such personnel of the other Party. However, if the Parties determine that such injury, death, damage, or loss results from reckless acts or reckless omissions, willful misconduct, or gross negligence of a Party's military or civilian personnel, the costs of any liability shall be borne by that Party alone.

13.1.2.2. Claims from any other persons for injury, death, damage, or loss of any kind caused by one of the Parties' military or civilian personnel shall be processed by the most appropriate Party, as determined by the Parties. Any costs determined to be owed the claimant shall be borne by the Parties in the same ratios as their financial and non-financial contributions specified in the PA under this Agreement. However, if the Parties determine that such injury, death, damage, or loss results from reckless acts or reckless omissions, willful misconduct, or gross negligence of a Party's military or civilian personnel, the costs of any liability shall be borne by that Party alone.

13.2. If a person or entity, other than the Parties' 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 the PA under this Agreement.

13.3. Claims arising under any Contract awarded under a PA under this Agreement shall be resolved in accordance with the conditions of the Contract.

13.4. Employees and agents of Contractors are not considered civilian personnel of a Party for the purposes of this Article.

ARTICLE XIV

CUSTOMS DUTIES, TAXES, AND SIMILAR CHARGES

14.1. Customs duties, import and export taxes, and similar charges shall be administered in accordance with each Party's respective laws and regulations. Insofar as existing national laws and regulations permit, the Parties shall endeavor to ensure that such readily identifiable customs duties, import and export 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 each PA under this Agreement.

14.2. Each Party shall use its best efforts to ensure that customs duties, import and export taxes, and similar charges are administered in a manner favorable to the efficient and economical conduct of the work carried out under each PA. If any such duties, taxes, or similar charges are levied in connection with a Project, the Party in whose country they are levied shall bear such costs over and above that Party's shared costs of the Project.

14.3. If, in order to apply European Union (EU) regulations, it is necessary to levy duties, then these shall be met by the EU member end recipient. To this end, 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 paid as a cost over and above the EU Party's shared costs of the Project.

ARTICLE XV

SETTLEMENT OF DISPUTES

15.1. Disputes between the Parties arising under or relating to this Agreement and any of its PAs shall be resolved only by consultation between the Parties and shall not be referred to a national court, an international tribunal, or to any other person or entity for settlement.

ARTICLE XVI

LANGUAGE

16.1. The working language for the Agreement and its PAs shall be the English language.

16.2 All Information generated under this Agreement, the PAs under this Agreement, and the implementing Contracts for PAs, provided by one Party to the other Party, shall be furnished in the English language.

ARTICLE XVII

AMENDMENT, TERMINATION, ENTRY INTO FORCE, AND DURATION

17.1. All activities of the Parties under this Agreement and the PAs under this Agreement shall be carried out in accordance with their respective national laws and regulations, including their respective export control laws and regulations. The obligations of the Parties under this Agreement and PAs under this Agreement shall be subject to the availability of funds for such purposes.

17.2. In the event of a conflict between an Article of this Agreement and any Annex to this Agreement, the Article shall control.

17.3. In the event of a conflict between the terms of this Agreement and any PA under this Agreement, the Agreement shall govern, unless the Parties decide to deviate from this Agreement and identify specifically such deviations in the PA.

17.4. This Agreement and the PAs under this Agreement may be amended by the mutual written consent of the Parties. Annexes to the PAs may be amended by the SC or, if there is no SC, the POs, except for Appendix (1) (Assignment of Cooperative Project Personnel) to Annex A (Model Project Agreement), which may be amended only by the Parties. Amendments to the Annexes of a PA by the SC (or the POs if there is no SC) shall be consistent with the Articles of the PA.

17.5. This Agreement and the PAs under this Agreement may be terminated at any time by the written consent of the Parties. In the event both Parties consent to terminate this Agreement, or decide to terminate any PA, the Parties shall consult prior to the date of termination to ensure termination in the most economical and equitable manner.

