

DEFENSE

Missiles

Memorandum of Understanding Between the UNITED STATES OF AMERICA and OTHER GOVERNMENTS

Signed at Koblenz, The Hague, Ottawa, and
Washington, October 20, October 21,
November 15, and December 3, 2004

with

Annexes



NOTE BY THE DEPARTMENT OF STATE

Pursuant to Public Law 89—497, approved July 8, 1966
(80 Stat. 271; 1 U.S.C. 113)—

“...the Treaties and Other International Acts Series issued under the authority of the Secretary of State shall be competent evidence . . . of the treaties, international agreements other than treaties, and proclamations by the President of such treaties and international agreements other than treaties, as the case may be, therein contained, in all the courts of law and equity and of maritime jurisdiction, and in all the tribunals and public offices of the United States, and of the several States, without any further proof or authentication thereof.”

MULTILATERAL

Defense: Missiles

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Koblenz, The Hague, Ottawa, and
Washington, October 20, October 21,
November 15, and December 3, 2004;
Entered into force December 3, 2004.
With annexes.*

MEMORANDUM OF UNDERSTANDING

AMONG

THE MINISTER OF NATIONAL DEFENCE OF CANADA

AND

THE FEDERAL MINISTRY OF DEFENCE OF THE FEDERAL REPUBLIC OF GERMANY

AND

THE MINISTER OF DEFENCE OF THE KINGDOM OF THE NETHERLANDS

AND

THE DEPARTMENT OF DEFENSE OF THE UNITED STATES OF AMERICA

FOR

STANDARD MISSILE UPGRADES AND IMPROVEMENTS

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INTRODUCTION

The Minister of National Defence of Canada, the Federal Ministry of Defence of the Federal Republic of Germany, the Minister of Defence of the Kingdom of the Netherlands, and the Department of Defense of the United States of America, hereinafter referred to as the "Participants":

Having a common interest in defense;

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

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

Having a mutual need for STANDARD Missile upgrades and improvements to satisfy common operational requirements; and

Desiring to establish a framework within this Memorandum of Understanding (MOU) to pursue cooperative efforts under Project Arrangements (PAs) for upgrades and improvements for STANDARD Missile and associated technologies and systems;

Have reached the following understandings:

SECTION I

DEFINITIONS

The Participants have jointly decided upon the following definitions for terms used in this Memorandum of Understanding (MOU):

Background Information	Project Information not generated in the performance of a Project.
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 which obligates a Contractor to furnish supplies or services, and obligates one or more Participants to pay for them.
Contracting	The obtaining of supplies or services by Contract from sources outside the government organizations of the Participants. Contracting includes description (but not determination) of supplies and services required, solicitation and selection of sources, preparation and award of Contracts, and all phases of Contract administration.
Contracting Agency	The entity within the government organization of a Participant, which has authority to enter into, administer, and/or terminate Contracts.
Contracting Officer	A person representing a Contracting Agency of a Participant who has the authority to enter into, administer, and/or terminate Contracts.
Contractor	Any entity awarded a Contract by a Participant's Contracting Agency for work under (a) PA(s).
Controlled Unclassified Information	Unclassified information to which access or distribution limitations have been applied in accordance with applicable national laws or regulations. Whether the information is provided or generated under this MOU, the information will be marked to identify its "in confidence" nature. It could include information which has been declassified, but remains controlled.
Cooperative Project	Military members or civilian employees of a Parent PA

Personnel (CPP)	Participant assigned to a Host PA Participant, in furtherance of a Project, who perform managerial, engineering, technical, administrative, Contracting, logistics, financial, planning or other functions.
Defense Purposes	Manufacture or other use in any part of the world by or for the armed forces of any Participant.
Designated Security Authority (DSA)	The security office approved by national authorities to be responsible for the security aspects of this MOU.
Financial Contributions	Represents the Project Arrangement Participant's share of Project costs that, due to its nature, takes a monetary form.
Foreground Information	Information generated in the performance of a Project.
Host PA Participant	The PA Participant whose nation serves as the location of the hosting project office.
Non-financial Contributions	Represents the Project Arrangement Participant's share of Project costs that, due to its nature, takes a non-monetary form.
Parent PA Participant	The PA Participant which sends its CPP to the project office located in the nation of the Host PA Participant.
Patent	Legal protection of the benefit to exclude others from making, using, or selling an invention. The term refers to any and all Patents including, but not limited to, Patents of implementation, improvement or addition, petty Patents, utility models, appearance design Patents, registered designs, and inventor certificates or like statutory protection as well as divisions, reissues, continuations, renewals, and extensions of any of these.
Project	Collaborative activity done under a Project Arrangement (PA) concluded pursuant to this MOU.
Project Arrangement(PA)	An individually negotiated arrangement, concluded after the MOU has entered into effect, which specifically details the provisions of collaboration on a specific Project between two or more MOU Participants.
PA Participant	A Participant is considered a PA Participant only for those Projects for which it signs the relevant PA.
Project Equipment	Any material, equipment, end item, subsystem, component, special tooling or test equipment jointly acquired or provided by

one of the PA Participants for use in a Project.

Project Information

Any information provided to, generated in, or used in a Project 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, 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 copyright, patent, or other legal protection.

Project Invention

Any invention or discovery 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.

Project Plan

A part of a PA that provides a description of the Project's delivery requirements and milestones.

STANDARD Missile

A weapon system designed, developed, and maintained by the U.S. to provide maritime multi-mission capability. This includes SM-2 Block IIIA and subsequent STANDARD Missile variants.

Third Party

Any person or other entity whose government or entity thereof is not a Participant.

SECTION II

OBJECTIVES

- 2.1. The objectives of this MOU are to:
 - 2.1.1. Maintain or improve the military and cost effectiveness, interoperability, and availability of STANDARD Missile;
 - 2.1.2. Establish a framework and general principles which will apply to the initiation, conduct, and management of cooperative projects detailed in individual PAs;
 - 2.1.3. Leverage technological capabilities of the Participants for the betterment of STANDARD Missile;
 - 2.1.4. Cooperate in research, development, test, evaluation, and transition to production activities related to upgrades and improvements to STANDARD Missile; and
 - 2.1.5. Maintain commonality of STANDARD Missile while continuing to meet the individual requirements of the Participants.

SECTION III

SCOPE OF WORK

3.1. Through PAs under this MOU, PA Participants will cooperatively research, develop, test, evaluate, and transition to production upgrades and improvements for STANDARD Missile. These upgrades and improvements include, but are not limited to, performance and reliability enhancements, interoperability improvements, interface definition, and combat systems integration efforts. The tasks under each PA will be detailed in that PA.

3.2. Activities of the Participants under this MOU include information exchange for the purposes of harmonizing the Participants' respective STANDARD Missile system requirements, for observing national STANDARD Missile system(s) and related efforts of one or more Participants by the other Participant(s), and for formulating and developing PAs under this MOU.

3.3. Configuration control of STANDARD Missile will be conducted as a part of the overall U.S. STANDARD Missile program, outside of this MOU.

