

DEFENSE

Cooperation

**Agreement Between the
UNITED STATES OF AMERICA
and CROATIA**

Signed at Washington and Zagreb
June 29 and July 24, 2017



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.”

CROATIA

Defense: Cooperation

*Agreement signed at Washington
and Zagreb June 29 and
July 24, 2017;
Entered into force July 24, 2017.*

AGREEMENT

BETWEEN

THE DEPARTMENT OF DEFENSE
OF THE UNITED STATES OF AMERICA

AND

THE MINISTRY OF DEFENCE
OF THE REPUBLIC OF CROATIA

CONCERNING

COOPERATIVE UNMANNED VEHICLES IN THE MARITIME ENVIRONMENT

(SHORT TITLE: CUV-ME AGREEMENT)

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PREAMBLE

The Department of Defense of the United States of America (U.S. DoD) and the Ministry of Defence of the Republic of Croatia (Hrvatske) (HRV MOD), hereinafter referred to as the “Parties”:

Having a common interest in defense, safety, and security of maritime trade;

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

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

Having a mutual need for advancing combined operations between multiple unmanned systems, including Unmanned Aerial Vehicles (UAVs), Unmanned Underwater Vehicles (UUVs), and Unmanned Surface Vehicles (USVs) to satisfy common operational requirements; and

Having independently conducted research, development, and testing of the applications of various technologies, and recognizing the benefits of a Cooperative Unmanned Vehicles in the Maritime Environment (CUV-ME) Agreement;

Have reached the following agreement:

ARTICLE I DEFINITIONS

The Parties have agreed upon the following definitions of terms used in this CUV-ME Agreement:

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.
Communications Protocols	Formal descriptions of digital message formats and rules are required to exchange messages in or between systems. Communications Protocols cover authentication, error detection, correction, and signaling.
Contract	Any mutually binding legal relationship under national laws that obligates a Contractor to furnish supplies or services, and obligates one or both of the Parties to pay for them.
Contracting	The obtaining of supplies or services by Contract from sources outside the governmental organizations of the Parties. Contracting includes a description (but not determination) of supplies and services required, solicitation and selection of sources, preparation and award of Contracts, and all phases of Contract administration.
Contracting Agency	The entity within the governmental organization of a Party that has authority to enter into, administer, or terminate Contracts.
Contracting Officer	A person representing a Contracting Agency of a Party who has the authority to enter into, administer, or terminate Contracts.
Contractor	Any entity awarded a Contract by a Party's Contracting Agency.
Contractor Support Personnel	Persons specifically identified as providing administrative, managerial, scientific, or technical support services to a Party under a support Contract.
Controlled Unclassified Information	Unclassified Information to which access or distribution limitations have been applied in accordance with applicable national laws or regulations. It could include Information that has been declassified but remains controlled.
Cost Ceiling	The maximum amount of shared Financial and Non-financial Costs that may be dedicated to the Project without the prior written approval of the Parties.
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 Project.
Financial Costs	Project costs met with monetary contributions.
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.
Mine Counter-Measures (MCM)	All methods for preventing or reducing damage or danger from mines.
Non-financial Costs	Project costs met with non-monetary contributions.
Party	A signatory to this CUV-ME Agreement represented by its military and civilian personnel. Contractors and Contractor Support Personnel shall not be representatives of a Party under this CUV-ME Agreement.
Patent	Grant by any government or a regional office acting for more than one government of the right to exclude others from making, using, importing, selling, or offering to sell an invention. 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	The cooperative efforts under this CUV-ME Agreement to develop and test the hardware and software protocols necessary to advance combined operations between multiple unmanned systems, including UAVs, UUVs, and USVs, to enhance the navigational accuracy of UUVs, and to improve the safety of operators.
Project Background Information	Information not generated in the performance of the Project.
Project Equipment	Any material, equipment, end-item, subsystem, component, special tooling, or test equipment jointly acquired or provided for use in the Project.