17.6. Either Party may terminate this Agreement or any of the PAs under this Agreement upon 90 days written notification to the other Party of its intent to terminate. Such notice shall be the subject of immediate consultation by the ADs to decide upon the appropriate course of action to conclude the activities under this Agreement and the subject of immediate consultation by the SC (or the MAs if no SC is established) to discuss how to conclude any terminated PAs under this Agreement. In the event of such termination, the following rules apply:

17.6.1. The Party terminating the Agreement or PAs shall continue participation, financial or otherwise, in the Agreement or the PAs affected by the notification of termination, up to the effective date of termination.

17.6.2. Except as to Contracts awarded on behalf of both Parties, each Party shall be responsible for its own Project-related costs associated with termination of the Project under a PA. For Contracts awarded on behalf of both Parties, the Party responsible for terminating the Project shall pay all Contract modification or

termination costs that would not otherwise have been incurred but for the decision to terminate; in no event, however, shall a terminating Party's total financial contribution, including Contract termination costs, exceed that Party's total financial contribution for the PA being terminated.

17.6.3. All Information and rights therein received under the provisions of this Agreement or the PAs under this Agreement prior to termination of the Agreement or the PAs under this Agreement shall be retained by the Parties, subject to the conditions of this Agreement and the PAs under this Agreement.

17.6.4. If requested by the other Party, the terminating Party may continue to administer the Project Contract(s) that it awarded on behalf of the other Party on a reimbursable basis.

17.7. The respective rights and obligations of the Parties regarding Article VII (Equipment and Material), Article VIII (Disclosure and Use of Project Information), Article IX (Controlled Unclassified Information), Article XI (Security), Article XII (Third Party Sales and Transfers), Article XIII (Liability and Claims), Article XV (Settlement of Disputes), and this Article XVII (Amendment, Termination, Entry Into Force, and Duration) of this Agreement shall continue notwithstanding termination or expiration of this Agreement and any of the PAs under this Agreement.

17.8. After signature of this Agreement by both Parties, the Ministry of Defence of Finland acting on behalf of the Government of Finland shall notify the U.S. DoD of the completion of its national measures necessary for entry into force of this Agreement. This Agreement, which consists of seventeen (17) Articles and two (2) Annexes, shall enter into force on the day specified in such notification and shall remain in force for fifteen (15) years. It may be extended by written agreement of the Parties. All PAs shall terminate upon the termination or expiration of this Agreement.

IN WITNESS WHEREOF, the undersigned, being duly authorized representatives by their Governments, have signed this Agreement.

DONE, in duplicate, in the English language.

FOR THE DEPARTMENT OF DEFENSE OF THE UNITED STATES OF AMERICA

Signature

Ashton B. Carter
Name

Under Secretary of Defense for Acquisition, Technology & Logistics
Title

MAY - 2 2011
Date

Washington, DC
Location

FOR THE MINISTRY OF DEFENCE OF FINLAND ACTING ON BEHALF OF THE GOVERNMENT OF THE REPUBLIC OF FINLAND

Signature

Arto Räty
Name

Permanent Secretary
Title

August 26, 2011
Date

Helsinki
Location

NOTIFICATION

The Ministry of Defence of Finland, acting on behalf of the Government of the Republic of Finland, hereby notifies the Department of Defense of the United States of America that it has completed its national measures necessary for this Agreement to enter into force, and that this Agreement shall thereby enter into force on 27 May 2012 *[enter date 30 days after date of signature below by Finnish official].*

FOR THE MINISTRY OF DEFENCE OF FINLAND ACTING ON BEHALF OF THE GOVERNMENT OF THE REPUBLIC OF FINLAND

Date: 27 April 2012 Place: Helsinki

Jukka Juusti
Director General

ANNEX A

MODEL PROJECT AGREEMENT

PROJECT AGREEMENT NUMBER XX-NN-nnnn*

CONCERNING

(FULL DESIGNATION OF THE PROJECT)

BETWEEN

THE DEPARTMENT OF DEFENSE OF THE UNITED STATES OF AMERICA

AND

THE MINISTRY OF DEFENCE OF FINLAND

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

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

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(If additional topics need to be addressed, articles or appendices should be included as necessary and appropriate.)