SECTION IV

GENERAL PROJECT ARRANGEMENT (PA) PROVISIONS

- 4.1. PAs will involve two or more MOU Participants. However, no PA under this MOU may be signed until the U.S. Participant approves the PA to ensure that it is consistent with the U.S. STANDARD Missile program.
- 4.2. MOU Participants who do not sign a PA do not automatically receive the benefits gained from that PA including access to Project Information and Project Equipment.
- 4.3. The provisions of this MOU will govern each PA under this MOU unless specifically stated otherwise in the PA.
- 4.4. Annex A (Sample Project Arrangement), will be used as the general format for all PAs under this MOU.
- 4.5. The PA Participants will provide Financial or Non-financial Contributions, or both, which represent an equitable share of the total costs, including overhead costs, administrative costs, and costs of claims of a Project. Each PA Participant will receive an equitable share of the results of a Project.

SECTION V

MANAGEMENT (ORGANIZATION AND RESPONSIBILITY)

5.1. This MOU will be directed and administered by a STANDARD Missile Cooperative Council (SMCC). The PAs will be directed and administered by an organization consisting of a PA SMCC and Project Officers (POs). In general, POs will not be colocated.

5.2. Each MOU Participant will provide a SMCC member for this MOU. The SMCC members will take decisions on a unanimous basis and be responsible for:

- 5.2.1. Monitoring the overall effectiveness of the MOU;
- 5.2.2. Providing recommendations to the MOU Participants for amendments to this MOU;
- 5.2.3. Providing recommendations to the MOU Participants for the addition of new MOU Participants in accordance with Section XVI (Addition of New Participants);
- 5.2.4. Fostering maximum cooperation among MOU Participants in the area of upgrades and improvements related to STANDARD Missile; and
- 5.2.5. Designating a point of contact for equitable exchange of information for the development and negotiation of potential PAs, in accordance with Section 3.2.

5.3. The SMCC will be chaired by the U.S. SMCC member and will meet as necessary, but at least once a year. In the event that the SMCC is unable to reach a timely decision on an issue related to the overall MOU, each SMCC representative will refer the issue to its higher authority for resolution. In the meantime, the approved PAs will continue to be implemented without interruption.

5.4. Individual SMCC members or their designee will also serve as the PA SMCC representatives for the PAs entered into under this MOU. The PA SMCC will be chaired by the U.S. PA SMCC member and meet as necessary, but at least once a year. To maximize utility and efficiency, SMCC and PA SMCC meetings will be coordinated to the maximum extent possible. Decisions of the PA SMCC will be made unanimously. In the event that the PA SMCC is unable to reach a timely decision, each PA SMCC representative will refer the issue to its higher authority for resolution. In the meantime, the approved PAs will continue to be implemented without interruption while the issue is being resolved by higher authority. PA SMCC members will be responsible for effective implementation, efficient management, and executive-level direction of the PA. Specific responsibilities include, but are not limited to:

- 5.4.1. Reviewing and approving the technical progress of the Project under the PA;
- 5.4.2. Reviewing the financial status of the PA to ensure compliance with the provisions of Section VI (Financial Provisions) of this MOU and the financial provisions established in the PA;
- 5.4.3. Reviewing and forwarding recommendations to the PA Participants for the addition of new PA Participants, if applicable, in accordance with this MOU and the PA;
- 5.4.4. Reviewing and forwarding to the PA Participants recommended amendments to the PA in accordance with the PA;
- 5.4.5. Evaluating status reports submitted by the PO and recommending corrective action if necessary;
- 5.4.6. Evaluating the distribution of work sharing in accordance with the principles of Section VII (Work Sharing) and recommending corrective action if necessary;
- 5.4.7. Monitoring Project Third Party Sales and Transfers authorized in accordance with Section XIV (Third Party Sales and Transfers) of this MOU and the PA;
- 5.4.8. Resolving issues brought forth by the POs; and
- 5.4.9. Approving plans to manage and control Project Equipment in accordance with Section IX (Project Equipment) of this MOU and the PA.

5.5. Each PA will be directed and administered by Project Officers (POs) appointed by PA Participants. Decisions of the POs will be made unanimously. In the event that the POs are unable to reach a timely decision on an issue, the POs will refer the issue to the PA SMCC for resolution. In the meantime, the PA will continue to be implemented without interruption under the direction of the POs while the issue is being resolved by the PA SMCC.

5.6. For its respective PA, specific responsibilities of the POs include, but are not limited to:

- 5.6.1. Developing and forwarding to the PA SMCC for approval, plans to manage and control Project Equipment, if any, provided by any PA Participant in accordance with Section IX (Project Equipment) of this MOU and the PA;
- 5.6.2. Maintaining oversight of the security aspects of a Project including the appointment of a Project Security Officer and if applicable, developing, maintaining, and obtaining approval from the appropriate Designated

Security Authority (DSA) of a Project Security Instruction and a Classification Guide in accordance with Section XIII (Security);

- 5.6.3. Providing recommendations to the PA SMCC members for the addition of new PA Participants, if applicable, in accordance with this MOU and the PA;
- 5.6.4. Forwarding to the PA Participants recommendations for Third Party Sales and Transfers in accordance with Section XIV (Third Party Sales and Transfers) of this MOU and the PA;
- 5.6.5. Managing overall PA implementation, including technical, financial, and schedule performance;
- 5.6.6. Recommending PA amendments to the PA SMCC member;
- 5.6.7. Referring issues to the PA SMCC that cannot be resolved by the POs; and
- 5.6.8. Providing reports to the PA SC as required.

5.7. Additional responsibilities and duties of the PA SMCC members and POs may be detailed in the applicable PA.

SECTION VI

FINANCIAL PROVISIONS

6.1. This MOU creates no Financial or Non-financial responsibilities regarding individual PAs. Detailed descriptions of the financial arrangements for a specific Project will be included in the corresponding PA. These will include each PA Participant's share of the total cost of the Project and, if jointly decided, a funding schedule.

6.2. The following costs will be borne entirely by the Participant or PA Participant incurring the costs or on whose behalf the costs are incurred:

6.2.1. Costs associated with national representation at meetings.

6.2.2. Costs incurred for participating in STANDARD Missile requirements harmonization discussion and the information exchange described in paragraph 3.2 Section III (Scope of Work) of this MOU.

6.2.3. Costs associated with any unique national requirements identified by a PA Participant.

6.2.4. Any other costs not expressly stated as shared costs or any costs that are outside the scope of this MOU.

6.3. A PA Participant will promptly notify the other PA Participants if available funds are not adequate to fulfill its responsibilities under a PA. If a PA Participant notifies the other PA Participants that it is terminating, withdrawing, or reducing its funding for a Project, all PA Participants will immediately consult with a view toward continuation on a modified basis. If continuation on a modified basis is not possible then the withdrawal and termination provisions of the applicable PA will apply.