Project Foreground Information	Information generated in the performance of the Project.
Project Information	Any Information provided to, generated in, or used in the Project.
Project Invention	Any invention in any field of technology, provided it is new, involves an inventive step, is capable of industrial application, and is formulated or made (conceived or “first actually reduced to practice”) in the course of work performed under a Project. The term “first actually reduced to practice” means the first demonstration, sufficient to establish to one skilled in the art to which the invention pertains, of the operability of an invention for its intended purpose and in its intended environment.
Project Plan	A document that provides a detailed description of the Project, including, but not limited to, its corresponding tasks, work schedule, delivery requirements, and milestones, that is updated as necessary throughout the life of the Project.
Project Security Instruction (PSI)	Establishes procedures and assigns responsibilities for the implementation of security requirements under this CUV-ME Agreement. It harmonizes security procedures between the Parties and provides instructions for the Parties on the classification of Information and equipment; marking requirements; security procedures, including the handling and transfer of classified Information and materiel; and visit procedures for the Project.
Prospective Contractor	Any entity that seeks to enter into a Contract to be awarded by a Party’s Contracting Agency and that, in the case of a solicitation involving the release of export-controlled Information, is eligible to receive such Information.
Third Party	A government other than the Government of a Party and any person or other entity whose government is not the Government of a Party.
Unmanned Aerial Vehicle (UAV)	A vehicle that operates in the air without a human occupant.
Unmanned Surface Vehicle (USV)	A vehicle that operates on the surface of the water without a human occupant.
Unmanned Underwater Vehicle (UUV)	A vehicle that operates underwater without a human occupant.

ARTICLE II OBJECTIVE

- 2.1. The objective of this CUV-ME Agreement is to provide, develop, integrate, and test the hardware and software protocols necessary to advance combined operations between multiple unmanned systems, including UAVs, UUVs, and USVs, to enhance the navigational accuracy of UUVs, and to improve the operational safety of operators engaged in unexploded ordnance remediation and counter underwater explosive operations.

ARTICLE III SCOPE OF WORK

- 3.1. The scope of the Project includes the provision, development, integration, and testing of the hardware and software protocols necessary to advance combined operations between multiple unmanned systems, including UAVs, USVs, and UUVs, to enhance the navigational accuracy of UUVs, and to improve the operational safety of operators engaged in unexploded ordnance remediation and counter underwater explosive operations.

The overall work to be carried out under this CUV-ME Agreement includes:

- 3.1.1. Developing navigation and control methods for the simultaneous control of multiple UUVs and sensors addressing one or all of the following technologies: optical, magnetic, acoustic, and chemical;
- 3.1.2. Developing methods for USV enhanced navigation in a maritime trial area representative of an underwater, un-remediated munition site;
- 3.1.3. Developing methods of enhanced precision navigation of multiple UUVs to test/demonstrate inexpensive robotic Mine Counter-Measures (MCM) and other relevant naval missions;
- 3.1.4. Providing, developing, and integrating Communications Protocols for cooperative UAV, USV, and UUV autonomy and robotic MCM;
- 3.1.5. Developing and integrating Communications Protocols through the exchange of information, data analysis, and tests/demonstrations;
- 3.1.6. Developing enhanced methods for cooperative underwater control;
- 3.1.7. Providing, developing, and integrating Communications Protocols required for UAV, USV, and UUV operation, test, and logistics support;
- 3.1.8. Participating in sea trials to test and evaluate improvements in unmanned systems protocols to advance combined operations between multiple unmanned systems; and
- 3.1.9. Developing and providing a final report.

- 3.2. The sharing of tasks shall be as follows:

- 3.2.1. The HRV MOD shall:

3.2.1.1. Provide a USV;

3.2.1.2. Provide a UUV;

- 3.2.1.3. Provide, develop, and integrate Communications Protocols for cooperative UAV, USV, and UUV autonomy and robotic MCM;
 - 3.2.1.4. Provide, develop, and integrate Communications Protocols required for UAV, USV, and UUV operation, test, and logistics support;
 - 3.2.1.5. Develop methods for enhanced USV navigation; and
 - 3.2.1.6. Provide a maritime trial area representative of an underwater, un-remediated munition site.
- 3.2.2. The U.S. DoD shall:
- 3.2.2.1. Provide a USV;
 - 3.2.2.2. Provide a UUV;
 - 3.2.2.3. Provide a UAV;
 - 3.2.2.4. Provide, develop, and integrate Communications Protocols for cooperative UAV, USV, and UUV autonomy and robotic MCM;
 - 3.2.2.5. Provide, develop, and integrate Communications Protocols required for UAV, USV, and UUV operation, test, and logistics support; and
 - 3.2.2.6. Develop navigation and control methods for the simultaneous control of multiple UUVs and sensors addressing one or all of the following technologies: optical, magnetic, acoustic, and chemical.
- 3.2.3. The U.S. DoD and the HRV MOD shall jointly:
- 3.2.3.1. Develop methods of enhanced precision navigation of multiple UUVs to test/demonstrate inexpensive robotic MCM and other relevant naval missions;
 - 3.2.3.2. Develop and integrate Communications Protocols through the exchange of Information, data analysis, and tests/demonstrations;
 - 3.2.3.3. Develop enhanced methods for combined underwater control;
 - 3.2.3.4. Participate in sea trials to test and evaluate improvements in unmanned systems protocols to advance combined operations between multiple unmanned systems; and
 - 3.2.3.5. Develop and provide a final report.