PREAMBLE

Pursuant to the Agreement between the Department of Defense of the United States of America and the Ministry of Defence of Finland acting on behalf of the Government of the Republic of Finland concerning Research, Development, Testing, and Evaluation Projects (hereinafter referred to as the "Agreement"), which entered into force (date), the following Project Agreement is hereby entered into between the Department of Defense of the United States of America (U.S. DoD) and the Ministry of Defence of Finland (FI MoD), hereinafter referred to as the "Parties".

ARTICLE I

DEFINITION OF TERMS AND ABBREVIATIONS

(Define only those terms used in this PA that have not been defined in the Agreement.)

ARTICLE II

OBJECTIVES

The objectives of this _____ PA are:
(For example:

a. The development of _____
_____.

b. The improvement of _____
_____.)

ARTICLE III

SCOPE OF WORK

The following work shall be undertaken under this PA.
(For example:

a. Develop _____
_____.

b. Evaluate_____
_____.

c. Design, fabricate and test_____
_____.)

ARTICLE IV

SHARING OF TASKS

The sharing of tasks shall be as follows:
(For example:

a. The U.S. DoD shall _____
_____.

b. The FI MoD shall _____
_____.

c. U.S. DoD and FI MoD shall jointly_____
_____.)

ARTICLE V

MANAGEMENT

(If a PA does not require a Steering Committee, use the following format to set forth how the PA shall be managed.)

Alternative 1

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. DoD PO Title/Position _____

Organization _____

Address _____
_____
_____

FI MoD PO Title/Position _____

Organization _____

Address _____
_____
_____

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

3. Particular Management Procedures:

(Mention only those additional management responsibilities not covered under Article IV (Management (Organization and Responsibility)) of the Agreement.)

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

Alternative 2

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. DoD Co-Chairman Title/Position _____

Organization _____

Address _____
_____
_____

FI MoD Co-Chairman Title/Position _____

Organization _____

Address _____
_____
_____

2. The POs are:

Cooperative efforts of the Parties over and above the jointly agreed tasks set forth in Article III (Scope of Work) and Article IV (Sharing of Tasks) of this PA shall be subject to amendment to this PA or entry into force of a new PA.

(If a PA will involve the assignment of CPP, the PA shall include a provision that refers to paragraphs 5.5. - 5.7. of Article V (Financial Provisions) of the Agreement, as applicable, identifies which Party is sending or hosting CPP, and 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 shall 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 FI MoD costs.)

Alternative 1

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

The FI MoD tasks shall not cost more than: _____ Euros.

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

(Cost of performance includes Financial Costs and Non–Financial Costs.)

	Financial Costs	Non-Financial Costs	Total
FI MoD			
U.S. DoD			
Total			

(Using the above table and whatever description is necessary, explain and demonstrate how the PA shall be funded. Identify both financial (monetary) and non-financial (range time, use

of Equipment and Material, etc.) contributions and identify the amount of funds to be transferred between the Parties.)

(The Financial Management Procedures Document (FMPD) should be developed by the POs and submitted to the SC (if an SC will be established) for approval. The FMPD should include, as a minimum, a schedule of contributions, procedures for handling of funds, funding levels by year, and auditing procedures for monetary contributions anticipated for this PA.)

ARTICLE VII

CLASSIFICATION

The existence of the PA and its contents are unclassified.

Only one of the three following possibilities shall be selected:

a. No Classified Information shall be exchanged under this PA;

b. The highest level of Classified Information exchanged under this PA is: Confidential; or

c. The highest level of Classified Information exchanged under this PA is: Secret.

ARTICLE VIII

EQUIPMENT AND MATERIAL

In accordance with paragraph 7.1. of Article VII (Equipment and Material) of the Agreement, in the event that the collaborative efforts under this PA require the provision of Equipment and Material to either Party, the POs shall develop a list of such Equipment and Material in accordance with the following table.

