

DEFENSE

Research and Development

Memorandum of Agreement

Between the

UNITED STATES OF AMERICA

and SWEDEN

Signed at Stockholm and Washington
April 8 and 18, 2011

with

Annex



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.”

SWEDEN

Defense: Research and Development

*Memorandum of agreement signed at
Stockholm and Washington
April 8 and 18, 2011;
Entered into force April 18, 2011.
With annex.*

MEMORANDUM OF AGREEMENT

BETWEEN

THE DEPARTMENT OF DEFENSE OF THE UNITED STATES OF AMERICA

AND

THE GOVERNMENT OF THE KINGDOM OF SWEDEN

CONCERNING

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION (RDT&E) PROJECTS

(SHORT TITLE - RDT&E MOA)

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PREAMBLE

The Department of Defense of the United States of America (U.S. DoD) and the Government of the Kingdom of Sweden, hereinafter referred to as the "Parties":

Having a common interest in defense;

Having independently conducted studies, research, exploratory development, testing, and evaluation of the applications of various technologies;

Having a mutual need to conduct research, development, test, and evaluation (RDT&E) to satisfy national operational requirements;

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

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

Recognizing the benefits of cooperation on RDT&E Projects;

Have reached the following agreement:

ARTICLE I

DEFINITIONS AND ACRONYMS

1.1. The Parties agree upon the following definitions for terms used in this Memorandum of Agreement (MOA) and its implementing Project Agreements (PAs).

Agreement Authorities	Government officials listed in this MOA that are authorized to act on behalf of the Parties in matters pertinent to this MOA.
Annex Authorities	Government officials listed in this MOA that are authorized to act on behalf of the Parties in matters pertinent to Annexes to this MOA.
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 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 the Host Party's facility who perform managerial, engineering, technical, administrative, Contracting, logistics, financial, planning, or other functions in furtherance of a Project Agreement.
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 MOA and associated PAs.
Exceptional Circumstances	Any circumstances that would require a Contracting Officer to act outside the Project Contract Requirements.

Financial Costs	Project costs met with monetary contributions.
Host Party	The Party that receives CPP of the other Party sent to its facilities.
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 the Host Party's facilities.

Party	A signatory to this MOA represented by its military or civilian personnel. Contractors and Contractor Support Personnel shall not be representatives of a Party under this MOA.
Patent	Grant by any Government of the right to exclude others from making, using, importing, selling, or offering to sell an invention. The term refers to any and all patents including, but not limited to, patents of implementation, improvement or addition, petty patents, utility models, appearance design patents, registered designs, and inventor certificates or like statutory protection, as well as divisions, reissues, continuations, renewals, and extensions of any of these.
Project	Specific collaborative activity described and defined in a Project Agreement pursuant to the terms of this MOA.
Project Agreement (PA)	An implementing arrangement pursuant to this MOA that specifically details the terms of collaboration on a Project.
Project Background Information	Information not generated in the performance of a specific PA.
Project Contract Requirements (PCR)	Project management direction developed and approved as part of the Project Plan in accordance with Article IV (Management (Organization and Responsibility)) of this MOA, which is the basis for the Contracting Officer to negotiate, award, and manage Contracts. The PCR contains information that addresses the Parties' interests regarding technical requirements, Project objectives, and acquisition strategy.

Project Equipment	Any material, equipment, end item, subsystem, component, Special Tooling, or test equipment jointly acquired or provided for use in the performance of this MOA and associated PAs.
Project Foreground Information	Information generated in the performance of a specific PA.
Project Information	Any Information provided to, generated in, or used in a PA.
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.
Project Plan	A description in writing containing the information necessary to achieve Project objectives in accordance with Article IV (Management (Organization and Responsibility)) of this MOA.
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.
Special Tooling	Jigs, dies, fixtures, molds, patterns, tapes, gauges, other equipment and manufacturing aids, and all components of these items that are of such a specialized nature that without substantial modification

or alternation their use is limited to the development or production of particular supplies or parts thereof or to the performance of particular services and excluding material, special test equipment, facilities (except foundations and similar improvements necessary for installing Special Tooling), general or special machine tools, or similar capital items.

Third Party

Any government other than the Government of a Party and any person or other entity whose government is not the Government of a Party.

1.2. The Parties agree upon the following acronyms used in this MOA and its PAs.

AA	Annex Authority
CG	Classification Guide
CPP	Cooperative Project Personnel
DoD	Department of Defense of the United States of America
DSA	Designated Security Authority
FMPD	Financial Management Procedures Document
PA	Project Agreement
PCR	Project Contract Requirements
PO	Project Officer
PSI	Project Security Instruction
SC	Steering Committee

ARTICLE II

OBJECTIVES

2.1. The objectives of this MOA are to define and establish the general terms and conditions that shall apply to the initiation, conduct, and management of Research, Development, Test, and Evaluation (RDT&E) Projects 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 MOA and shall incorporate by reference the terms of this MOA. Additionally, this MOA shall allow the exchange of Information for the purpose of

attempting to harmonize the Parties' requirements to assist in better defining potential future cooperative efforts under this MOA.

2.2. A separate PA shall be established for each Project that is initiated under this MOA. Detailed terms and conditions of each individual PA shall be consistent with this MOA. Each PA shall include specific provisions concerning the objectives, scope of work, sharing of work, management structure, financial arrangements, classification, and other special provisions as required, in accordance with the format set forth at Annex A (Sample Project Agreement) to this MOA, to the extent applicable and practical.

ARTICLE III

SCOPE OF WORK

3.1. The scope of work for this MOA shall encompass collaboration on RDT&E activities to improve the defense capabilities of the Parties. PAs may include collaboration on basic research, applied research, advanced technology development, concept of operation studies and analysis, advanced concept technology demonstrations, development of system prototypes, engineering and manufacturing development, developmental test and evaluation, and evolutionary acquisition/spiral development efforts.

3.2. Information may be exchanged under this MOA for the purpose of attempting to harmonize requirements, identifying collaborative opportunities, and developing and negotiating PAs.