ARTICLE IV
MANAGEMENT (ORGANIZATION AND RESPONSIBILITY)

- 4.1. This CUV-ME Agreement shall be directed and administered on behalf of the Parties by an organization consisting of a Steering Committee (SC) and Project Managers (PMs) appointed by the Parties. The SC shall have overall authority over the PMs in accordance with this CUV-ME Agreement. The PMs shall have primary responsibility for effective implementation, efficient management, and direction of the Project in accordance with this CUV-ME Agreement. The Parties shall maintain and fund their own organizations for managing the Project.
- 4.2. The SC shall consist of a representative designated by each Party. The SC shall meet annually, with additional meetings held at the request of either representative. 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 its higher authority for resolution. The approved Project Plan shall continue to be implemented without interruption under the direction of the PMs while the issue is being resolved by higher authority.
- 4.3. The SC shall be responsible for:
 - 4.3.1. Exercising executive-level oversight of the Project.
 - 4.3.2. Reviewing progress in performing the tasks as specified in Article III (Scope of Work) of this CUV-ME Agreement.
 - 4.3.3. Approving the Project Plan submitted by the PMs in accordance with subparagraph 4.6.2. of this Article, and any revisions thereto, and reviewing the technical progress of the Project against the Project Plan. The Project Plan shall include, but not be limited to, a detailed scope of work and corresponding work schedule, as appropriate.
 - 4.3.4. Reviewing the technical progress of the Project against the Project Plan to this CUV-ME Agreement.
 - 4.3.5. Reviewing the financial status of the Project to ensure compliance with the conditions of Article V (Financial Provisions) of this CUV-ME Agreement.
 - 4.3.6. Resolving issues brought forth by the PMs.
 - 4.3.7. Reviewing and forwarding to the Parties for approval recommended amendments to this CUV-ME Agreement in accordance with Article XVIII (Amendment, Termination, Entry Into Force, and Duration) of this CUV-ME Agreement.

- 4.3.8. Approving plans to manage and control the transfer of Project Equipment provided by either Party to support the execution of the Project in accordance with Article VII (Project Equipment) of this CUV-ME Agreement.
- 4.3.9. Employing its best efforts to resolve, in consultation with the export control authorities of the Party concerned, any export control issues raised by the PM in accordance with subparagraph 4.6.9. of this Article or raised by a Party's SC representative in accordance subparagraph 8.1.2.4. of Article VIII (Disclosure and Use of Project Information) of this CUV-ME Agreement.
- 4.3.10. Providing recommendations to the Parties for the addition of new Parties in accordance with Article XIV (Participation of Additional Nations) of this CUV-ME Agreement.
- 4.3.11. Maintaining oversight of the security aspects of the Project, including reviewing and obtaining approval from the appropriate Designated Security Authority of a Project Security Instruction (PSI) prior to the transfer of Controlled Unclassified Information.
- 4.3.12. Monitoring Third Party sales and transfers authorized in accordance with Article XII (Third Party Sales and Transfers) of this CUV-ME Agreement.
- 4.3.13. Reviewing the semi-annual status report submitted by the PMs.
- 4.4. Project offices shall be established in San Diego, California, and in Zagreb, Croatia, to manage the Project. The Space and Naval Warfare Center – Pacific (SSC-PAC) shall appoint the U.S. DoD PM, and the HRV MOD shall appoint the HRV MOD PM, both of whom shall be responsible for implementing this CUV-ME Agreement and for carrying out the Project.
- 4.5. The PMs are completely and wholly responsible for management of those tasks listed as national responsibilities in Article III (Scope of Work) of this CUV-ME Agreement.
- 4.6. For matters under their cognizance, the PMs shall be responsible for:
 - 4.6.1. Managing the cost, schedule, performance requirements, technical, security, and financial aspects of the Project described in this CUV-ME Agreement.
 - 4.6.2. Developing a Project Plan, and any necessary revisions thereto, as described in subparagraph 4.3.3. of this Article; submitting the Project Plan and any revisions for SC approval; and implementing the plan and any revisions upon SC approval.
 - 4.6.3. Executing the financial aspects of the Project in accordance with Article V (Financial Provisions) of this CUV-ME Agreement.
 - 4.6.4. Referring issues to the SC that cannot be resolved by the PM.