Providing Party	Receiving Party	QTY	Description	Part/ Stock #	Consumables\ Non-Consumables	Replace ment Value

ARTICLE IX
SPECIAL PROVISIONS

(optional)

(Identify any provisions necessary for the implementation for the Project that are particular to the circumstances of the specific PA and are not otherwise addressed in other PA Articles.).

ARTICLE X

ENTRY INTO FORCE, DURATION, AND TERMINATION

This _____ PA, a Project under the Agreement between the Department of Defense of the United States of America and the Ministry of Defence of Finland acting on behalf of the Government of the Republic of Finland for Research, Development, Testing, and Evaluation Projects, which entered into force (date), shall enter into force upon signature by both Parties, and shall remain in force for _____ years unless terminated by either Party. It may be extended by written agreement of the Parties.

DONE, in duplicate, in the English language.

FOR THE DEPARTMENT OF DEFENSE OF THE UNITED STATES OF AMERICA	FOR THE MINISTRY OF DEFENCE OF FINLAND
_____	_____
Signature	Signature
_____	_____
Name	Name
_____	_____
Title	Title
_____	_____
Date	Date
_____	_____
Location	Location

APPENDIX 1

ASSIGNMENT OF COOPERATIVE PROJECT PERSONNEL

1.0. Purpose and Scope.

1.1. This Appendix to the Project Agreement (PA) establishes the conditions that shall govern the conduct of Cooperative Project Personnel (CPP) assigned for work in accordance with Article V (Management) of this PA. CPP must 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 Host Party or its Government regarding acceptance of CPP, such as, but not limited to, visas and visit request documentation. The SC, 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.

1.2. CPP shall be assigned to the JPO or to U.S. DoD or FI MOD field activities for Project work and shall report to their designated supervisor within those organizations regarding that work. The Host Party PO 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 in the event an SC is established. CPP shall not act as liaison officers for the Parent Party. CPP may act from time to time on behalf of their respective SC representative (or PO as applicable), if the latter so authorizes in writing.

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 Party's Government.

2.0. Security.

2.1. The SC (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 II (Objectives) and Article III (Scope of Work) of this PA, and shall be kept to the minimum required to accomplish the work assignments.

2.2. The Parent Party shall file visit requests for the CPP through prescribed channels in compliance with the Host Party's procedures. As part of the visit request procedures, the Parent Party shall provide security assurances, through its embassy (identify location of embassy in Host Party's country), and specify the security clearances for the CPP being assigned.

2.3. The Host Party and Parent Party shall use their best efforts to ensure that CPP assigned to a Host Party's facilities are aware of, and required to comply with, applicable laws and regulations as well as the requirements of Article IX (Controlled Unclassified Information), Article X (Visits to Establishments), Article XI (Security), and paragraph 17.7. of Article XVII (Amendment, Termination, Entry Into Force, and Duration) of the Agreement, and the corresponding provisions of this PA, and the conditions of the PSI and CG. Prior to commencing assigned duties, CPP shall, if required by the Host Party Government's laws, regulations, policies, or procedures, sign a certification concerning the conditions and responsibilities of CPP.

2.4. CPP shall at all times be required to comply with the security and export control laws, regulations, and procedures of the Host Party's Government. Any violation of security procedures by CPP during their assignment shall be reported to the Parent Party for appropriate action. CPP committing significant violations of security and 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 Party.

2.5. All Classified Information made available to CPP shall be considered as Classified Information furnished to the Parent Party, and shall be subject to all of the conditions and safeguards provided for in Article XI (Security) of the Agreement.

2.6. CPP shall not have personal custody of Classified Information or Controlled Unclassified Information, unless approved by the Host Party and as authorized by the Parent Party. They shall be granted access to such Information in accordance with Article IX (Controlled Unclassified Information) and Article XI (Security) of this Agreement during normal duty hours and when access is necessary to perform Project work.

2.7. CPP assigned to a Host Party's facility to conduct Project work shall not serve as a conduit between the Host Party and Parent Party for requests for and/or transmission of Classified Information or Controlled Unclassified Information outside the scope of their assignment, unless specifically authorized by the Parties.