3.3. Individual PAs may provide for the assignment of Cooperative Project Personnel (CPP) from one Party to facilities of the other Party to participate in Project activities. Such PAs shall include the provisions of Appendix 1 to Annex A (Sample Project Agreement) to this MOA.

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) and the Director of the Department for Acquisition, Research and Development at the Swedish Ministry for Defence, or their equivalents in the event of reorganization, are designated as the Agreement Authorities of the Parties.

4.2. The Agreement Authorities shall be responsible for:

4.2.1. Monitoring implementation of this MOA and exercising executive-level oversight.

4.2.2. Monitoring the overall use and effectiveness of the MOA.

4.2.3. Periodically assessing cooperative activities.

4.2.4. Resolving issues brought forth by the Annex Authorities (AAs).

4.2.5. Recommend and propose, where appropriate, measures to be taken in accordance with Article XVIII (Amendment, Termination, Entry into Force, and Duration) of this MOA.

4.3. The appropriate U.S. Service Acquisition Executive, or Defense Agency Director, and the appropriate Swedish Defence Authority, or their respective equivalents, are designated as the AAs of the Parties.

4.4. The AAs shall be responsible for:

4.4.1. Entering into PAs in accordance with this MOA and the respective policies and procedures of the Parties.

4.4.2. Overseeing the implementation of PAs.

4.4.3. Appointing Project Officers (POs) and, as appropriate, Steering Committee (SC) members.

4.4.4. When no SC is established under a PA, approving the Project Plan in accordance with subparagraph 4.7.10., and any revisions thereto, submitted by the POs in accordance with subparagraph 4.9.1 of this Article.

4.4.5. When no SC is established under a PA, upon notification by the POs of Exceptional Circumstances that require immediate attention, issuing updated PCR through a timely Project Plan revision developed and approved in accordance with subparagraphs 4.7.10. and 4.9.1. of this Article, in order to provide Project management direction for the Contracting Officer to manage and modify Contracts under such Exceptional Circumstances.

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

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

4.4.8. Approving plans to manage and control the transfer of Project Equipment, in accordance with Article VII (Project Equipment) of this MOA, when no SC is established under a PA.

4.4.9. Approving plans for the disposal of jointly acquired Project Equipment, in accordance with Article VII (Project Equipment) of this MOA, when no SC is established under a PA.

4.4.10. Maintaining oversight of the security aspects of a Project, when no SC is established under a PA including reviewing and obtaining approval from the appropriate Designated Security Authority (DSA) of a Project Security Instruction (PSI) and a Classification Guide (CG) prior to the transfer of Classified Information or Controlled Unclassified Information.

4.4.11. Approving assignment of CPP to work on a Project at the Host Party's facilities in accordance with the provisions set out in a PA, when no SC is established under a PA.

4.4.12. Reviewing the final Project report submitted by the POs, when no SC is established under a PA.

4.5. Each PA shall identify the management of the Project, which shall consist of either an SC and POs, or POs only. If established, the SC shall have overall authority over the POs, in accordance with this MOA. The POs shall have primary responsibility for effective implementation, efficient management, and direction of the PA in accordance with this MOA. The Parties shall maintain and fund their own organizations for managing a PA.

4.6. If established under a PA, the SC shall consist of one representative designated by the appropriate AA of each Party. The SC shall meet as required, normally alternating meetings between the United States and Sweden. Each meeting of the SC shall be chaired by the representative of the Party hosting the meeting. Decisions of the SC shall be made unanimously. In the event that the SC is unable to reach a timely decision on an issue, each SC representative shall refer the issue to his or her respective AA for resolution.

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

4.7.1. 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 subparagraph 4.9.6. 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 MOA.

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

4.7.3. Monitoring overall implementation, including technical, cost, and schedule performance against requirements.

4.7.4. Resolving issues brought forth by the POs.

4.7.5. Maintaining oversight of the security aspects of a Project, including reviewing and obtaining approval from

the appropriate Designated Security Authority (DSA) of a Project Security Instruction (PSI) and a Classification Guide (CG) prior to the transfer of Classified Information or Controlled Unclassified Information.

4.7.6. Approving assignment of CPP to work on a Project at the Host Party's facilities in accordance with the provisions set out in a PA.

4.7.7. Reviewing the final Project report submitted by the POs.

4.7.8. Reporting status and activity of assigned PAs on an annual basis to the AAs.

4.7.9. Appointing POs for a PA.

4.7.10. Approving the Project Plan, and any revisions thereto, submitted by the POs in accordance with subparagraph 4.9.1. of this Article, and reviewing the technical progress of the Project against the Project Plan. The Project Plan will contain the information necessary to achieve Project objectives, including, but not limited to, the following elements:

4.7.10.1. Detailed scope of work and corresponding work schedule, as appropriate.

4.7.10.2. References to applicable acquisition approval processes and documents.

4.7.10.3. Project Contract Requirements (PCR).

4.7.11. Upon notification by the POs of Exceptional Circumstances that require immediate attention, issuing updated PCR through a timely Project Plan revision developed and approved in accordance with subparagraphs 4.7.10. and 4.9.1. of this Article, in order to provide Project management direction for the Contracting Officer to manage and modify Contracts under such Exceptional Circumstances.

4.7.12. Informing the AAs of the existence of Exceptional Circumstances as notified by the POs in accordance with

subparagraph 4.9.3. of this Article.

4.8. The POs shall have the responsibility for managing the cost, schedule, performance requirements, technical, security, and financial aspects of their Project.

4.9. In particular, the POs shall be responsible for:

4.9.1. Developing a Project Plan and any necessary revisions thereto, as described in subparagraph 4.7.10. of this Article; submitting the Project Plan and any revisions for SC approval or, if no SC is established, for the AAs' approval; and implementing the Project Plan and any revisions upon SC or, if no SC is established, AAs' approval.

4.9.2. Providing the approved Project Plan (including the PCR), and any approved revisions thereto, to the Contracting Officer.

4.9.3. Informing the SC or, if no SC is established, the AAs, of the existence of Exceptional Circumstances raised by the Contracting Officer in accordance with paragraph 6.3. of Article VI (Contracting Provisions) of this MOA.

