

MEMORANDUM OF UNDERSTANDING  
BETWEEN  
THE MINISTRY OF DEFENCE  
OF THE KINGDOM OF NORWAY  
AND  
THE GOVERNMENT  
OF THE KINGDOM OF SWEDEN  
CONCERNING  
COOPERATION RELATED TO NORWAY'S  
FIGHTER AIRCRAFT PROGRAMME

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## SECTION I – INTRODUCTION

This Memorandum of Understanding (hereinafter referred to as the MOU) is concluded between the Ministry of Defence of the Kingdom of Norway (NMOD) and the Government of the Kingdom of Sweden (SGOV), hereinafter jointly referred to as the Parties and individually referred to as a Party.

The Parties;

**noting:**

- the tradition of cooperation between the Governments of Norway and Sweden, and **recognizing** the mutual intent and desire to further develop the relationship between the Parties;
- the determination to pursue a close cooperation between the Parties and between the Parties' industries in order to benefit their interest in having a close political relationship and to strengthen their respective industry's position on the world market;
- that NMOD has launched a project with the objective to update or replace Norway's existing F-16 fighter aircraft fleet;
- NMOD's decision to pursue a competitive evaluation of several fighter aircraft candidates and to conclude industrial agreements of cooperation with all the candidates' industry aiming to influence the future development of the fighter aircraft candidates and furthermore involve Norwegian companies, hereinafter referred to as the Norwegian Participating Companies (NPCs), in the further development and possible future production of the fighter aircraft;
- that the Gripen aircraft is one of the potential fighter aircraft candidates for the future procurement of new fighter aircraft for the Norwegian Armed Forces;
- that Saab AB (publ) has launched development activities to demonstrate certain enhanced capabilities and new functionalities of the Gripen aircraft (hereinafter referred to as the Gripen Demonstrator Programme);
- that NMOD is in process to negotiate and conclude a Letter of Agreement (LOA) with Gripen International regarding industrial cooperation with an obligation to contribute financially and participate in industrial projects related to the Gripen aircraft and Gripen Demonstrator Programme, until the end of 2008 and with an option for NMOD to continue this participation beyond 2008;
- **recognizing** that participation of the Norwegian industry is an important evaluation factor in the possible future procurement of the Gripen aircraft;
- **referring to** the Nordic Security Agreement (Överenskommelse rörande säkerhetsskyddets utformning inom ramen för avtalet om nordiskt samarbete inom försvarsmaterielområdet) between Denmark, Finland, Norway and Sweden of September 1, 1995; and

- **recognizing** that the Government of the Kingdom of Denmark, the Government of the Republic of Finland, the Government of the Republic of Iceland, the Government of the Kingdom of Norway and the Government of the Kingdom of Sweden, are under negotiations with the aim to establish an revised Nordic Security Agreement.

**have reached the following understanding:**

## **SECTION II – OBJECTIVES**

2.1 It is of importance to NMOD to ensure that the Gripen aircraft is a viable alternative for the future Norwegian fighter aircraft programme that fulfils the requirements for a desired future Norwegian fighter aircraft capability. To assure this, SGOV will participate to the extent possible in making all relevant information regarding the Gripen aircraft available to NMOD and ensure the necessary rights to use such information in the execution of this MOU and the activities in accordance with the firm intentions of this MOU.

2.2 NMOD will make evaluation results, concerning the Gripen aircraft, which are based on Information emanated from SGOV in accordance with this MOU, available to SGOV.

2.3 The Parties recognize the Letter of Agreement (LOA) to be concluded between NMOD and Gripen International, and the importance of cooperation between the Parties' respective industries. The Parties aim is to ensure a significant Norwegian involvement in the further development and possible production of the Gripen aircraft. In this respect SGOV agree to make efforts to the extent possible to support the fulfillment of industrial agreements between NMOD and Gripen International. Furthermore in order to achieve an adequate level of industrial participation for NPCs in industrial projects related to the Gripen aircraft and the Gripen Demonstrator Programme, NMOD will consider financial contributions in industrial projects on a case by case basis, through specific agreements with Gripen International.

2.4 The Parties recognize their intentions to cooperate in other related initiatives, which may follow a possible future procurement of the Gripen aircraft. Such related activities may consist of, but are not limited to, test- and training facilities, maintenance, pilot training and logistics.

