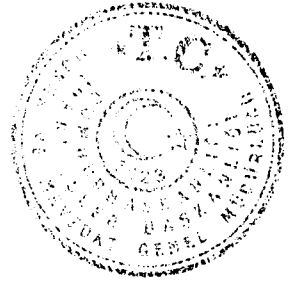
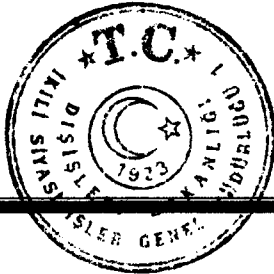


**AGREEMENT
BETWEEN
THE GOVERNMENT OF
THE REPUBLIC OF TURKEY
AND
THE GOVERNMENT OF MONTENEGRO
ON DEFENCE INDUSTRY
COOPERATION**



**AGREEMENT
BETWEEN
THE GOVERNMENT OF THE REPUBLIC OF TURKEY
AND
THE GOVERNMENT OF MONTENEGRO
ON DEFENCE INDUSTRY COOPERATION**

The Government of the Republic of Turkey and the Government of Montenegro (hereinafter referred to each as the "Party" and collectively as the "Parties");

Confirming their commitments to the goals and principles of the United Nations Charter,

Emphasizing that the friendship and cooperation relations, which shall be further developed and strengthened on the basis of principles of mutual benefit and equality of rights, shall contribute to the mutual interests of both Parties, as well as to the peace and security of the world,

Expressing their desire to develop the defence industry cooperation by utilizing their scientific and technical capabilities in the field of military equipment and weapons,

Adhering to the principles of mutual respect and reciprocity.

Have agreed as follows:

**ARTICLE 1
OBJECTIVE**

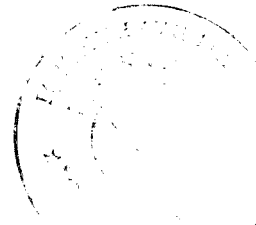
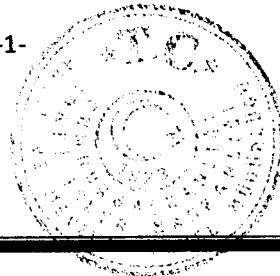
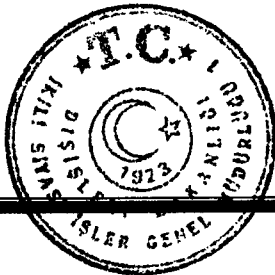
Within the framework of their laws and regulations and considering their international obligations and agreements, the Parties shall make their best effort to develop and strengthen defence industry cooperation in the following areas:

1. Production of defence goods and services,
2. Procurement of defence goods and services,
3. Maintenance of defence goods and services,
4. Technical and logistical support.

**ARTICLE 2
DEFINITIONS**

1. "Agreement" means Agreement between the Government of the Republic of Turkey and the Government of Montenegro on Defence Industry Cooperation,

2. "Defence Industry Goods and Services" means the weapons and military equipment, together with the related logistic support, and the material and service required for research, development and production of these weapons and military equipment,



[Handwritten signature]

3. "Defence Industry Cooperation" (hereinafter referred to as the "Cooperation") means activities undertaken by the Parties based on the principle of reciprocity for the purposes of this Agreement in accordance with their applicable laws and regulations

4. "Joint Commission for Defence Industry Cooperation" (hereinafter referred to as the " Joint Commission") means the Commission composed by the representatives of both Parties, in which both Parties shall be represented equally for the purpose of supervising the implementation of this Agreement and submitting proposals and recommendations in furtherance of the objective stated in Article 3 hereof. "Co-Chair" means nominated representatives of each Party who represents the delegation of the respective Party during the Joint Commission for Defence Industry Cooperation.

5. "Implementation Agreement" means agreements, memoranda of understanding, protocols or contracts which regulate enforcement and details of implementation of this Agreement.

6. "Official Duty" means the duty to be performed according to this Agreement or other agreements to be concluded on the basis of this Agreement.

7. "Sending Party" means the Party that sends personnel, material and equipment to the territory of the Receiving Party in line with the purposes of this Agreement,

8. "Receiving Party" means the Party receiving personnel, material and equipment sent by the Sending Party in its territory for implementation of this Agreement.

9 "Guest Personnel" means the military and/or civil personnel of a Party sent to the territory of the other Party for the implementation of this Agreement.

10. "Dependents" means the persons who rely on the Guest Personnel as responsible to look after them in accordance with their respective national legislation.