4.9.4. Cooperating, as requested, with the Contracting Officer in the areas of Contracting strategies, requests for proposal, Contract negotiation, evaluation of offers, Contract awards, and Contract modifications.

4.9.5. Informing immediately the SC or, if no SC is established, the AAs, of any significant cost growths, schedule changes, or performance problems under the Project Plan.

4.9.6. Monitoring export control arrangements required to implement the PA and, if applicable, referring immediately to the SC or, if no SC is established, to the AAs any export control issues that could adversely affect the implementation of the PA.

4.9.7. Executing the financial aspects of the PA in accordance with Article V (Financial Provisions) of this MOA, the PA, and the detailed financial management

procedures under which the Project shall operate.

4.9.8. Referring issues to the SC that cannot be resolved by the POs or, if no SC is established, to the AAs.

4.9.9. Establishing and obtaining approval on the plan to manage and control the transfer of Project Equipment, in accordance with Article VII (Project Equipment) of this MOA and the PA, as well as maintaining a list of all Project Equipment transferred by the Parties under the PA.

4.9.10. Developing and forwarding for DSA approval a PSI and a CG within three months after PA signature for any PA involving the transfer of Classified Information or Project Equipment, and implementing the PSI and CG upon final approval.

4.9.11. Appointing a Project security officer, if necessary.

4.9.12. Reporting status and activity of the Project on an annual basis to the SC or, if no SC is established, to the AAs.

4.9.13. Preparing and submitting a final Project report to the SC or, if no SC is established, to the AAs.

ARTICLE V

FINANCIAL PROVISIONS

5.1. This MOA creates no financial or non-financial commitments regarding individual PAs. Detailed descriptions of the financial provisions for a specific Project, including the total cost of the Project and each Party's cost share, shall be contained in the specific PA.

5.2. Each Party shall contribute its equitable share of the full Financial Costs and Non-financial Costs of each Project, as mutually determined by the Parties and set out in each PA, including overhead costs, administrative costs, and, consistent with Article XIII (Liability and Claims) of this MOA, costs of

claims. Each Party shall receive an equitable share of the results of each Project.

5.3. The Financial Costs and Non-financial Costs for a PA, including the total cost and each Party's share of the total cost, shall be included in the PA.

5.4. Each Party shall perform, or have performed, its tasks and shall use its best efforts to perform the tasks within the cost estimates specified in each PA. Each Party shall bear the full Financial Costs and Non-financial Costs it incurs for performing, managing, and administering its activities under this MOA and participation in PAs and all such costs shall be included as part of each Party's contributions to the PA. These costs include financial and non-financial contributions (e.g., salaries, travel, and per diem costs for each Party's personnel), as well as any Contract costs.

5.5. The following costs shall be borne entirely by the Party incurring the costs:

5.5.1. Costs associated with any unique requirements identified by a Party.

5.5.2. Any other costs not expressly stated as shared costs or any costs that are outside the scope of this MOA and its PAs.

5.6. For each PA, the POs shall be responsible for establishing the detailed financial management procedures under which the Project shall operate. These procedures may be specified in a Financial Management Procedures Document (FMPD) proposed by the POs and subject to the approval of the AA, if no SC is established for the PA.

5.7. Participation in a PA is subject to the availability of funds for such purpose. A Party shall promptly notify the other Party if available funds are not adequate to fulfill its obligations 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.

5.8. Cooperative efforts of the Parties over and above the

jointly determined work set forth in Article III (Scope of Work) of this MOA and shall be subject to future mutual consent of the Parties.

5.9. The Parties shall bear costs related to the assignment of any CPP under a PA as follows:

5.9.1. The Host Party shall bear the following costs:

5.9.1.1. All pay and allowances of Host Party personnel assigned to the Host Party's office.

5.9.1.2. Host Party office costs including, but not limited to, CPP assignment-related administrative and support services costs such as CPP costs of CPP-related training costs, Contract award, Contract administration, office space, security services, Information technology services, communications services, and supplies.

5.9.2. The Parent Party shall bear the following costs:

5.9.2.1. All pay and allowances of CPP assigned to the Host Party's office, including travel incurred in support of Project efforts.

5.9.2.2. Transportation of CPP, CPP dependents, and their personal property to the Host Party location prior to commencement of the CPP assignment at a location specified by the Host Party, and return transportation of the foregoing from this location upon completion or termination of the CPP assignment.

5.9.2.3. Compensation for loss of, or damage to, the personal property of CPP or CPP dependents, subject to the national laws and regulations of the Parent Party.

5.9.2.4. Preparation and shipment of remains in the event of the death of CPP or CPP dependents.

5.10. When a Party contracts on behalf of the other Party or on behalf of both Parties pursuant to a PA, the POs shall be responsible for establishing the detailed financial management procedures under which the PA shall operate prior to the

transfer of funds between the Parties. The procedures, which shall accord with national accounting and audit requirement of the Parties, shall be specified in the FMPD. Each Party shall provide funds in the amounts and at the times set out in the estimated schedule for monetary contributions, as specified in the FMPD.

5.11. For PAs, and subject to the provisions of this MOA and, in particular, this Article, Article IV (Management (Organization, and Responsibility)), Article VI (Contracting Provisions), and Article XVIII (Amendment, Termination, Entry Into Force, and Duration) of this MOA, the Parties recognize that it may become necessary for one Party to incur contractual or other obligations for the benefit of the other Party or both of the Parties prior to receipt of the other Party's funds. In the event that one Party incurs such contractual or other obligations, the other Party shall pay its equitable share of the Contract or other obligation, and will make such funds available in such amounts and at such times as may be required by the Contract or other obligation and shall pay its equitable share of any damages and costs that may accrue from the performance of or cancellation of the Contract or other obligation in advance of the time such payments, damages, or costs are due.

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

ARTICLE VI

CONTRACTING PROVISIONS

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

6.2. When one Party individually contracts to perform a task under a PA to this MOA, it shall be solely responsible for its own Contracting, and the other Party shall not be subject to any liability arising from such Contracts without its prior written consent.