- 4.6.5. Developing and recommending amendments to this CUV-ME Agreement to the SC.
- 4.6.6. Developing and forwarding to the SC a PSI for the Project within three months after signature of this CUV-ME Agreement, and implementing the PSI upon final approval.
- 4.6.7. Developing and implementing SC-approved plans to manage and control the transfer of Project Equipment provided by either Party in accordance with Article VII (Project Equipment) of this CUV-ME Agreement.
- 4.6.8. Forwarding recommendations to the SC for the addition of new Parties in accordance with Article XIV (Participation of Additional Nations) of this CUV-ME Agreement.
- 4.6.9. Monitoring export control arrangements required to implement this CUV-ME Agreement and, if applicable, referring immediately to the SC any export control issues that could adversely affect the implementation.
- 4.6.10. Providing a semi-annual status report to the SC, and other such reports as directed by the SC.
- 4.6.11. Appointing a Project security officer.

ARTICLE V
FINANCIAL PROVISIONS

- 5.1. Each Party shall contribute its equitable share of the full Financial Costs and Non-financial Costs of the Project, including overhead costs, administrative costs, and costs of claims. The assignment of work represents a sharing of work to be performed under the Project, and each Party shall receive an equitable share of the results of the Project.
- 5.2. Each Party shall fund the full extent of its participation in the Project. The Parties estimate that the performance of the obligations under this CUV-ME Agreement shall not cost more than a Cost Ceiling of 6,896,000 2015 U.S. Dollars. The U.S. Dollar shall be the reference currency for the Project, and the Project fiscal year shall be the U.S. fiscal year.
- 5.3. The full Financial Costs and Non-financial Costs of the Project, as identified in this Article, shall be shared according to the following percentages:

<u>Party</u>	<u>Percentage Share</u>
U.S. DoD	50%
HRV MOD	50%

- 5.4. The Parties shall use their best efforts to perform, or to have performed, the work specified in Article III (Scope of Work) of this CUV-ME Agreement and fulfill all the obligations under this CUV-ME Agreement within the Cost Ceiling specified in paragraph 5.2. of this Article.
- 5.5. Each Party shall bear the full Financial Costs and Non-financial Costs it incurs for performing, managing, and administering its activities under this CUV-ME Agreement, and all such costs shall be included as part of each Party's contributions to the Project. These costs include financial and non-financial contributions (e.g., salaries, travel, and per diem costs for each Party's Project personnel), as well as any Contract costs. Values have been mutually determined for Project non-financial contributions.
- 5.6. Cooperative efforts of the Parties over and above the jointly determined work set forth in Article III (Scope of Work) of this CUV-ME Agreement shall be subject to future mutual consent of the Parties.
- 5.7. The following costs shall be borne entirely by the Party incurring the costs:
- 5.7.1. Costs associated with any unique national requirements identified by a Party.
- 5.7.2. Any other costs outside the scope of this CUV-ME Agreement.
- 5.8. A Party shall promptly notify the other Party if available funds are not adequate to fulfill its obligations under this CUV-ME Agreement. If a Party notifies the other Party that it

is terminating or reducing its funding for this CUV-ME Agreement, both Parties shall immediately consult with a view toward continuation on a modified basis.

ARTICLE VI CONTRACTING PROVISIONS

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

export-controlled Information to a prospective subcontractor unless that prospective subcontractor has been legally bound to limit use of the export-controlled Information for the purpose of responding to the solicitation. Export-controlled Information furnished by one Party under this CUV-ME Agreement may only be retransferred by the other Party to its Prospective Contractors if the legal obligations required by this paragraph have been established. Upon request by the furnishing Party, the receiving Party shall identify its Prospective Contractors and prospective subcontractors receiving such export-controlled Information.