6.4. It may become necessary for one PA Participant to incur contractual or other obligations for the benefit of other PA Participants prior to receipt of other Participants' funds under a PA. In the event that a PA Participant incurs such obligations, those PA Participants will pay their equitable share of such obligations, make funds available in such amounts and at such times as may be required by the Contract or other obligations, and pay any damages and costs that may accrue from the performance or cancellation of the Contract or other obligations in advance of the time such payments, damages, or costs are due.

6.5. The cost of personnel assigned to PAs will be borne as follows:

6.5.1. The Host PA Participant will be responsible for all pay and allowances of Host PA Participant personnel assigned to a PA.

6.5.2. Each Parent PA Participant which sends its Cooperative Project Personnel (CPP) to a Project Office of a Host Participant will be responsible for the following cost of its own CPP:

6.5.2.1. All pay and allowances.

6.5.2.2. Transportation of the CPP and their personal property to the place of assignment in the Host PA Participant's nation prior to the CPP's commencement of a tour of duty, and return transportation of the foregoing from the place of assignment in the Host PA Participant's nation upon completion or termination of the tour of duty. The foregoing will apply to the CPP's dependents and their personal property to the extent permitted under the laws and regulations of the government of the Parent PA Participant.

6.5.2.3. Compensation for the loss of, or damage to, the personal property of the CPP or the CPP's dependents, subject to the laws and regulations of the government of the Parent PA Participant.

6.5.2.4. Preparation and shipment of remains and funeral expenses in the event of the death of the CPP or the CPP's dependents, subject to the laws and regulations of the government of the Parent PA Participant.

SECTION VII

WORKSHARE

7.1. The PA Participants will work toward the goal that the work to be performed under the PAs will be shared in proportion to the cost contribution of the PA Participants to the maximum extent possible, consistent with high technical merit, reasonable cost, and the need to achieve the timely, economical, and efficient execution of the Project. This work will encompass those requirements contained in the Scope of Work of the PAs that are common to the Participants and are funded under the Project.

7.2. Sources from all PA Participants will be permitted to bid on Project work. Each Participant will encourage its Contractors to provide competitive opportunities to sources from the other nations to participate in the work of the Project, provided that such participation does not adversely impact the Project.

7.3. No requirement will be imposed by any Participant for work sharing or other industrial or commercial compensation in connection with this MOU and associated PAs that is not in accordance with this MOU and associated PA.

SECTION VIII

CONTRACTING PROVISIONS

8.1. Each PA will detail each PA Participant's responsibility, if any, for Contracting for the purposes of that PA. Each PA Participant will Contract in accordance with its respective national laws, regulations, and procedures. The Contracting Agency's Contracting Officer will be the exclusive source for providing contractual direction and instructions to the Contractors.

8.2. When one PA Participant individually Contracts to perform a task under a PA, it will be solely responsible for its own Contracting, and the other PA Participants will not be subject to any liability arising from such Contracts without their prior written consent.

8.3. For all Contracting activities performed by a PA Participant the POs will cooperate with the respective Contracting Agency in the areas of Contract procedures, Contract negotiation, evaluation of offers, and Contract award. The POs will be provided with a copy of all Statements of Work prior to the development of solicitations to ensure that they are consistent with the provisions of this MOU and associated PAs. In addition, the Contracting Agency will keep the POs advised of all financial arrangements with Contractors.

8.4. PA Participant(s) may make use of a PA Participant's Contracting Agency in the event that Contracting on their behalf is required to implement the PA. The Contracting Agency so used will place and manage Contracts in accordance with its respective national laws, regulations, and procedures. However, the Contracting Agency will, when it facilitates satisfying the objectives of this MOU, seek waivers of national regulations, procurement procedures and practices.

8.5. Each PA Participant's Contracting Agency will insert into its Contracts (and require its Contractors to insert in subcontracts) suitable provisions to satisfy the requirements of this MOU and the relevant PA(s) including, Section X (Disclosure and Use of Project Information), Section XI (Controlled Unclassified Information), Section XIII (Security) and Section XIV (Third Party Sales and Transfers) of this MOU. Each PA Participant's Contracting Agency will negotiate to obtain the rights to use and disclose Project Information required by Section X (Disclosure and Use of Project Information). During the Contracting process, the Contracting Agency will advise prospective Contractors of their responsibility to provide immediate notification, before Contract award, if they are subject to any license or agreement that will restrict their freedom to disclose information or permit its use, and to employ their best efforts not to enter into any new agreement or arrangement that will result in restrictions.

8.6. In the event a PA Participant's Contracting Agency prior to award is unable to secure adequate rights to use and disclose Project Information as required by Section X (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 PA Participant's Contracting Agency will refer the matter to the POs, who will refer the matter to the PA SMCC members as necessary.

8.7. A PO will promptly advise the other POs of any anticipated or actual cost growth, schedule changes, delay, or performance problems of any Contractor for which its Contracting Agency is responsible.

8.8. Upon mutual consent, consistent with Section II (Objectives) and the objectives of the applicable PA, a PA Participant may contract for the unique national requirements of another PA Participant.

SECTION IX

PROJECT EQUIPMENT

9.1. Each PA Participant may provide Project Equipment identified as being necessary for implementing a PA to another PA Participant. Project Equipment will remain the property of the providing Participant. A list of all Project Equipment, including replacement value, provided by one PA Participant to another PA Participant will be developed and maintained by the POs and approved by the PA SMMC.

9.2. The receiving PA Participant will maintain any such Project Equipment in good order, repair, and operable condition. Unless the providing PA Participant has authorized the Project Equipment to be expended or otherwise consumed without reimbursement to the providing PA Participant, the receiving PA Participant will return the Project Equipment to the providing PA Participant in as good condition as received, normal wear and tear excepted, or return the Project Equipment and pay the cost to restore it. If the Project Equipment is damaged beyond economical repair, the receiving PA Participant will return the Project Equipment to the providing PA Participant (unless otherwise specified in writing by the providing PA Participant) and pay its replacement value as specified in the list mentioned in paragraph 9.1, which shall be computed pursuant to the providing PA Participant's national laws and regulations. If the Project Equipment is lost or stolen while in the custody of the receiving PA Participant, the receiving PA Participant will issue a certificate of loss to the providing PA Participant and pay the replacement value as specified in the list mentioned in paragraph 9.1.

9.3. The providing PA Participant will deliver Project Equipment to the receiving PA Participant at a mutually determined location. Possession of the Project Equipment will pass from the providing PA Participant to the receiving PA Participant at the time of receipt of the Project Equipment. Any further transportation is the responsibility of the receiving PA Participant.

9.4. All Project Equipment that is transferred will be used by the receiving PA Participant only for the purposes of carrying out the PA, unless otherwise consented to in writing by the providing PA Participant. In addition, in accordance with Section XIV (Third Party Sales and Transfers) Project Equipment will not be re-transferred to a Third Party without the prior written consent of the providing PA Participant.

9.5. Project Equipment transferred to one PA Participant will be returned to the providing PA Participant prior to withdrawal of either Participant or termination or expiration of the PA.