6.3. For all Contracting activities performed by either Party, for the benefit of the other Party or both Parties, the POs shall be responsible for the coordination of activities relating to a PA and shall cooperate with the Contracting Officer in the areas of Contract procedures, Contract negotiation, evaluation of offers, Contract award, and Contract modifications. The Parties shall review statements of work prior to the issuance of solicitations to ensure that they are in accordance with this MOA and applicable PA. The Contracting Officer shall keep the POs advised of all significant developments associated with award and performance of Project Contracts, and shall keep the POs advised of all financial agreements or arrangements with the Contractor. The Contracting Officer shall incur contractual obligations consistent with this MOA, the applicable PA, and the approved Project Plan, including the PCR, provided by the POs. In the unlikely event that Exceptional Circumstances arise, the Contracting Officer shall consult with the POs and the SC or, if no SC is established, the AAs, and execute Contracting actions consistent with any revised PCR. If such consultation does not result in a revised PCR, the Contracting Officer shall act considering the interests of the Parties when incurring obligations beyond the scope of the Project Plan. In the event that the other Party disagrees with the action taken by the Contracting Officer, the disagreement shall be resolved in accordance with Article XV (Settlement of Disputes) of this MOA.

6.4. 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 the Project. The Contracting Agency so used shall place Contracts in accordance with its respective national laws, regulations, and procedures with such waivers and deviations its procedures permit and as deemed necessary to implement the provisions of this MOA and the applicable PA. The Contracting Party's Contracting Officer shall be the exclusive source for providing contractual direction and instructions to the Contractors.

6.5. Each Party's Contracting Agency shall insert into its prospective Contracts (and require its Contractors to insert in subcontracts) suitable provisions to satisfy the requirements of this MOA, 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 XVIII (Amendment, Termination, Entry Into Force, and Duration) of this MOA, and including export control provisions in accordance with this MOA, in particular paragraphs 6.6. and 6.7. of this Article. Each Party's Contracting Agency shall negotiate to obtain the rights to use and disclose Project Information required by Article VIII (Disclosure and Use of Project Information) of this MOA. During the Contracting process, each Party shall also advise Prospective Contractors of their responsibility to notify immediately their respective Party's Contracting Agency, before Contract award, if they are subject to any license or agreement that will restrict their Government's 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.

6.6. 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 MOA. 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 MOA. Export-controlled Information furnished by one Party under this MOA may only be retransferred by the other Party to its Contractors if the legal obligations required by this paragraph have been established.

6.7. 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 MOA. 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 MOA may only be retransferred by the other Party to its Prospective Contractors and prospective subcontractors if the legal obligations required by this paragraph have been established. Upon request by the furnishing Party, the receiving Party shall identify its Prospective Contractors and prospective subcontractors receiving such export-controlled Information.

6.8. In the event a Party's Contracting Agency is unable to secure adequate rights to use and disclose Project Information as required by Article VIII (Disclosure and Use of Project Information) of this MOA, or is notified by Contractors or Prospective Contractors of any restrictions on the disclosure and use of Project Information, that Party's Contracting Agency shall refer the matter to the POs who shall submit it to the AAs for resolution, if no SC is established.

6.9. The Contracting Officer shall promptly inform the POs of any significant cost growths, schedule changes, or performance problems under any Contract for which the Contracting Officer is responsible. In such cases the POs shall promptly advise the SC or, if no SC is established, the AAs.

6.10. Upon mutual written consent, consistent with Article II (Objectives) of this MOA, a Party may contract for the unique national requirement of the other Party.

ARTICLE VII

PROJECT EQUIPMENT

7.1. Each Party may provide Project Equipment identified as being necessary for executing a Project under this MOA to the other Party. Project Equipment shall remain the property of the providing Party. A list of all Project Equipment provided by

one Party to the other Party, including the replacement value of the Project Equipment, if known, shall be developed and maintained by the POs, and approved by the AAs, or the SC if established, prior to any such transfers.

7.2. The receiving Party shall maintain any such Project Equipment in good order, repair, and operable condition. Unless the providing Party has authorized the Project Equipment to be expended or otherwise consumed without reimbursement to the providing Party, the receiving Party shall return the Project Equipment to the providing Party 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 Party shall return the Project Equipment to the providing Party (unless otherwise specified in writing by the providing Party) and pay the replacement value as computed pursuant to the providing Party's national laws and regulations. If the Project Equipment 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 Project Equipment shall be specified in the PA.

7.3. The providing Party shall deliver Project Equipment to the receiving Party at a mutually determined location. Possession of the Project Equipment shall pass from the providing Party to the receiving Party at the time of receipt of the Project Equipment. Any further transportation shall be at the expense and the responsibility of the receiving Party.

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

7.5. Project Equipment transferred to one Party for the purposes of carrying out a PA under this MOA shall be returned by that Party to the providing Party as determined by the AAs,

or the SC if established, prior to the termination or expiration of the applicable PA.

7.6. Any Project Equipment that is jointly acquired on behalf of both Parties for use in carrying out a PA under this MOA shall be disposed of during the Project or when the Project ceases, as determined by the AAs, or the SC if established.

7.7. Disposal of jointly acquired equipment may include a transfer of the interest of one Party in such Project Equipment to the other Party, or the sale of such Project Equipment to a Third Party in accordance with Article XII (Third Party Sales and Transfers) of this MOA. The Parties shall share the consideration from jointly acquired Project Equipment transferred or sold to a Third Party in the same ratio as costs are shared under the applicable PA under this MOA.

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 this MOA and its PAs. The Parties intend to acquire sufficient Project Information and rights to use such Information to enable collaboration for the purposes of this MOA. The nature and amount of Project Information to be acquired shall be consistent with the objectives stated in Article II (Objectives), Article III (Scope of Work), and Article VI (Contracting Provisions) of this MOA, and the objectives and scope of 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 that other Party's Contractors, subcontractors, Prospective Contractors, and prospective subcontractors, subject to the requirement of paragraphs 6.6. and 6.7. of Article VI (Contracting Provisions) of this MOA.