- 6.7. In the event a Party's Contracting Agency is unable to secure adequate rights to use and disclose Project Information as required by Article VIII (Disclosure and Use of Project Information) of this CUV-ME Agreement, or is notified by Contractors or Prospective Contractors of any restrictions on the disclosure and use of Information, that Party's PM shall notify the other Party's PM of the restrictions.
- 6.8. Each Party's PM shall promptly advise the other Party's PM of any cost growth, schedule delay, or performance problems under any Contract for which its Contracting Agency is responsible.

ARTICLE VII
PROJECT EQUIPMENT

- 7.1. Although not anticipated, each Party may provide Project Equipment identified as being necessary for executing this CUV-ME Agreement to the other Party. Project Equipment shall remain the property of the providing Party. If the Parties mutually determine that the cooperative efforts under this CUV-ME Agreement require the transfer of Project Equipment, a list of all Project Equipment provided by one Party to the other Party shall be developed and maintained by the PM and approved by the SC.
- 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, which shall be 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.
- 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 is 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 this CUV-ME Agreement, unless otherwise agreed to in writing by the providing Party. In addition, in accordance with Article XII (Third Party Sales and Transfers) of this CUV-ME Agreement, 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 under this CUV-ME Agreement shall be returned to the providing Party prior to the termination or expiration of this CUV-ME Agreement.

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 Project. The Parties intend to acquire sufficient Project Information and rights to use such Information to enable the development of CUV-ME technologies. The nature and amount of Project Information to be acquired shall be consistent with the objective stated in Article II (Objective) and Article III (Scope of Work) of this CUV-ME Agreement.
- 8.1.2. The following export control provisions shall apply to the transfer of Project Information:
 - 8.1.2.1. Transfer of Project Information shall be consistent with the furnishing Party's applicable export control laws and regulations.
 - 8.1.2.2. Unless otherwise restricted by duly authorized officials of the furnishing Party at the time of transfer to the other Party, all export-controlled Information furnished by one Party to the other Party may be retransferred to the other Party's Contractors, subcontractors, Prospective Contractors, and prospective subcontractors, subject to the requirements of paragraphs 6.5. and 6.6. of Article VI (Contracting Provisions) of this CUV-ME Agreement.
 - 8.1.2.3. Export-controlled Information may be furnished by Contractors, subcontractors, Prospective Contractors, and prospective subcontractors of one Party's nation to the Contractors, subcontractors, Prospective Contractors, and prospective subcontractors of the other Party's nation pursuant to this CUV-ME Agreement, subject to the conditions established in licenses or other approvals issued by the Government of the former Party in accordance with its applicable export control laws and regulations.
 - 8.1.2.4. If a Party finds it necessary to exercise a restriction on the retransfer of export-controlled Information as set out in subparagraph 8.1.2.2. of this Article, it shall promptly inform the other Party. If a restriction is then exercised and the affected Party objects, that Party's SC representative shall promptly notify the other Party's SC representative and they shall immediately consult in order to discuss ways to resolve such issues or mitigate any adverse effects.

8.2. Government Project Foreground Information

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

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

8.3. Government Project Background Information

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

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

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

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

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

8.3.2. 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.

8.4. Contractor Project Foreground Information

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

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

8.5. Contractor Project Background Information

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

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

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

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

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

8.5.2. Use: All Contractor Project Background Information delivered by Contractors under Contracts awarded in accordance with this CUV-ME Agreement 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 Project purposes, subject to such fair and reasonable terms as may be necessary to be arranged with the Contractor. The furnishing Party, in consultation with the requesting Party, shall determine whether such other Contractor Project Background Information is necessary for the use of Project Foreground Information. The furnishing Party shall retain all its rights with respect to Contractor Project Background Information.

8.6. Alternative Uses of Project Information

- 8.6.1. Any Project Background Information provided by one Party shall be used by the other Party only for the purposes set forth in this CUV-ME Agreement, unless otherwise consented to in writing by the providing Party.
- 8.6.2. The prior written consent of each Party shall be required for the use of Project Foreground Information for purposes other than those provided for in this CUV-ME Agreement.

8.7. Proprietary Project Information

- 8.7.1. All Project Information that is subject to disclosure and use restrictions with respect to Intellectual Property rights shall be identified and marked, and it shall be handled as Controlled Unclassified Information or as Classified Information, depending on its security classification.
- 8.7.2. The provisions of the NATO Agreement on the Communication of Technical Information for Defence Purposes, done at Brussels on October 19, 1970, and the Implementing Procedures for the NATO Agreement on the Communication of Technical Information for Defence Purposes, approved by the North Atlantic Council on January 1, 1971 (or any successor agreement and procedures), shall apply to Project Information that is subject to Intellectual Property rights.