3.0. Administrative Matters.

3.1. The tax treatment of income received by CPP from the Parent Party shall be determined by reference to the tax legislation of the Government of the Host Party and the Government of the Parent Party, subject to the terms of any double taxation agreement in force between the Government of the Host Party and the Government of the Parent Party.

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

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

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

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

3.3. The POs, through the JPO and Host Party field activities, shall, in consultation with the CPP, establish standard operating procedures for CPP in the following areas:

3.3.1. Working hours, including holiday schedules.

3.3.2. Leave authorization, consistent to the extent possible with the military or civilian personnel regulations and practices of the Host Party and the Parent Party.

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

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

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

ANNEX B

MODEL WORKING GROUP (WG) TERMS OF REFERENCE (TOR)

(Insert name of WG) WORKING GROUP (WG)

UNDER THE

AGREEMENT BETWEEN THE DEPARTMENT OF DEFENSE OF THE UNITED STATES OF AMERICA AND THE MINISTRY OF DEFENCE OF FINLAND ACTING ON BEHALF OF THE GOVERNMENT OF THE REPUBLIC OF FINLAND FOR RESEARCH, DEVELOPMENT, TESTING, AND EVALUATION PROJECTS

(DATE)

1. Authority. ***Mandatory:*** The Agreement Between the Department of Defense of the United States of America and the Ministry of Defence of Finland acting on behalf of the Government of the Republic of Finland for Research, Development, Testing, and Evaluation Projects (hereinafter referred to as the "Agreement") fosters collaboration in research, development, testing, and evaluation potentially leading to new or improved military capability. The Agreement provides for the establishment of Working Groups (WGs). This TOR establishes the (insert name of WG) Working Group.

2. Definitions and Acronyms.

Definitions. *Provide any required definitions.*
Acronyms. *Spell out any acronyms used.*

3. Purpose. *Provide a short paragraph identifying the purpose of the Working Group (WG). A WG will be established to explore, study, and report on specific research, development, testing, or evaluation issue(s). The WG will be limited in scope to a single, well-defined study or project area and will endeavor to assess the research, development, testing, or evaluation issue based on Information provided by both Parties in such a way as to arrive at a jointly determined position. Examples follow:*

The (insert name of WG) will include activities covering the following areas:

The (insert name of WG) will evaluate…,
monitor…,

identify…,
initiate…,
investigate…,
facilitate…,
… activity beneficial to the Parties.
… and seek technological solutions to those …

The establishment of (insert name of WG) will provide a forum for the exchange of Information, the identification of potential PAs for *(name of specific weapon system, etc.),* and the harmonization of the Parties' requirements prior to the formal staffing of a potential PA.

The purpose of the (insert name of WG) is to review respective *(name specific weapon system, etc.)* programs in order to identify mutually beneficial research, development, testing, or evaluation cooperative activities between the Parties.

Mandatory: Specific collaborative activities identified by the (insert name of WG) may only be carried out under future PAs under this Agreement or under other agreements entered into by the Parties.

Mandatory: The (insert name of WG) is not intended to replace, duplicate, or inhibit activities under existing international agreements.

4. Objectives. *Provide details of the type of work to be accomplished under this TOR. Example follows.*

Information on research conducted by each Party in the area of *(name specific technology)* technology and its potential for *(identify potential benefit)* will be exchanged and the potential for a PA leading to application of the technology will be discussed.

5. Management Structure. *Examples follow.*

The (insert name of WG) consists of representatives from *(name organizations)* as principals and other representatives and supporting subject matter experts from *(name organizations)* as appropriate. *(Provide name of organization only. Do not name representatives.)*

Membership in the (insert name of WG) should be consistent with minimal turnover of personnel.

The importance of consultation with other agencies and organizations of the Parties' Governments is recognized. Representatives from specific technology areas may be invited to participate in technical discussions, but will not become members of the (insert name of WG). They may, however, become members of a sub-group established under this WG for a specific technology area or project.