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 this MOA, 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 AA representative shall promptly notify the other Party's AA representative and they shall immediately consult in order to discuss ways to resolve such issues or mitigate any adverse effects.

8.2. Information exchange in contemplation of a PA: The disclosure and use provisions that govern exchange of Information authorized in Article III (Scope of Work), paragraph 3.2., of this MOA, are as follows:

8.2.1. Disclosure: Each Party, upon request, shall disclose to the other Party any Information, provided that:

8.2.1.1. Such Information is necessary to or useful for the purposes of this MOA, with the Party in possession of the Information determining whether it is "necessary to or useful for" the purposes of the MOA.

8.2.1.2. Such Information may be made available if the rights of holders of Intellectual Property rights are not infringed.

8.2.1.3. Disclosure is consistent with national disclosure policies, and export control laws and regulations of the furnishing Party.

8.2.2. Use: Information disclosed by one Party to the other may be used without charge by or for the other Party for Information and evaluation purposes only. Written permission from the furnishing Party shall be required for any other use.

8.3. Government Project Foreground Information

8.3.1. 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 other Party.

8.3.2. 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 MOA.

8.4. Government Project Background Information

8.4.1. 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 (hereinafter referred to as "Government Project Background Information"), provided that:

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

Project.

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

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

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

8.4.2. 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. However, subject to Intellectual Property rights held by entities other than the Parties, such Government Project Background Information may be used for Project 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.

8.5. Contractor Project Foreground Information

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

8.5.2. Use: Each Party may use or have used without charge for Defense Purposes all Contractor Project Foreground Information generated by Contractors of the Parties. The Party whose Contractors generate Contractor Project Foreground Information shall also retain all its

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 shall be subject to the conditions of Article XII (Third Party Sales and Transfers) of this MOA.

8.6. Contractor Project Background Information

8.6.1. Disclosure: A Contracting Party shall make available to the other Party promptly and without charge all Contractor Project Background Information generated by Contractors (hereinafter referred to as "Contractor Project Background Information") that is delivered under Contracts awarded in accordance with this MOA. Any other Contractor Project Background Information (including Information subject to Intellectual Property rights), 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:

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

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

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

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

8.6.2. Use: All Contractor Project Background

Information delivered by Contractors under Contracts awarded in accordance with this MOA 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, subject to any restrictions by holders of Intellectual Property rights other than the Parties; also, when necessary for the use of Project Foreground Information, such other Contractor Project Background Information may be used by the requesting Party for Defense Purposes, subject to such fair and reasonable terms as may be necessary to be arranged with the Contractor. The furnishing Party, in consultation with the requesting Party, shall determine whether such other Contractor Project Background Information is necessary for the use of Project Foreground Information. The furnishing Party shall retain all its rights with respect to Contractor Project Background Information.

8.7. Alternative Uses of Project Information

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

8.7.2. 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 MOA.

8.8. Proprietary Project Information

8.8.1. 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.

8.8.2. The provisions of the General Security of Military Information Agreement between the Government of

Sweden and the Government of the United States, which entered into force on December 23, 1981, and the Security Implementing Agreement for Industrial Operations between the Government of the Kingdom of Sweden and the Department of Defense of the United States, which entered into force on May 20, 2004 (or any successor agreement and procedures), shall apply to Project Information that is subject to Intellectual Property rights.

8.9. Patents

8.9.1. 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:

8.9.1.1. 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

8.9.1.2. 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 provisions of subparagraph 8.9.2. of this Article.

8.9.2. In the event that a Contractor holds 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.

8.9.3. The provisions of subparagraphs 8.9.4. through 8.9.7. 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.

8.9.4. 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.

8.9.5. Each Party shall furnish the other Party with copies of Patent applications filed and Patents granted with regard to Project Inventions.

8.9.6. Each Party shall grant to the other Party a non-exclusive, irrevocable, royalty-free license under its Patents for Project Inventions, to practice or have practiced the Project Invention throughout the world for Defense Purposes.

8.9.7. Patent applications to be filed, or assertions of other Intellectual Property rights, under this MOA that contain Classified Information shall be protected and safeguarded in a manner no less stringent than the requirements contained in the Security Implementing Agreement for Industrial Operations between the Government of the Kingdom of Sweden and the Department of Defense of the United States, which entered into force on May 20, 2004 (or any successor agreement and procedures).

8.10. 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 Party shall provide Information available to it that may assist in defending such claims. Each Party shall be responsible for

handling such Intellectual Property infringement claims brought against it, and shall consult with the other Party during the handling, and prior to any settlement, of such claims. The Parties shall share the costs of resolving such Intellectual Property infringement claims in proportion to their financial contributions for that work specified in Article VII (Financial Arrangements) of the applicable PA.

8.11. The Parties shall, as permitted by their national laws, regulations, and practices, give their authorization and consent for all use and manufacture in the course of work performed under a Project of any invention covered by Patent, or as determined by them to be necessary for the purposes of the Project, authorization and consent for non-commercial copyright, granted or otherwise provided by their respective countries.

8.12. Contractors shall identify all Patents to be used for the purposes provided for in a Project and inform the Parties.

ARTICLE IX

CONTROLLED UNCLASSIFIED INFORMATION

9.1. Except as otherwise provided in this MOA, or as authorized in writing by the originating Party, Controlled Unclassified Information provided or generated pursuant to this MOA 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 Project Information as specified in Article VIII (Disclosure and Use of Project Information) of this MOA.

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 MOA.

9.1.3. Each Party shall take all lawful steps available to it, including national or organizational 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 CG. The Parties shall also decide, in advance and in writing, on the markings to be placed on any other types of Controlled Unclassified Information and describe such markings in the PSI.

9.3. Controlled Unclassified Information provided or generated pursuant to this MOA 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 all 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 MOA.

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 with the established visit procedures of the Host Party. Requests for visits shall bear the name of the Project.