9.6. Any Project Equipment which is jointly acquired on behalf of the PA Participants for use under a PA will be disposed of during the Project or when the Project ceases, as determined by the POs.

9.7. Disposal of jointly acquired Project Equipment may include a transfer of the interest of one PA Participant in such Project Equipment to one of the other PA Participants, or the sale of such equipment to a Third Party in accordance with Section XIV (Third Party Sales and Transfers) of this MOU and, if applicable, the PA. The PA Participants will share the consideration from jointly acquired Project Equipment transferred or sold to a Third Party in the same ratio as costs are shared under a PA.

SECTION X

DISCLOSURE AND USE OF INFORMATION

10.1. The Participants may exchange information under this MOU through the SMCC or SMCC designated representatives for the purposes of STANDARD Missile requirements harmonization, for observing national STANDARD Missile systems and related efforts of one Participant by the other Participants, and STANDARD Missile PA formulation, development, and negotiations in accordance with Section III (Scope of Work) of this MOU. The disclosure and use of information provisions that govern these information exchange activities are as follows:

- 10.1.1. A Participant may use the information exchanged under this MOU for information and evaluation purposes only. The specific prior written consent of the originating Participant is required for any other use or disclosure, including disclosure to Contractors.
- 10.1.2. A receiving Participant will ensure that Contractors to whom it discloses information received under this MOU are under a legally binding obligation not to further disclose such information, or to use such information for other than information and evaluation purposes, without prior written authorization.
- 10.1.3. No transfer of ownership of information exchanged under this MOU will occur via the provisions thereof, and hence such information will remain the property of the originating Participant or its Contractors.
- 10.1.4. The Participants may exchange information under this MOU only where both of the following conditions are met.
 - 10.1.4.1. Information may be exchanged without incurring a liability to holders of proprietary rights therein.
 - 10.1.4.2. Disclosure of the information is consistent with national disclosure policies and regulations of the originating Participant.

10.2. All MOU Participants recognize that successful collaboration in a PA depends on full and prompt exchange of information between PA Participants as necessary for carrying out the PAs. PA Participants intend to acquire sufficient Project Information and rights to use such information to enable research, development, test, evaluation, and transition to production activities related to upgrades and improvements to STANDARD Missile. The nature and amount of Project Information to be acquired under the PAs will be consistent with this MOU and the associated PA.

10.3. Government Project Foreground Information

- 10.3.1. Disclosure: Project Foreground Information generated by a PA Participant's military personnel or civilian employees will be disclosed without charge to the other PA Participants.
- 10.3.2. Use: Each PA Participant may use all Government Project Foreground Information without charge for Defense Purposes. The PA Participant generating Government Project Foreground Information will also retain its rights of use thereto. Any sale or other transfer to a Third Party, will be subject to the provisions of Section XIV (Third Party Sales and Transfers) of this MOU.

10.4. Government Project Background Information

- 10.4.1. Disclosure: Each PA Participant, upon request, will disclose to the other PA Participants any relevant Government Project Background Information generated by its military personnel or civilian employees, provided that:
 - 10.4.1.1. such Project Background Information is necessary to or useful in the Project, with the PA Participant in possession of the information determining whether it is "necessary to" or "useful in" the Project;
 - 10.4.1.2. such Project Background Information may be made available without incurring liability to holders of proprietary rights; and
 - 10.4.1.3. disclosure is consistent with national disclosure policies and regulations of the furnishing PA Participant.
- 10.4.2. Use: Government Project Background Information disclosed by one PA Participant to another may be used without charge by the other PA Participants for Project Purposes only; however, the furnishing PA Participant will retain all its rights with respect to such Project Background Information. Where the use of Government Project Background Information is necessary to enable the use of Project Foreground Information, such Government Project Background Information may be used for Defense Purposes.

10.5. Contractor Project Foreground Information

- 10.5.1. Disclosure: Project Foreground Information generated and delivered by Contractors, will be disclosed without charge to the PA Participants.

- 10.5.2. Use: Each PA Participant may use without charge for its Defense Purposes all Contractor Project Foreground Information generated and delivered by Contractors of another PA Participant. The PA Participant whose Contractors generate and deliver Contractor Project Foreground Information will also retain rights of use thereto in accordance with the applicable Contract(s). Any sale or other transfer to a Third Party of Contractor Project Foreground Information, will be subject to the provisions of Section XIV (Third Party Sales and Transfers) of this MOU.

10.6. Contractor Project Background Information

- 10.6.1. Disclosure: Any Project Background Information, (including information subject to proprietary rights) generated and delivered by Contractors will be made available to other PA Participants provided the following provisions are met:

- 10.6.1.1. such Project Background Information is necessary to or useful in the Project, with the PA Participant in possession of the information determining whether it is "necessary to" or "useful in" the Project;
- 10.6.1.2. such Project Background Information may be made available without incurring liability to holders of proprietary rights; and
- 10.6.1.3. disclosure is consistent with national disclosure policies and regulations of the furnishing PA Participant.

- 10.6.2. Use: Project Background Information furnished by one PA Participant's Contractors and disclosed to the other PA Participants may be used without charge by the other PA Participants for Project purposes only, and may be subject to further restrictions by holders of proprietary rights; however, the furnishing PA Participant will retain all its rights with respect to such Project Background Information. Where the use of Contractor Project Background Information is necessary to enable the use of Project Foreground Information, such Contractor Project Background Information may be used for Defense Purposes in accordance with such fair and reasonable terms as are arranged with the Contractor.

10.7. Alternative Uses of Project Background Information

- 10.7.1. Any Project Background Information provided by one PA Participant will be used by the other PA Participants only for the purposes set forth in this MOU and the PA, unless otherwise consented to in writing by the providing PA Participant.

10.8. Proprietary Project Information

- 10.8.1. All Project Information subject to proprietary interests will be identified and marked, and will be handled as Controlled Unclassified Information.
- 10.8.2. The provisions of the NATO Agreement on the Communication of Technical Information for Defence Purposes, done at Brussels on 19 October 1970, and the Implementing Procedures for the NATO Agreement on the Communication of Technical Information for Defence Purposes, approved by the North Atlantic Council on 1 January 1971, will apply to proprietary Project Information related to this MOU.