Mandatory: *Identify how often the WG will meet, who will host and chair.*
Example: WG meetings will be held at intervals as mutually agreed by the members, but at least annually. The Parties will host and chair the meetings on a rotational basis. Minutes will be prepared and provided to (insert name of WG) members and to the applicable Management Agents (MAs) for the Agreement within (specify time) following the meetings. Administrative support for these meetings will be the responsibility of the host Party.

Mandatory: *Identify how decisions will be reached.*

Example: All decisions of the (insert name of WG) will be unanimous.

Mandatory: *Identify one U.S. and one Finnish Project Officer (PO). Include name, mailing address, email address, and phone number.*

Mandatory: In accordance with subparagraph 4.2.6. of Article IV (Management (Organization and Responsibility)) of the Agreement, the MAs of both Parties must approve and sign this TOR. The Agreement Directors (ADs) may provide guidance on issues that relate to the Agreement objectives.

6. Exchange of Information. ***Mandatory:*** The (insert name of WG), along with its appropriate supporting subject matter experts, may exchange Information pertaining to (name area of discussion of the WG) activities in accordance with paragraphs 3.2. and 3.3. of Article III (Scope of Work) and subparagraph 8.1.3. of Article VIII (Disclosure and Use of Project Information) of the Agreement. Information will be furnished without charge and shall be used for information and evaluation purposes only.

Mandatory if exchanging Classified or Controlled Unclassified Information: Pursuant to paragraph 11.2. of Article XI (Security) of the Agreement, Classified Information will be transferred only through official government-to-government channels or through channels approved by the Designated Security Authorities of both Parties. The provisions of Article IX (Controlled Unclassified Information) and Article XI (Security) of the Agreement apply. No Equipment and Material may be transferred under the auspices of the (insert name of WG).

Mandatory: The (insert name of WG) (or its highest management level) will ensure that any Information provided in accordance with this TOR is used only by the Parties and then only for the purpose for which it has been provided. Information shall not be disclosed or released to any Third Party, defense Contractors, or their personnel (with the exception of Contractor Support Personnel), and will not be used for any other purpose without the prior written consent of the furnishing Party.

Mandatory: The Parties will produce and maintain a list of Information exchanged under this TOR. This list will include name of document, date of document, identity of the entity that created the document, security classification/release restrictions, country of origin, originating point of

contact, receiving point of contact, date provided, and any requirement to return the document to the originator. A current list will be submitted annually to the MAs of both Parties.

7. General. ***Mandatory:*** There will not be any transfer of funds between the Parties pursuant to this TOR. In those cases where a PA is determined to be required, the Project Officers will make every effort to prepare the necessary documentation and secure the required approvals as expeditiously as possible.

The TOR will be drafted and approved in English, with copies signed by the MAs (or their designated representatives) of both Parties.

8. Legal Status. ***Mandatory:*** This TOR constitutes an administrative procedure to coordinate research, development, testing, and evaluation activities between the Parties. It is not the intent of the Parties that this TOR be considered legally binding under international law. This TOR does not create any authority to perform any work, award any contract, exchange Information, transfer funds, or otherwise obligate in any way either Party to make or provide any financial or non-financial contribution to the other Party for any purpose. Any collaborative activities identified by the (insert name of WG) may only be carried out under future PAs under the Agreement or under other agreements entered into by the Parties.

9. Effective Date. ***Mandatory:*** The TOR for the (insert name of WG) becomes effective on the date of the last signature below and remains in effect until (month, day, year) [fill in before signature], unless terminated or extended. This TOR may be amended or extended by mutual written consent of the MAs. Either Party may terminate the (insert name of WG) upon 45 days written notification to the other Party. Such notice will be the subject of immediate consultation by the MAs to decide upon the appropriate course of action.

U.S. DoD MANAGEMENT AGENT	FI MoD MANAGEMENT AGENT
_____	_____
Signature	Signature
_____	_____
Name	Name
_____	_____
Title	Title
_____	_____
Date	Date
_____	_____
Location	Location