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 MOA and any of its PAs shall be stored, handled, transmitted, and safeguarded in accordance with the General Security of Military Information Agreement between the Government of Sweden and the Government of the United States of America, which entered into force on December 23, 1981 (or any successor agreement and procedures). Classified Information exchanged under this MOA shall be marked and safeguarded in accordance with the Security Implementing Agreement for Industrial Operations between the Government of the Kingdom of Sweden and the Department of Defense of the United States, which entered into force on May 20, 2004 (or any successor agreement and procedures).

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, denote the country of origin, the conditions of release, and the fact that the Information relates to this MOA 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 MOA and any of 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 without the prior written consent of the originating Party in accordance with the procedures set forth in Article XII (Third Party Sales and Transfers) of this MOA.

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

11.3.3. Shall comply with any distribution and access restrictions on Classified Information that are provided under this MOA and any of 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 MOA or any of 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, as appropriate, a PSI and a CG for each Project. The PSI and the CG shall describe the methods by which Project Information shall be classified, marked, used, transmitted, and safeguarded, and shall require that markings for all export-controlled Classified Information shall also include the applicable export control markings identified in the PSI and the CG in accordance with paragraph 9.2. of Article IX (Controlled Unclassified Information) of this MOA. The PSI and CG shall be developed by the POs within three months after the applicable 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 a Party that awards a classified Contract shall assume responsibility for administering within its territory security measures for the protection of the Classified Information, in accordance with its national laws and regulations. Prior to the release to a Contractor, Prospective Contractor, or subcontractor of any Classified Information received under this MOA or any of 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 the 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 provisions of this MOA and any of its PAs.

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 this MOA or any of 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 MOA or any of 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 MOA and any of its PAs. These officials shall be responsible for limiting access to Classified Information involved in this MOA and any of 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 MOA or any of its PAs.

11.10. Information provided or generated pursuant to this MOA may be classified as high as Secret. The existence and the contents of this MOA are unclassified. The classification of any PA and its contents shall be stated in that 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 the Project Foreground Information, or equipment to any Third Party without the prior written consent of the Government or appropriate authority 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 or appropriate authority of the other Party. Such consent shall not be given unless the Government or

appropriate authority 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 such Information, item, or equipment provided.

12.1.2. Use, or permit the use of, such Information, item, or equipment 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 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 in accordance with the Scope of Work statement in the applicable PA.

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 Project Equipment of the other Party.

12.3. 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 Party intends to sell, transfer title to, disclose, or transfer possession of to a Third Party is within the scope of paragraph 13.2. 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 Project Equipment or Project Background Information provided by the other Party to any Third Party without the prior written consent of the Government or the appropriate authority of the other Party that provided such Project Equipment or Information. The providing Party's Government or appropriate authority shall be solely responsible

for authorizing such transfers and, as applicable, specifying the method and conditions for implementing such transfers.

ARTICLE XIII

LIABILITY AND CLAIMS

13.1. For liability arising out of, or in connection with, activities undertaken in the performance of official duty in the execution of this MOA or any of its PAs, the following provisions 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 Project Equipment, which are addressed in Article VII (Project Equipment) of this MOA, 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) 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 PAs. 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 Party's military or civilian personnel, damages jointly acquired equipment, and the cost of making good such damage is not recoverable from such person or entity, such cost shall be borne by the Parties in the same ratios as their financial and non-financial contributions specified in the PA.

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

13.4. The Parties shall not indemnify Contractors against Third Party liability claims. 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 national laws and regulations. Insofar existing 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 this MOA and its PAs.

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 under this MOA and its PAs. If any such customs duties, import and export taxes, or similar charges are levied, the Party in whose country they are levied shall bear such costs over and above that Party's shared costs of the PA.

14.3. Sweden shall settle any customs duties or similar charges that may become due to the European Union (EU) under this MOA or its PAs in order to comply with EU legislation with respect to parts, components, and equipment needed for a PA and for which Sweden shall be the final consignee. Any such duties or charges shall be borne by Sweden as a cost over and above its shared costs of the PA.

ARTICLE XV

SETTLEMENT OF DISPUTES

15.1. Disputes between the Parties arising under or relating to this MOA or 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 this MOA and its PAs shall be the English language.

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

ARTICLE XVII

GENERAL PROVISIONS

17.1. All activities of the Parties under this MOA and any PA shall be subject to their respective national laws and regulations, including their respective export control laws and regulations, and to the availability of funds for such purposes.

17.2. In the event of a conflict between the terms of this MOA and any PA under this MOA, the provisions of the MOA shall control.

17.3. No requirement shall be imposed by either Party on the other Party for work sharing or other industrial or commercial compensation in connection with this MOA or applicable PA that is not in accordance with this MOA or applicable PA.

ARTICLE XVIII

AMENDMENT, TERMINATION, ENTRY INTO FORCE, AND DURATION

18.1. Except as otherwise provided, this MOA or any of its PAs may be amended by the mutual written consent of the Parties.

18.2. This MOA or any of its PAs may be terminated at any time upon the written consent of the Parties. In the event both Parties consent to terminate this MOA or any of its PAs, the Parties shall consult prior to the date of termination to ensure termination in the most economical and equitable manner.

18.3. Either Party may terminate this MOA or any of its PAs 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 POs, or an SC if established, to decide upon the appropriate course of action to conclude the activities under this MOA or a PA. In the event of such termination, the following rules shall apply:

18.3.1. The Party terminating this MOA or any PA under this MOA shall continue participation, financial or otherwise, up to the effective date of termination.

18.3.2. Except as to Contracts awarded on behalf of both Parties, each Party shall be responsible for its Project-related costs associated with termination of the Project. For Contracts awarded on behalf of both Parties, the Party terminating this MOA or any PA under this MOA shall pay all Contract modification or termination costs that would not otherwise have been incurred but for the decision to terminate. However, in the event of termination, in no event shall a terminating Party's total financial contribution, including Contract termination costs, exceed

that Party's total financial contribution for the PA.

18.3.3. All Project Information and rights therein received under the provisions of this MOA or its PAs prior to the termination of this MOA or a PA shall be retained by the Parties, subject to the provisions of this MOA and its PAs.