10.9. Patents

- 10.9.1. Where a PA Participant owns title to a Project Invention, or has the right to receive title to a Project Invention, that PA Participant will consult with the other PA Participants regarding the filing of a Patent application for such Project Invention. The PA Participant which has or receives title to such Project Invention will, in other countries, file, cause to be filed, or provide the other PA Participants with the opportunity to file on behalf of the PA Participant holding title, or its Contractors, as appropriate, Patent applications covering that Project Invention. If a PA Participant having filed or caused to be filed a Patent application decides to stop prosecution of the application, that PA Participant will notify the other PA Participants of that decision and permit the other PA Participants to continue the prosecution.
- 10.9.2. The other PA Participants will be furnished with copies of Patent applications filed and Patents granted with regard to Project Inventions.
- 10.9.3. The other PA Participants will acquire a non-exclusive, irrevocable, royalty-free license to practice or have practiced, by or on behalf of the PA Participant, throughout the world for Defense Purposes, any Project Invention.
- 10.9.4. Patent applications to be filed under PAs which contain Classified Information, will be protected and safeguarded in accordance with the requirements contained in the NATO Agreement for the Mutual Safeguarding of Secrecy of Inventions Relating to Defense and for Which Applications for Patents Have Been Made, done in Paris on 21 September 1960, and its Implementing Procedures.
- 10.9.5. Each PA Participant will notify the other PA Participants of any Patent infringement claims made in its territory arising in the course of work performed under a Project. Insofar as possible, the other PA Participants will provide information available to it that may assist in defending the

claim. Each PA Participant will be responsible for handling all Patent infringement claims made in its territory, and will consult with the other PA Participants during the handling, and prior to any settlement, of such claims.

- 10.9.6. The PA Participants will share the costs of resolving Patent infringement claims according to the cost sharing arrangements in the applicable PA. The PA Participants will, in accordance with their national laws and practices, give their authorization and consent for all use and manufacture in the course of work performed under the Project of any invention covered by a Patent issued by their respective countries.

SECTION XI

CONTROLLED UNCLASSIFIED INFORMATION

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

- 11.1.1. Such information will be used only for the purposes authorized for use of Project Information as specified in Section X (Disclosure and Use of Project Information) and any applicable corresponding PA provisions.
- 11.1.2. Access to such information will be limited to personnel whose access is necessary for the permitted use under subparagraph 11.1.1, and will be subject to the provisions of Section XIV (Third Party Sales and Transfers) and any applicable corresponding PA provisions.
- 11.1.3. Each Participant will take all lawful steps, which may include national classification, available to it to keep such information free from further disclosure (including requests under any legislative provisions), except as provided in subparagraph 11.1.2, unless the originating Participant consents to such disclosure. In the event of unauthorized disclosure, or if it becomes probable that the information may have to be further disclosed under any legislative provision, immediate notification will be given to the originating Participant.

11.2. To assist in providing the appropriate controls, the originating Participant will ensure that Controlled Unclassified Information is appropriately marked. The Participants will decide, in advance and in writing, on the markings to be placed on the Controlled Unclassified Information. The appropriate markings will be defined in the Project Security Instruction.

11.3. Controlled Unclassified Information provided or generated pursuant to this MOU will be handled in a manner that ensures control as provided for in paragraph 11.1.

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

SECTION XII

VISITS TO ESTABLISHMENTS

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

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

12.3. Requests for visits by personnel of one Participant to a facility of another Participant will be coordinated through official channels, and will conform with the established visit procedures of the host country. Requests for visits will bear the name of the MOU and associated PA.

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

SECTION XIII

SECURITY

13.1. All Classified Information exchanged or generated in connection with this MOU and corresponding PAs will be used, transmitted, stored, handled, and safeguarded in accordance with the Participants' national security laws and regulations, to the extent that they provide a degree of protection no less stringent than they provide for NATO Classified Information as set forth in the document "Security Within the North Atlantic Treaty Organization" CM(2002)49, of 17 June 2002, and its subsequent amendments.

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

13.3. Each Participant will take all lawful steps available to it to ensure that Classified Information provided or generated pursuant to this MOU and associated PAs are protected from further disclosure, except as permitted by paragraph 13.8, unless the other Participants consent to such disclosure. Accordingly, each Participant will ensure that:

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

13.3.2. The recipient will not use the Classified Information for other than the purposes provided for in this MOU and associated PAs.

13.3.3. The recipient will comply with any distribution and access restrictions on information that is provided under this MOU and associated PAs.

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

13.5. If necessary, the POs will prepare a Project Security Instruction and a Classification Guide for their respective PA. Such Project Security Instruction and Classification Guide will describe the methods by which Project Information and material will be classified, marked, used, transmitted, and safeguarded. The Instruction and Guide will be developed by the PMs within three months after a PA enters into effect. They will be reviewed and forwarded to the

Participants' DSA's for approval and will be applicable to all government and Contractor personnel participating in the Project. The Classification Guide will be subject to regular review and revision with the aim of downgrading the classification whenever this is appropriate. The Project Security Instruction and the Classification Guide will be approved by the appropriate DSA prior to the transfer of any Classified Information or Controlled Unclassified Information.

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

- 13.6.1. Ensure that such Contractor, prospective Contractor or subcontractor and their facility(ies) have the capability to protect the Classified Information adequately.
- 13.6.2. Grant a security clearance to the facility(ies), if appropriate.
- 13.6.3. Grant a security clearance for all personnel whose duties require access to Classified Information, if appropriate.
- 13.6.4. Ensure that all persons having access to the Classified Information are informed of their responsibilities to protect the Classified Information in accordance with national security laws and regulations, and provisions of this MOU and associated PAs.
- 13.6.5. Carry out periodic security inspections of cleared facilities to ensure that the Classified Information is properly protected.
- 13.6.6. Ensure that access to the Classified Information is limited to those persons who have a need-to-know for purposes of the MOU and associated PAs.

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

13.8. For any facility wherein Classified Information is to be used, the responsible (PA) Participant or Contractor will approve the appointment of a person or persons to exercise effectively the responsibilities for safeguarding at such facility the information or material pertaining to this MOU and associated PAs. These officials will be responsible for limiting

access to Classified Information involved in this MOU and associated PAs to those persons who have been properly approved for access and have a need-to-know.

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

13.10. Information or material provided or generated pursuant to this MOU and associated PAs may be classified as high as SECRET. The existence of this MOU is UNCLASSIFIED and the contents are UNCLASSIFIED.

SECTION XIV

THIRD PARTY SALES AND TRANSFERS

14.1. The Third Party sales and transfer provisions that govern the information exchange activities under this MOU are in paragraph 14.2. Third Party sales and transfer provisions that govern the activities under the PAs under this MOU are provided in paragraphs 14.3-14.6.

14.2. The provisions governing transfer of Information described in paragraph 3.2 in Section III (Scope of Work) of this MOU are:

14.2.1. A Participant will not sell, transfer title to, transfer possession of, or otherwise disclose Information received under this MOU to any Third Party without the prior written consent of the originating Participant(s). The originating Participant will be solely responsible for authorizing any such sale, transfer, or disclosure and specifying the method and conditions for implementing any such transfer, or disclosure.

14.3. Except to the extent permitted in paragraph 14.4, a PA Participant will not sell, transfer title to, disclose, or transfer possession of Project Foreground Information (or any item produced either wholly or in part from the Project Foreground Information) to any Third Party without the prior written consent of the other PA Participants. Furthermore, no PA Participant will permit any such sale, disclosure, or transfer, including by the owner, without the prior written consent of the other PA Participants. Such consent will not be given unless the government of the intended recipient consents in writing with the other PA Participants that it will:

14.3.1. Not retransfer, or permit the further retransfer of, any equipment or information provided; and

14.3.2. Use, or permit the use of, the equipment or information provided only for the purposes specified by the PA Participants.