8.8. Patents

- 8.8.1. Each Party shall include in all its Contracts for the Project a provision governing the disposition of rights in regard to Project Inventions and Patent rights relating thereto that either:
 - 8.8.1.1. Provides that the Party shall hold title to all such Project Inventions together with the right to make Patent applications for the same, free of encumbrance from the Contractor concerned; or

- 8.8.1.2. Provides that the Contractor shall hold title (or may elect to retain title) for such Project Inventions together with the right to make Patent applications for the same, while securing for the Parties a license for the Project Inventions, and any Patents thereto, on terms in compliance with the conditions of subparagraph 8.8.2. of this Article.
- 8.8.2. In the event that a Contractor owns title (or elects to retain title) to any Project Invention, the Contracting Party shall secure for the other Party non-exclusive, irrevocable, royalty-free licenses under all Patents secured for that invention, to practice or have practiced the patented Project Invention throughout the world for Defense Purposes.
- 8.8.3. The conditions of subparagraphs 8.8.4. through 8.8.7. of this Article shall apply in regard to Patent rights for all Project Inventions made by the Parties' military or civilian employees, including those within Government-owned facilities, and for all Project Inventions made by Contractors for which the Contracting Party holds title or is entitled to acquire title.
- 8.8.4. When a Party has secured or can secure the right to file a Patent application with regard to a Project Invention, that Party shall consult with the other Party regarding the filing of such Patent application. The Party that has or receives title to such Project Invention shall, in other countries, file, cause to be filed, or provide the other Party with the opportunity to file on behalf of the Party holding title, Patent applications covering that Project Invention. A Party shall immediately notify the other Party that a Patent application has been filed. If a Party, having filed or caused to be filed a Patent application, abandons prosecution of the application or ceases maintaining the Patent granted or issued on the application, that Party shall notify the other Party of that decision and permit the other Party to continue the prosecution or maintain the Patent as the case may be.
- 8.8.5. Each Party shall be furnished with copies of Patent applications filed and Patents granted with regard to Project Inventions.
- 8.8.6. Each Party shall grant to the other Party a non-exclusive, irrevocable, royalty-free license under its Patents for Project Inventions, to practice or have practiced the Project Invention throughout the world for Defense Purposes.
- 8.8.7. Patent applications to be filed, or assertions of other Intellectual Property rights, under this CUV-ME Agreement that contain Classified Information shall be protected and safeguarded in a manner no less stringent than the requirements contained in the NATO Agreement for the Mutual Safeguarding of Secrecy of Inventions Relating to Defence and for Which Applications for Patents Have Been Made, done in Paris on September 21, 1960, and its Implementing Procedures (or any successor agreement and procedures).

- 8.9. Each Party shall notify the other Party of any Intellectual Property infringement claims brought against that Party arising in the course of work performed under the Project on behalf of the other Party. Insofar as possible, the other applicable Party shall provide Information available to it that may assist in defending such claims. Each Party shall be responsible for handling such Intellectual Property infringement claims brought against it, and shall consult with the other Party during the handling, and prior to any settlement, of such claims. The Parties shall share the costs of resolving such Intellectual Property infringement claims in proportion to their financial contributions for that work specified in Article V (Financial Provisions) of this CUV-ME Agreement.
- 8.10. The Parties shall, as permitted by their national laws, regulations, and practices, give their authorization and consent for all use and manufacture in the course of work performed under the Project of any invention covered by Patent, or as determined to be necessary for work under the Project, authorization and consent for non-commercial copyright, granted or otherwise provided by their respective countries.

ARTICLE IX
CONTROLLED UNCLASSIFIED INFORMATION

- 9.1. Except as otherwise provided in this CUV-ME Agreement or as authorized in writing by the originating Party, Controlled Unclassified Information provided or generated pursuant to this CUV-ME Agreement shall be controlled as follows:
 - 9.1.1. Such Controlled Unclassified 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 CUV-ME Agreement.
 - 9.1.2. Access to such Controlled Unclassified Information shall be limited to personnel whose access is necessary for the permitted use under subparagraph 9.1.1. of this Article, and shall be subject to the conditions of Article XII (Third Party Sales and Transfers) of this CUV-ME Agreement.
 - 9.1.3. Each Party shall take all lawful steps available to it, including national classification, to keep such Controlled Unclassified 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 Controlled Unclassified 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 PSI. 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 CUV-ME Agreement 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 the Contractors are legally bound to control such Controlled Unclassified Information in accordance with the conditions of this Article.