18.4. The respective rights and obligations of the Parties regarding Article VII (Project Equipment), 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 XVIII (Amendment, Termination, Entry into Force, and Duration) of this MOA shall continue to apply notwithstanding termination or expiration of this MOA or any of its PAs.

18.5. This MOA, which consists of a preamble, eighteen (18) Articles, and one (1) Annex, shall enter into force upon signature by both Parties and shall remain in force for 25 years, unless terminated earlier. It may be extended by written agreement of the Parties. Unless otherwise agreed between the Parties, all PAs shall terminate upon the termination or expiration of this MOA.

18.6. This MOA supersedes the April 22, 1997 Technology Research and Development Projects (TRDP) Agreement, which shall terminate upon entry into force of this MOA, except for those PAs that entered into force under the TRDP Agreement and that have not expired prior to the entry into force of this MOA. For those PAs the terms of the TRDP Agreement shall continue to apply as long as such PAs are in force.

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

DONE, in duplicate, in the English language.

FOR THE DEPARTMENT OF DEFENSE
OF THE UNITED STATES OF
AMERICA

Gerald R. Hust

Signature

Gerald R. Hust

Name

Director of Policy SAF/IA

Title

18 April 2011

Date

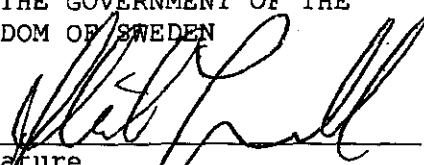
AF Pentagon, Wash D.C.

Location

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

DONE, in duplicate, in the English language.

FOR THE GOVERNMENT OF THE
KINGDOM OF SWEDEN


Signature

Name

Håkan Jerrell

Title

State Secretary

Date

8 April 2011

Location

Stockholm

ANNEX A

SAMPLE PROJECT AGREEMENT

PROJECT AGREEMENT NO. _____ *

TO THE

MEMORANDUM OF AGREEMENT

BETWEEN

THE DEPARTMENT OF DEFENSE OF THE UNITED STATES OF AMERICA

AND

THE GOVERNMENT OF THE KINGDOM OF SWEDEN

FOR

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

PROJECTS

DATED . (TBD)

CONCERNING

(FULL DESIGNATION OF THE PROJECT)

* The Project Agreement Numbers shall be structured as follows:

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

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PREAMBLE

This Project Agreement is entered into pursuant to the MOA Between the Department of Defense of the United States of America (U.S. DoD) and the Government of the Kingdom of Sweden (Sweden) Concerning Research, Development, Test, and Evaluation Projects (hereinafter "RDT&E MOA"), which entered into force on _____, the terms of which are incorporated herein by reference.

ARTICLE I

DEFINITION OF TERMS AND ABBREVIATIONS

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

ARTICLE II

OBJECTIVES

2.1. The objectives of this _____ PA are:

2.1.1. The development of _____.

2.1.2. The improvement of _____.

ARTICLE III

SCOPE OF WORK

3.1. The following work shall be undertaken under this PA:

3.1.1. Develop _____.

3.1.2. Evaluate _____.

3.1.3. Design, fabricate, and test _____.

ARTICLE IV

SHARING OF TASKS

4.1. The sharing of tasks shall be as follows:

4.1.1. The U.S. DoD shall _____.

4.1.2. Sweden shall _____.

4.1.3. The U.S. DoD and Sweden shall jointly _____.

(x) Prepare and submit a final report to the Annex Authorities six months before the termination date for this PA.

ARTICLE V

BREAKDOWN AND SCHEDULE OF TASKS
(OPTIONAL)

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

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

<u>Phase 1</u>	<u>Duration from</u> <u>Signature: Start</u>	<u>Duration from</u> <u>Signature: End</u>
Description of Phase 1	Months	Months

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

<u>Phase 2</u>	<u>Duration from</u> <u>Signature: Start</u>	<u>Duration from</u> <u>Signature: End</u>
Description of Phase 2	Months	Months

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

<u>Phase 3</u>	<u>Duration from</u> <u>Signature: Start</u>	<u>Duration from</u> <u>Signature: End</u>
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Description of Phase 3	Months	Months
(Milestone 3) (e.g., Evaluation, analysis of results)		
(Add as many phases as necessary.)		

ARTICLE VI

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

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

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

Sweden PO	Title/Position	_____
	Organization	_____
	Address	_____

6.2. Particular Management Procedures:

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

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

Alternative 2

6.1. This PA shall be directed and administered on behalf of the Parties by an organization consisting of a Steering

Committee (SC) and one Project Officer (PO) from each Party.
The SC members are:

U.S. DoD Co-Chairman

Title/Position
Organization
Address

Sweden Co-Chairman

Title/Position
Organization
Address

The POs are:

U.S. DoD PO

Title/Position
Organization
Address

Sweden PO

Title/Position
Organization
Address

6.2. Particular Management Procedures:

(Mention only those additional management responsibilities not covered under Article IV (Management (Organization and Responsibility)) of the MOA. For instance, if a PA shall include assignment of CPP, add the following paragraph:

6.3. The [U.S. DoD/Sweden] may assign CPP to the facilities of [Sweden/U.S. DoD] to assist in administering this Project. Provisions for the CPP are described in Appendix 1 to this PA, which is an integral part hereof.)

ARTICLE VII

FINANCIAL ARRANGEMENTS

7.1. The Parties estimate that the cost of performance of the tasks under this PA shall not exceed ____ U.S. dollars (\$) or ____ Swedish kronor (SEK).

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

7.1.2. The Sweden tasks shall not cost more than:
_____ Swedish kronor (SEK).

7.2. Cooperative efforts of the Parties over and above the jointly agreed tasks set forth in the Article III (Scope of Work), Article IV (Sharing of Tasks), and Article VII (Financial Arrangements) of this PA shall be subject to amendment to this PA or signature of a new PA.

ARTICLE VIII

CONTRACTING PROVISIONS
(OPTIONAL)

(Address any additional contracting provisions, as required.)