14.4. Each PA Participant will retain the right to sell, transfer title to, disclose, or transfer possession of Project Foreground Information:

14.4.1. Which is generated solely by either that PA Participant or that PA Participant's Contractors in the performance of that PA Participant's work allocation; and

14.4.2. Which does not include any Project Foreground Information or Project Background Information of another PA Participant, and whose generation, test, or evaluation has not relied on the use of Project Equipment of another PA Participant.

14.5. In the event questions arise as to whether the Project Foreground Information (or any item produced either wholly or in part from the Project Foreground Information) that a PA Participant intends to sell, transfer title to, disclose, or transfer possession of to a Third Party is within the scope of paragraph 14.4, the matter will be brought to the immediate attention of the other PA Participants' POs. The PA Participants will 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.

14.6. A PA Participant will not sell, transfer title to, disclose, or transfer possession of Project Equipment or Project Background Information provided by another PA Participant to any Third Party without the prior written consent of the PA Participant which provided such equipment or information. The providing PA Participant will be solely responsible for authorizing such transfers and, as applicable, specifying the method and provisions for implementing such transfers.

14.7. Sales or any other transfers to Third Parties of Project Foreground Information or any equipment embodying such Information may attract a levy to be shared among PA Participants. Prior to any such sale or other transfer, the amount of the levy and the procedures for assessing and distributing such levy will be mutually determined by all PA Participants, taking into account their respective national laws, regulations, and procedures. Each PA Participant may reduce or waive its portion of the levy, but no PA Participant will be denied its prerogative to impose its portion of the levy.

SECTION XV

LIABILITY AND CLAIMS

15.1. For liability arising out of, or in connection with, activities undertaken in the performance of official duty in the execution and for the benefit of the Program, the following provisions will apply:

15.2. Each Participant waives all claims against the other Participants in respect to damage caused to its military or civilian personnel or damage caused to its property by personnel or agents (which do not include contractors) of another Participant. If however, such damage results from reckless acts or reckless omissions, willful misconduct or gross negligence of a Participant, its personnel or agents, the costs of any liability will be borne by that Participant alone.

15.3. Claims from third parties for damage of any kind caused by one of the Participants' personnel or agents will be processed by the most appropriate Participant, as determined by the Participants. The cost incurred in satisfying such claims will be borne by the Participants in the same percentage as they share the shared costs of the Project. If however, such liability results from the reckless acts or reckless omissions, willful misconduct or gross negligence of a Participant's personnel or agents, the costs of any liability will be borne by that Participant alone.

15.4. In the case of damage caused to or by jointly acquired property of the PA Participants, where the cost of making good such damage is not recoverable from other persons, such cost will be borne by the PA Participants in the same percentage as they share the shared costs of the Project.

15.5. Claims arising under any Contract awarded pursuant to Section VIII (Contracting Provisions) will be resolved in accordance with the provisions of the Contract. The PA Participants will not indemnify Contractors against liability claims by any other person or entity. However, in exceptional circumstances (e.g., involving certain nuclear activity or other unduly hazardous activity where the cost of insurance is excessively high) the Participants may consider whether to indemnify Contractors against liability claims by any other person or entity.

SECTION XVI

ADDITION OF NEW PARTICIPANTS

- 16.1. It is recognized that potential additional participants may wish to join the MOU.
- 16.2. Unanimous consent of the Participants will be required to conduct discussions with potential additional participants. The Participants will discuss the arrangements and formulate the provisions under which additional participants might join. This will require an amendment to this MOU by the Participants.

SECTION XVII

CUSTOMS DUTIES, TAXES, AND SIMILAR CHARGES

17.1. Insofar as existing laws and regulations of the PA Participants permit, the PA Participants will endeavour to ensure that readily identifiable taxes, customs duties and similar charges or quantitative/qualitative restrictions on imports and exports will not be imposed in connection with this MOU and associated PAs.

17.2. The PA Participants concerned will endeavour to ensure that such taxes, customs duties and similar charges from which relief is available as aforesaid do not enter into the price of information or materials produced under this MOU and associated PAs. The PA Participants will administer such taxes, customs duties and similar charges in the manner most favorable to the satisfactory execution of the arrangements described in this MOU and associated PAs.

17.3. If taxes, customs duties, or similar charges are levied, they will be borne by the PA Participant of the country in which they are levied as a cost to that PA Participant over and above that PA Participant's shared costs of the PA.

17.4. If, in order to apply European Union (EU) regulations, it is necessary to levy duties, then these will be met by the EU member end recipient. To this end, parts or components of the equipment coming from outside the EU will proceed to their final destination accompanied by the relevant customs document enabling settlement of duties to take place. The method of apportionment of such duties between EU member PA Participants will be decided by consultation. They will be levied as a cost over and above the relevant EU PA Participant's shared costs of the PA.

SECTION XVIII

SETTLEMENT OF DISPUTES

Disputes among the Participants arising under or relating to this MOU and associated PAs will be resolved only by consultation among the Participants and will not be referred to a national court, an international tribunal, or to any other person or entity for settlement.

SECTION XIX

GENERAL PROVISIONS

19.1. The working language for this MOU and associated PAs will be the English language.

19.2. All data and information generated and provided under this MOU and associated PAs by one Participant to another Participant will be furnished in the English language.

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

SECTION XX

AMENDMENT, WITHDRAWAL, TERMINATION, ENTRY INTO EFFECT, AND DURATION

20.1. This MOU may be amended by written amendment signed by the Participants. A PA under this MOU may be amended by written amendment signed by the PA Participants.

20.2. Any MOU Participant may withdraw from this MOU upon 90 days written notification to the other MOU Participants. Such notice will be the subject of immediate consultation by the SMCC, to decide upon the appropriate course of action.

20.3. Any PA Participant may withdraw from a PA under this MOU upon 90 days written notification to the other PA Participants. Such notice will be the subject of immediate consultation by the PA SMCC, to decide upon the appropriate course of action.

20.4. A withdrawing MOU or PA Participant will meet in full its commitments, financial or otherwise, up to the end of the effective date of withdrawal. A withdrawing PA Participant will pay any Contract modification or termination costs incurred under Contracts for the PA that would otherwise not have been incurred but for the decision to withdraw from this MOU or PA. However, the total financial contribution by any withdrawing PA Participant, including Contract modification or termination costs, will in no event exceed the amount the withdrawing PA Participant would have contributed had it remained in this MOU and associated PAs.

20.5. This MOU may be terminated at any time upon the unanimous written consent of the Participants. In the event the Participants consent to terminate this MOU, the Participants will consult prior to the date of termination to ensure termination on the most economical and equitable provisions. Upon termination of this MOU all PAs automatically terminate.

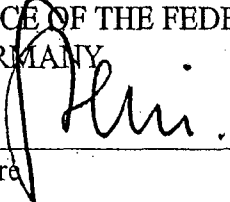
20.6. PAs under this MOU may be terminated at any time upon the unanimous written consent of the PA Participants. In the event the PA Participants consent to terminate a PA, the PA Participants will consult prior to the date of termination to ensure termination on the most economical and equitable provisions.