## **SECTION III – DEFINITIONS AND ACRONYMS**

### **3.1 Definitions**

For the purpose for this MOU:

a) **Background Information** means information not generated in the performance of this MOU.

b) **Classified Information** means any information (namely, knowledge that can be communicated in any form) or material which, in the interest of national security of the releasing or owning government, and in accordance with applicable laws and regulations, require protection against unauthorized disclosure and has been designated a security classification by an appropriate security authority.

c) **Foreground Information** means information generated in the performance of this MOU.

d) **Information** means any information used in MOU related activities, regardless of form or type necessary for the fulfillment of the MOU.

e) **Letter of Agreement** means the Agreement between NMOD and Gripen International AB in relation to industrial projects related to the Gripen aircraft and Gripen Demonstrator Programme.

f) **Third Party** means any person or entity including any third party country government, other than the Parties to this MOU.

### 3.2 Acronyms

For the purpose of this MOU the following acronyms will apply:

**LOA** - Letter of Agreement between Gripen International AB and NMOD.

**MOU** - Memorandum of Understanding.

**NMOD** - The Ministry of Defence of the Kingdom of Norway.

**NPC** - Norwegian Participating Companies.

**SGOV** - The Government of the Kingdom of Sweden.

**SF** - Steering Forum.

## SECTION IV – MANAGEMENT

4.1 The implementation of this MOU will be performed by a Steering Forum (SF), consisting of representatives of the Parties.

4.2 The Steering Forum will execute the overall management of this MOU, in accordance with the Terms of reference set out in Annex 1. The Annex 1 will not be considered as a formal part of this MOU.

4.3 The Steering Forum will meet on a regular basis, at least once a year or upon request by either Party.

4.4 All decisions by the Steering Forum will be based on the principle of consensus.

4.5 Each Party has exclusive power to appoint or remove their respective representatives to the Steering Forum. The representatives can at their own discretion be assisted by experts during the Steering Forum meetings. If the Parties mutually agree observers can be invited.

## **SECTION V – TERMS AND CONDITIONS FOR COOPERATION**

5.1 Each Party will on request release to the other Party all necessary Information for the fulfillment of this MOU, subject to the provisions in Section VII (Security Arrangements) and Section VIII (Disclosure and Use of Information).

5.2 NMOD will regularly, or on request, brief SGOV about its evaluation of Information regarding the Gripen aircraft emanating from SGOV in accordance with this MOU.

5.3 SGOV will to the extent possible support the fulfillment of Gripen Internationals obligations to NMOD established in accordance with LOA to be concluded. Such support may be, but is not limited to, to participate in relevant processes, support the solving of disputes arising out of the LOA in order to avoid the use of arbitration, support efforts of involving NPCs in industrial projects related to the Gripen aircraft and Gripen Demonstrator Programme, in a long term perspective etc.

## **SECTION VI – FINANCIAL ARRANGEMENTS**

Each Party will cover its own expenses for all activities related to this MOU, unless otherwise agreed.

## **SECTION VII – SECURITY ARRANGEMENTS**

All Classified Information or material exchanged or generated in connection with this MOU will be used, transmitted, stored, handled and safeguarded in accordance with the existing national laws and regulations, and the Nordic Security Agreement (Överenskommelse rörande säkerhetsskyddets utformning inom ramen för avtalet om nordiskt samarbete inom försvarsmaterielområdet) between Denmark, Finland, Norway and Sweden of September 1, 1995 and any successor agreement or arrangement.

## **SECTION VIII – DISCLOSURE AND USE OF INFORMATION**

8.1 The Parties recognize that a successful collaboration depends on full and prompt exchange and use of Information relevant for carrying out this MOU. However, the Parties, will retain their respective rights to this Information.

8.2 Any transfer of Information between the Parties will be consistent with the furnishing Party's intellectual property rights and applicable laws and regulations.

8.2.1 Foreground Information, if any, will be disclosed to the other Party without charge.

8.2.2 Each Party will upon request and without charge disclose to the other Party any Background Information which is considered relevant in implementing this MOU.

8.3 Information disclosed under the objectives of this MOU may only be used for purposes necessary to the fulfillment of this MOU, unless the furnishing Party consent to a different use.

8.4 The receiving Party will not disclose any Information supplied under this MOU to any Third Party without prior consultation with the furnishing Party.