ARTICLE X
VISITS TO ESTABLISHMENTS

- 10.1. Each Party shall permit visits to its Government establishments, agencies and laboratories, and Contractor industrial facilities by employees of the other Party or by employees of the other Party's Contractors, provided that the visit is authorized by both Parties and the employees have any necessary and appropriate security clearances and a need-to-know.
- 10.2. All visiting personnel shall be required to comply with security regulations of the hosting Party. Any Information disclosed or made available to visitors shall be treated as if supplied to the Party sponsoring the visiting personnel, and shall be subject to the conditions of this CUV-ME Agreement.
- 10.3. Requests for visits by personnel of one Party to a facility of the other Party shall be coordinated through official channels, and shall conform with the established visit procedures of the hosting Party. Requests for visits shall bear the name of the CUV-ME Agreement.
- 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. It is the intent of the Parties that the Project carried out under this CUV-ME Agreement shall be conducted at the unclassified level. No Classified Information shall be provided or generated under this CUV-ME Agreement.

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 or any item produced either wholly or in part from Project Foreground Information to any Third Party without the prior written consent of the Government of the other Party. Furthermore, neither Party shall permit any such sale, disclosure, or transfer, including by the owner, without the prior written consent of the Government of the other Party. Such consent shall not be given unless the Government of the intended recipient confirms in writing with the Parties that it shall:
- 12.1.1. Not retransfer, or permit the further retransfer of, any equipment or Information provided.
- 12.1.2. Use, or permit the use of, the equipment or Information provided only for the purposes specified by the Parties.
- 12.2. Each Party shall retain the right to sell, transfer title to, disclose, or transfer possession of Project Foreground Information or any item produced wholly, or in part, from Project Foreground Information:
- 12.2.1. That is generated solely by either that Party or that Party's Contractors in the performance of that Party's work allocation under Article III (Scope of Work) of this CUV-ME Agreement.
- 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 12.2. of this Article, the matter shall be brought to the immediate attention of the other Party's PM. 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 of the other Party that provided such equipment or Information. The providing Party's Government 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 CUV-ME Agreement, the following conditions shall apply:
- 13.1.1. Claims against a Party or its military or civilian personnel shall be dealt with in accordance with the terms of applicable multilateral or bilateral treaties and agreements of the Parties.
- 13.1.2. For those claims for which multilateral or bilateral treaties or agreements do not apply, the following conditions shall apply:
- 13.1.2.1. With the exception of claims for loss of or damage to Project Equipment, which are addressed in Article VII (Project Equipment) of this CUV-ME Agreement, each Party waives all claims against the other Party in respect to injury to or death of its military or civilian personnel and for damage to or loss of its property (including its interest in jointly acquired equipment) 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 this CUV-ME Agreement. However, if the Parties determine that such injury, death, damage, or loss results from reckless acts or reckless omissions, willful misconduct, or gross negligence of a Party's military or civilian personnel, the costs of any liability shall be borne by that Party alone.
- 13.2. Claims arising under any Contract awarded under this CUV-ME Agreement shall be resolved in accordance with the conditions of the Contract.
- 13.3. Employees and agents of Contractors are not considered civilian personnel of a Party for the purposes of this Article.

ARTICLE XIV
PARTICIPATION OF ADDITIONAL NATIONS

- 14.1. It is recognized that other national defense organizations may wish to join the Project.
- 14.2. The mutual consent of the Parties shall be required to conduct discussions with potential additional Parties. The Parties shall discuss the conditions under which another Party might join, including the furnishing of releasable Project Information for evaluation prior to joining. If the disclosure of Project Information is necessary to conduct discussions, such disclosure shall be in accordance with Article VIII (Disclosure and Use of Project Information), Article IX (Controlled Unclassified Information), and Article XII (Third Party Sales and Transfers) of this CUV-ME Agreement.
- 14.3. The Parties shall jointly formulate the conditions under which additional Parties might join. The addition of new Parties to the Project shall require amendment of this CUV-ME Agreement by the Parties.