20.7. The respective benefits and responsibilities of the MOU and PA Participants regarding Section IX (Project Equipment), Section X (Disclosure and Use of Project Information), Section XI (Controlled Unclassified Information), Section XIII (Security), Section XIV (Third Party Sales and Transfers), and Section XV (Liability and Claims), and this Section XX (Amendment, Withdrawal, Termination, Entry into Effect, and Duration) will continue to apply notwithstanding termination of, withdrawal from or expiration of this MOU and associated PAs.

20.8. This MOU, which consists of 20 Sections and two Annexes, will enter into effect upon signature by all Participants and will remain in effect for 25 years. It may be extended by written consent of the Participants.

DONE in the English language. The foregoing represents the understandings reached among the Participants. Signed by the authorized representative of the Participants.

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



Signature

Harald Stein
Name

Vicepresident
Title

20.10.2004
Date

BwB - Koblenz
Location

DONE in the English language. The foregoing represents the understandings reached among the Participants. Signed by the authorized representative of the Participants.

FOR THE MINISTER OF DEFENCE OF
THE KINGDOM OF THE NETHERLANDS



Signature

RADM P.S. Bedet

Name

Chief of Naval Materiel

Title

21 October 2004

Date

The Hague, The Netherlands

Location

DONE in the English language. The foregoing represents the understandings reached among the Participants. Signed by the authorized representative of the Participants.

FOR THE MINISTER OF NATIONAL
DEFENCE OF CANADA



Signature

R. Westwood, Commodore

Name

Director General, Maritime Equipment
Program Management

Title

15 Nov 04

Date

Batman, PQ

Location

DONE in the English language. The foregoing represents the understandings reached among the Participants. Signed by the authorized representative of the Participants.

FOR THE DEPARTMENT OF DEFENSE
OF THE UNITED STATES OF AMERICA


Signature

John J. Young, Jr.

Name

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

Title

3 Dec 2004

Date

Washington, DC

Location

ANNEX A

SAMPLE PROJECT ARRANGEMENT

PROJECT ARRANGEMENT NO. _____ *

TO THE

STANDARD MISSILE UPGRADES AND IMPROVEMENTS
MEMORANDUM OF UNDERSTANDING

DATED _____

BETWEEN

THE MINISTER OF NATIONAL DEFENCE OF CANADA

AND

THE FEDERAL MINISTRY OF DEFENCE OF THE FEDERAL REPUBLIC OF GERMANY

AND

THE MINISTER OF DEFENCE OF THE KINGDOM OF THE NETHERLANDS

AND

THE DEPARTMENT OF DEFENSE OF THE UNITED STATES OF AMERICA

CONCERNING

(FULL DESIGNATION OF THE PROJECT)

TABLE OF CONTENTS

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II	DEFINITION OF TERMS AND ABBREVIATIONS
III	OBJECTIVES
IV	SCOPE OF WORK
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VI	BREAK DOWN AND SCHEDULE OF TASKS
VII	MANAGEMENT
VIII	FINANCIAL ARRANGEMENTS
IX	CLASSIFICATION
X	PRINCIPAL ORGANIZATIONS INVOLVED
XI	LOAN OF MATERIALS, SUPPLIES AND EQUIPMENT
XII	ENTRY INTO FORCE, DURATION AND TERMINATION

SECTION I

INTRODUCTION

This Project Arrangement concerning (name of Project) is entered into pursuant to the Memorandum of Understanding (MOU) among the Minister of National Defence of Canada, the Federal Ministry of Defence of the Federal Republic of Germany, the Minister of Defence of the Kingdom of the Netherlands, and the Department of Defense of the United States of America, for STANDARD Missile Upgrades and Improvements (Short Title: STANDARD Missile U&I MOU) of _____.

SECTION II

DEFINITION OF TERMS AND ABBREVIATIONS

(Define only those terms used in this PA that have not been defined in the STANDARD Missile U&I MOU.)

SECTION III

OBJECTIVES

The objectives of this _____ PA are:

- a. the development of _____

- b. the improvement of _____

SECTION IV

SCOPE OF WORK

The following work will be undertaken under this PA.

- a. Develop _____

- b. Evaluate _____

- c. Design, fabricate and test _____

SECTION V

SHARING OF TASKS (ROLES AND RESPONSIBILITIES)

The sharing of tasks will be as follows:

- a. The U.S. DoD will _____

- b. The MoD of Germany will _____

- c. The MoD of The Netherlands will _____

- d. The MoD of Canada will _____

- e. DoD and (applicable) MoDs will jointly _____

SECTION VI

BREAK DOWN AND SCHEDULE OF TASKS

(Use this format when the tasks covered under this Project may be performed using multiple phases, requiring milestones or decision points.)

The Project will proceed according to the following phases and schedule:

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

(Milestone 1) (e.g., Transmittal of Feasibility Report)

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

(Milestone 2) (e.g., Decision to proceed to Phase 3)

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

(Milestone 3) (e.g., Evaluation, analysis of results)

(Add as many phases as necessary.)

SECTION VII

MANAGEMENT

1. This PA will be directed and administered on behalf of the Participants by an organization consisting of a STANDARD Missile Cooperative Council (SMCC) and one Project Officer (PO) from each Participant. The SMCC members are:

U.S. Title/Position _____

Organization _____

Address _____

Netherlands Title/Position _____

Organization _____

Address _____

Germany Title/Position _____

Organization _____

Address _____

Canada Title/Position _____

Organization _____

Address _____

2. The POs are:

U.S. PO

Title/Position _____

Organization _____

Address _____

Netherlands PO

Title/Position _____

Organization _____

Address _____

Germany PO

Title/Position _____

Organization _____

Address _____

Canada PO

Title/Position _____

Organization _____

Address _____

3. (If a joint project office will be established, identify it here). A Project Office will be established in _____ (name of Participant's locations)

4. Particular Management Procedures:

(Mention only those additional management responsibilities not covered under Section V of the STANDARD Missile U&I MOU.

Also, if a PA will involve assignment of CPPs, add the following paragraph:

4.X. Any Participant may assign CPP to the other Participants' facilities to assist in administering a PA. The Host Participant will provide office space and

administrative support to CPP of the other Participant in accordance with the Host Participant's normal practice. CPP will be subject to the normal procedures and regulations of the Host Participant. Provisions for the CPP provided are described in Annex (B) to the STANDARD Missile Upgrades and Improvements MOU.)

SECTION VIII

FINANCIAL ARRANGEMENTS

The cost of performance of the tasks under this PA will not exceed U.S.\$ _____.

Cooperative efforts of the Participants over and above the jointly agreed tasks set forth in the SCOPE OF WORK and SHARING OF TASKS and FINANCIAL ARRANGEMENTS sections will be subject to amendment to this PA or signature of a new PA.