8.5 All Information that has been exchanged between the Parties under the MOU will be immediately returned to the furnishing Party after withdrawal, termination or expiration of this MOU, unless otherwise agreed by the Parties.

#### **SECTION IX – INTELLECTUAL PROPERTY RIGHTS**

In the event of any intellectual property rights arising out of the execution of this MOU, the Parties will resolve the matter in the Steering Forum.

#### **SECTION X – SALES AND TRANSFERS TO THIRD PARTIES**

The receiving Party will not sell or otherwise transfer Background Information or Classified Information supplied under this MOU to any Third Party without prior consultation and consent of the furnishing Party.

#### **SECTION XI – TRANSPARENCY AND PUBLICITY**

The execution of this MOU will be based on the principles of openness and transparency.

#### **SECTION XII – LIABILITY**

Neither Party shall be liable to the other Party for any loss or damage, except for damage or injury caused by gross negligence or willful misconduct.

#### **SECTION XIII – SETTLEMENTS OF DISPUTES**

Any dispute arising from the application, interpretation or implementation of this MOU will be resolved amicable and expeditiously by consultation or negotiation between the Parties and will not be referred to an individual, national court, international tribunal, or any other Third Party for settlement.

#### **SECTION XIV – WITHDRAWAL AND TERMINATION**

14.1 In the event that a Party finds it necessary to withdraw from the MOU the following procedure will apply:

14.2 Before giving formal notice of withdrawal, the Party will initiate consultations to discuss the possibilities of a withdrawal, the consequences and if possible avoid it.

14.3 If a Party still wishes to withdraw after consulting the other Party, the withdrawing Party will give notice in writing to the other Party. The withdrawal will be subject to a period of notice of 30 calendar days.

14.4 On the expiry of the notice period the MOU shall be deemed terminated.

14.5 The Party withdrawing will in full meet all its commitments up to the effective date of withdrawal.

14.6 If the Parties unanimously decide, this MOU can be terminated upon the date agreed between the Parties.

14.7 The respective rights and responsibilities of the Parties regarding Section VII (Security Arrangements), Section VIII (Disclosure and Use of Information), Section IX (Intellectual Property Rights), Section X (Sales and Transfers to Third Parties), Section XI (Liability), Section XII (Settlements of Disputes), will continue to apply notwithstanding any withdrawal, termination, or expiration of this MOU.

## **SECTION XV – PARTICIPATION OF OTHER NATIONS**

Other nations may join this MOU upon the Parties mutual consent. The accession of another nation to this MOU will require amendments in accordance with Section XVI (Amendments).

## **SECTION XVI – AMENDMENTS**

16.1 This MOU may be modified, amended, supplemented or prolonged by the mutual consent of the Parties in writing signed by a duly authorized representative of each Party.

16.2 An amendment will enter into effect in accordance with its provisions.

## **SECTION XVII – DURATION, EFFECTIVE DATE AND SIGNATURE**

17.1 This MOU is signed in duplicate, where each Party will have their original.

17.2 This MOU becomes effective when it has been signed by both Parties upon the date of the last signature.

17.3 This MOU will remain in effect until December 31, 2008, unless terminated earlier in accordance with the provision of Section XIV (Withdrawal and Termination) or prolonged under the provision of Section XVI (Amendments).

17.3.1 If NMOD, dependant to the development in the Norwegian fighter aircraft programme, wish to continue the cooperation with SGOV established through this MOU, NMOD will make its best effort giving notice to SGOV within the end of august 2008, in order to negotiate and conclude a prolongation of this MOU prior to the expiry date set forth in provision.

17.4 The foregoing represents the understandings reached upon the matters referred to therein.

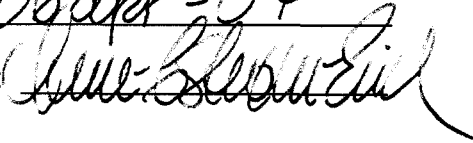


**FOR THE MINISTRY OF DEFENCE OF  
THE KINGDOM OF NORWAY**

Name: Anne-Grete Strøm-Erichsen

Title: Minister of Defence

Date: 26 apr - 07

Signature: 

**FOR THE GOVERNMENT OF  
THE KINGDOM OF SWEDEN**

Name: Mikael Odenberg

Title: Minister for Defence

Date: 26 april 2007

Signature: 

**Annex 1 – Terms of reference for the Steering Forum**