ARTICLE XV
CUSTOMS DUTIES, TAXES, AND SIMILAR CHARGES

- 15.1. Customs duties, import and export taxes, and similar charges shall be administered in accordance with each Party's respective laws and regulations. Insofar as existing national laws and regulations permit, the Parties shall endeavor to ensure that such readily identifiable customs duties, import and export taxes, and similar charges, as well as quantitative or other restrictions on imports and exports, are not imposed in connection with work carried out under this Project.
- 15.2. 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 of this Project. 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 Project.
- 15.3. If, in order to apply European Union (EU) regulations, it is necessary to levy duties, then these shall be met by the EU member end recipient. To this end, parts or components of the equipment coming from outside the EU shall proceed to their final destination accompanied by the relevant customs document enabling settlement of duties to take place. The duties shall be paid as a cost over and above that EU Party's shared cost of the Project.

ARTICLE XVI
SETTLEMENT OF DISPUTES

- 16.1. Disputes between the Parties arising under or relating to this CUV-ME Agreement 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 XVII
LANGUAGE

- 17.1. The working language for this CUV-ME Agreement shall be the English language.
- 17.2. All Information provided or generated under this CUV-ME Agreement shall be in the English language.

ARTICLE XVIII
AMENDMENT, TERMINATION, ENTRY INTO FORCE, AND DURATION

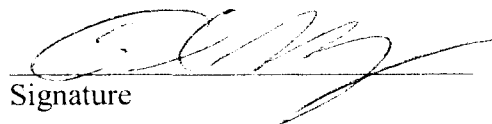
- 18.1. All activities of the Parties under this CUV-ME Agreement shall be carried out in accordance with their respective national laws and regulations, including their respective export control laws and regulations. The obligations of the Parties shall be subject to the availability of funds for such purposes.
- 18.2. In the event of a conflict between an Article of this CUV-ME Agreement and any subordinate documents to this CUV-ME Agreement, the Article of the CUV-ME Agreement shall control.
- 18.3. Except as otherwise provided, this CUV-ME Agreement may be amended by the mutual written consent of the Parties.
- 18.4. This CUV-ME Agreement may be terminated at any time upon the written consent of the Parties. In the event both Parties consent to terminate this CUV-ME Agreement, the Parties shall consult prior to the date of termination to ensure termination in the most economical and equitable manner.
- 18.5. Either Party may terminate this CUV-ME Agreement upon 180 days written notification to the other Party of its intent to terminate. Such notice shall be the subject of immediate consultation by the SC to decide upon the appropriate course of action to conclude the activities under this CUV-ME Agreement. In the event of such termination, the following rules apply:
 - 18.5.1. The Party terminating this CUV-ME Agreement shall continue participation, financial or otherwise, up to the effective date of termination.
 - 18.5.2. Each Party shall be responsible for its own Project-related costs associated with termination of this CUV-ME Agreement.
 - 18.5.3. All Project Information and rights therein received under the conditions of this CUV-ME Agreement prior to the termination of this CUV-ME Agreement shall be retained by the Parties, subject to the conditions of this CUV-ME Agreement.
- 18.6. 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 XVI (Settlement of Disputes), and this Article XVIII (Amendment, Termination, Entry Into Force, and Duration) of this CUV-ME Agreement shall continue to apply notwithstanding termination or expiration of this CUV-ME Agreement.

18.7. This CUV-ME Agreement, which consists of eighteen (18) Articles, shall enter into force upon signature by both Parties and shall remain in force for four (4) years. It may be extended by written concurrence of the Parties.

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

DONE, in duplicate, in the English language.

FOR THE DEPARTMENT OF DEFENSE
OF THE UNITED STATES OF AMERICA


Signature

F. D. Morley
Rear Admiral, U.S. Navy

Name

Deputy Assistant Secretary of the
Navy International Programs

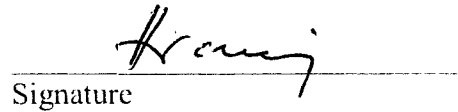
Title

21 JUN 2017
Date

Washington, D. C.

Location

THE MINISTRY OF DEFENCE
OF THE REPUBLIC OF CROATIA


Signature

ROBERT HRANJ
REAR ADMIRAL

Name

DIRECTOR OF GENERAL STAFF
CROATIAN ARMED FORCES

Title

24 JULY 2017
Date

ZAGREB, CROATIA

Location