(If a PA will not involve one Participant contracting for another Participant, and no funds will be exchanged between the Participants, use the following format for the Financial Arrangements.)

Alternative 1

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

The MODs' tasks will not cost more than Canadian \$ or Euros: _____

Or Alternative 2:

(If a PA will involve one Participant contracting for another Participant or all Participants, or the Participants will transfer or exchange funds among them, use the following format for the Financial Arrangements.)

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
U.S.						
GER						
RNLN						
Canada						

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

(If necessary, a Financial Management Procedures Document (FMPD) will be developed by the POs. Any such FMPD will be submitted to the PA SMCC for approval. The FMPD should include as a minimum schedule, handling, funding levels by year, and auditing procedures for monetary contributions anticipated for this PA.)

SECTION IX

CLASSIFICATION

Only one of the three following possibilities must be selected:

- a. **No Classified Information will 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.**

SECTION X

PRINCIPAL ORGANIZATIONS INVOLVED

(List government laboratories, research centers, and other organizations for the U.S., Netherlands, Germany, and Canada, including the responsible organization for configuration control, if applicable.)

SECTION XI

LOAN OF MATERIALS, SUPPLIES AND EQUIPMENT

Include appropriate language as necessary.

NOTE:

In the event that the collaborative efforts under the PA require the provision of Project Equipment to any Participant, then a list of such Project Equipment must be developed and maintained by the POs. If a Project Equipment list is required, the following is an example of such a list.

Providing Participant	Receiving Participant	QTY	Description	Part/ Stock #	Consumables\ Non-Consumables	Approx Value

SECTION XII

ENTRY INTO EFFECT, DURATION AND TERMINATION

This _____ PA will enter into force upon the last signature and will remain in effect for _____ years unless terminated.

DONE in the English language.

FOR THE DEPARTMENT OF DEFENSE FOR THE MINISTER OF NATIONAL
OF THE UNITED STATES OF AMERICA DEFENCE OF CANADA

Signature

Signature

Name

Name

Title

Title

Date

Date

Location

Location

FOR THE FEDERAL MINISTRY OF FOR THE MINISTER OF DEFENCE OF
DEFENCE OF THE FEDERAL REPUBLIC THE KINGDOM OF THE
OF GERMANY NETHERLANDS

Signature

Signature

Name

Name

Title

Title

Date

Date

Location

Location

ANNEX B

COOPERATIVE PROJECT PERSONNEL

1.0. Purpose and Scope

1.1. This Annex establishes the provisions that will govern the conduct of Cooperative Project Personnel (CPP). The Parent PA Participant will assign military members or civilian employees to the Host PA Participant project office in accordance with the PA and this Annex. CPP must be able to perform all the responsibilities assigned to them under a PA. Commencement of assignments will be subject to any requirements that may be imposed by the Host PA Participant or its government regarding acceptance of CPP, such as, but not limited to, visas and visit request documentation. The PA SMCC will determine the length of tour for the positions at the time of initial assignment.

1.2. CPP will be assigned to the Host PA Participant's project office for Project work and will report to the host PA Participant PO regarding that work. The POs will be responsible for the creation of a document describing the duties of each CPP position, which will be subject to approval by the PA SMCC. CPP may act as liaison officers on non-Project work on a case-by-case basis, if authorized by the Host PA Participant upon the request of the CPP's PA Participant. Such CPP may act from time to time on behalf of their respective PA SMCC member if the former so authorized in writing.

1.3. CPP will not be assigned to positions that would require them to exercise responsibilities that are reserved by law or regulation to an officer or employee of the Host PA Participant's government.

2.0. Security

2.1. The Host PA Participant will establish the 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 PA Project Security Instruction (PSI) and Classification Guide (CG). Access to Classified Information and facilities in which Classified Information is used will be consistent with, and limited by, Section II (Objectives) and Section III (Scope of Work) of this MOU, and the associated PA, and will be kept to the minimum required to accomplish the work assignments.

2.2. The Parent PA Participant will file visit requests for the CPP through prescribed channels in compliance with the Host PA Participant's procedures.

2.3. The Host PA Participant and Parent PA Participant will use their best efforts to ensure that CPP assigned to the Host PA Participant's project office are aware of, and comply with, applicable laws and regulations as well as the requirements of Section XI (Controlled Unclassified Information), Section XII (Visits to Establishments), Section XIII (Security), and

paragraph 19.6 of Section XX (Amendment, Withdrawal, Termination, Entry into Force/Effect, and Duration) of this MOU and the provisions of the PA PSI and CG.

2.4. Upon or shortly after a CPP's arrival, the Host PA Participant PO will be responsible for informing CPP about applicable laws, orders, regulations, and customs and the need to comply with them. Prior to commencing assigned duties, CPP will, if required by the Host PA Participant's government laws, regulations, policies, or procedures, sign a certification concerning the conditions and responsibilities of CPP. CPP will at all times be required to comply with the security and export control laws, regulations, and procedures of the Host PA Participant's government. Any violation of security procedures by CPP during their assignment will be reported to the Parent PA Participant for appropriate action. CPP committing significant violations of security and export control laws, regulations, or procedures during their assignments will be withdrawn from the Project with a view toward appropriate administrative or disciplinary action by their Parent PA Participant.

2.5. All Classified Information made available to CPP will be considered as Classified Information furnished to the Parent PA Participant, and will be subject to all provisions and safeguards provided for in Section XIII (Security), and the PA PSI and CG.

2.6. CPP will not have personal custody of Classified Information or Controlled Unclassified Information unless approved by the Host PA Participant and as authorized by the Parent PA Participant. They will be granted access to such Information in accordance with Section XI (Controlled Unclassified Information), Section XIII (Security) of this MOU, the PA and the PA PSI during normal duty hours at the Host PA Participant's project office when access is necessary to perform Project work.

2.7. CPP assigned will not serve as a conduit between the Host PA Participant and Parent PA Participant for requests and/or transmission of Classified Information or Controlled Unclassified Information unless specifically authorized by the PA PSI.

3.0. Technical and Administrative Matters

3.1. Consistent with Host PA Participant's government laws and regulations, CPP will be subject to the same restrictions, conditions, and privileges as Host PA Participant personnel of comparable rank and in comparable assignments. Further, to the extent authorized by Host PA Participant's government laws and regulations, CPP and their authorized dependents will be accorded:

3.1.1. Exemption from any Host PA Participant's government tax upon income received from the Parent PA Participant.

3.1.2. Exemption from any Host PA Participant's government customs and import duties or similar charges levied on items entering the country for their official or personal use, including their baggage, household effects, and private motor vehicles.

3.2. CPP will also be provided briefings arranged by the Host PA Participant's project office regarding entitlements, privileges, and obligations such as:

3.2.1. Any medical and dental care that may be provided to CPP and their dependents at Host PA Participant 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 their 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, the recourse will be against such insurance.

3.3. The Host PA Participant PO will, 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 and civilian personnel regulations and practices of the Host PA Participant and Parent PA Participant.

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

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

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