ARTICLE IX

CLASSIFICATION

(Select one of the three following possibilities number paragraph accordingly):

No Classified Information shall be exchanged under this PA;

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

The highest level of Classified Information exchanged under this

PA is Secret.

ARTICLE X

PRINCIPAL ORGANIZATIONS INVOLVED

(List government laboratories, research centers, and other organizations for both the U.S. DoD and Sweden.)

ARTICLE XI

PROJECT EQUIPMENT (OPTIONAL)

Alternative 1

(If Project Equipment to be provided is known at the time of PA signature, use the following alternative:)

11.1 The Parties have determined that the provision of Project Equipment is necessary for purposes of the Project.

Providing Party	Receiving Party	QTY	Description	Part/ Stock #	Consumables/ Non-Consumables	Approx Value	Period

Alternative 2

(If provision of Project Equipment is not known at time of PA signature, but it is believed to be necessary, include the following:)

11.1 After having secured appropriate approvals, the POs shall establish and maintain a list of all Project Equipment to be provided for the purposes of the Project in the following format.

Providing Party	Receiving Party	QTY	Description	Part/ Stock #	Consumables/ Non-Consumables	Approx Value	Period

Alternative 1

(If each Party shall pay its own costs for delivery or return of Project Equipment, use the following alternative:)

11.2. Each Party shall pay its own costs for delivery or return of Project Equipment.

Alternative 2

(If the Parties agree not to use the above alternative, the responsibility for meeting any costs arising from delivery and/or return of Project Equipment shall be detailed below.)

ARTICLE XII

SPECIAL PROVISIONS (OPTIONAL)

(Identify any procedures, specifications, or other necessary attributes of the Project not delineated in other Articles.)

ARTICLE XIII

ENTRY INTO FORCE, DURATION, AND TERMINATION

This _____ PA, a Project under the RDT&E MOA between the Department of Defense of the United States of America and the Government of the Kingdom of Sweden shall enter into force upon signature by the 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 GOVERNMENT OF THE
KINGDOM OF SWEDEN

Signature

Signature

Name

Name

Title

Title

Date

Date

Location

Location

APPENDIX (1)
TO ANNEX A

ASSIGNMENT OF (INSERT NAME OF PROJECT) COOPERATIVE PROJECT
PERSONNEL

1.0. Purpose and Scope

1.1. This Appendix establishes the conditions that shall govern the conduct of Cooperative Project Personnel (CPP) assigned for work in accordance with Article III (Scope of Work) and Article VI (Management) of this Project Agreement (PA). CPP must be able to perform all responsibilities assigned to them under this PA and this Appendix. 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 Host Party and Parent Party shall determine the length of tour for the positions at the time of initial assignment.

1.2. CPP shall be assigned to work on a specific Project and shall report to a supervisor to be identified by the Host Party. CPP shall have a position description determined by the Parent Party and Host Party. CPP shall not act as liaison officers for their Parent Party. CPP may act from time to time on behalf of their respective Steering Committee (or Project Officers as applicable) members 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 Host Party shall establish the level of security clearance required, if any, to permit CPP to have access to facilities in which Classified Information is used in accordance with the Project Security Instruction (PSI). Access to Classified Information and facilities in which Classified Information is used shall be limited by the scope of the relevant Project Agreement and shall be kept to the minimum required to accomplish the work assignments.

2.2. The Parent Party shall file visit requests through prescribed channels in compliance with the Host Party's

procedures. As part of the visit request procedures, each Party shall provide security assurances, through the Embassy of Sweden in Washington, D.C., United States, in the case of Swedish personnel, and through the U.S. Embassy in Stockholm, Sweden, in the case of U.S. personnel, 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 facility to conduct a Project are aware of the requirements of the PA. 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 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 conditions and safeguards provided for in Article XII (Security) of the MOA, and the PSI.

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 their Parent Party. They shall be granted access to such Information in accordance with Article X (Controlled Unclassified Information) and Article XII (Security) of the MOA during normal duty hours and when access is necessary to perform work for the Project.

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

3.0. Technical and 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, or by the terms of any relevant agreements.

3.2. Upon or shortly after arrival, CPP shall be provided briefings arranged by the Host Party's representative regarding entitlements, privileges, and obligations, granted pursuant to any relevant agreement, such as:

3.2.1. Any medical and dental care that may be provided to CPP and their dependents at local medical facilities, subject to the requirements of applicable laws and regulations, including reimbursement when required.

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. The Host Party shall provide, if available, housing and messing facilities for CPP and their dependents on the same basis and priority as for its own personnel. CPP shall pay messing and housing charges to the same extent as Host Party personnel. At locations where facilities are not provided by the Host Party for its own personnel, the Parent Party shall make suitable arrangements for its CPP.

3.2.4. 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 shall be against such insurance.

3.3. The Host Party 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 and civilian personnel regulations and practices of the Host Party and Parent Party.
- 3.3.3. Dress regulations, consistent to the extent possible with the military and civilian personnel regulations and practices of the Host Party and Parent Party.
- 3.3.4. Performance evaluations, recognizing that such evaluations shall be rendered in accordance with the Parent Party's military and civilian personnel regulations and practices.

3.4. CPP committing an offense under the laws and regulations of the Government of the Host Party or Parent Party may be withdrawn from the Project with a view toward further legal, 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 powers 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.

3.5. During their assignment, CPP shall not be placed in the following duty status or environments unless mutually agreed by the Host Party and Parent Party:

- 3.5.1. Areas of political sensitivity where their presence may jeopardize the interests of either the Host Party or Parent Party, or where, in the normal course of their duty, they may become involved in activities that may embarrass either Party.
- 3.5.2. Deployments in non-direct hostility situations, such as UN peacekeeping or multi-national operations, or third countries.
- 3.5.3. Duty assignments in which direct hostilities are likely. Should the Host Party's facility become

involved in hostilities unexpectedly, CPP assigned to that facility shall not be involved in the hostilities. Any such CPP approved by the Host Party and Parent Party for involvement in hostilities shall be given specific guidance as to the conditions under which the assignment shall be carried out by the appropriate authorities of the Host Party and Parent Party.