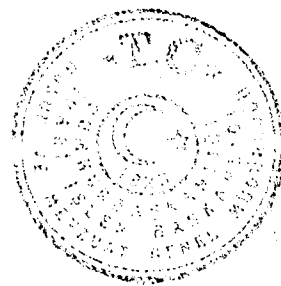
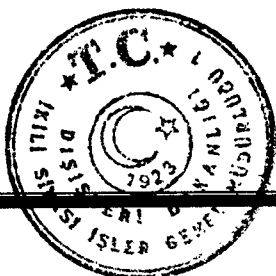
11. "Third Party" means any person or entity or organization or a government of a country or a state or an international organization or their legal representatives other than the Parties.

12. "Quality Assurance" means all activities ensuring the convenience of defence products or services for the requirements of production, performance and usage committed to the procedures, standards, norms and relevant technical specifications agreed between the Parties.

13. "Originating Party" means the Party or international organizations under the authority of which the Classified Information, Documents or Material has been produced.

14. "Recipient Party" means the Party that receives Classified Information, Documents and Material from the Originating Party.

15. "Classified Information, Documents and Material" means any information, documents or material regardless of their form or type or method of transmission, which are marked with a classification mark and which require protection against unauthorized access, use or destruction due to national security interests and in accordance with the national legislation.



16. "Competent Security Authority" means the authority that is responsible for the security of the Classified Information, Document and Material within the framework of this Agreement and in accordance with each Party's national laws and regulations.

17. "Facility Security Certificate"; means the official license, granted by the Competent Security Authority of each Party in accordance with their national laws and regulation, certifying that the protective measures projected are commensurate with the required security classification by considering the location of the facility, environmental conditions and the potential external and internal threats to be faced so as to ensure the physical security requirements for the Classified Information, Documents and Material that are existing or to exist in the facility or the classified project which is carried out in a facility.

18. "Need-to-Know Principle"; means necessity to have access to Classified Information, Documents and Material in connection with Official Duty and/or for the performance of a concrete task.

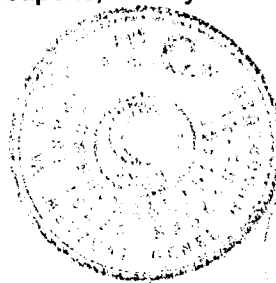
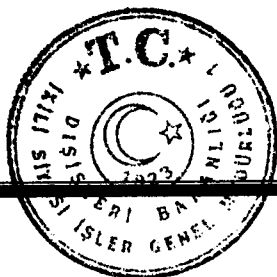
19. "Personnel Security Certificate"; means the official license, granted by the Competent Security Authority of each Party in accordance with their national laws and regulations, certifying that the person may have access to the Classified Information, Documents and Material or the classified contract within the framework of Need-to-Know Principle or making it possible to give entrance permission to classified area where they are maintained or conducted.

20. "Intellectual and Industrial Property Rights"; means all copyright and all rights in relation to inventions (including patent rights), registered and unregistered trademarks (including service marks), registered and unregistered (including trade secrets and know-how), and any other rights resulting from intellectual activity in the industrial, scientific, literary and artistic fields recognized in the territories of the Parties.

ARTICLE 3 SCOPE

The Parties shall strive to create favorable conditions to improve Defence Industry Cooperation by:

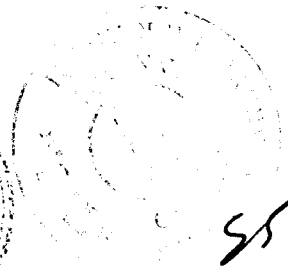
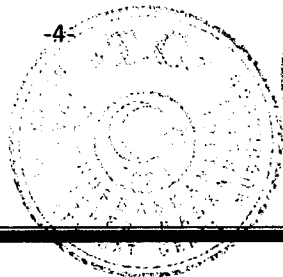
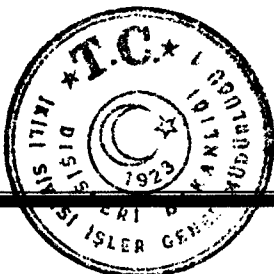
1. Providing appropriate conditions for joint research, development, production and modernization of spare parts, tools, defence materials, military systems, technical displays and technical equipment required by the Armed Forces of the Parties,
2. Implementation of the results of joint research, development and production projects in the field of military equipment in the territory of the Parties,
3. Research, design, development and production in the field of Defence Industry goods and services,
4. Mutual assistance in the fields of production and procurement of Defence Industry Goods and Services as well as the modernization of tools and equipment of both Parties,
5. Encouraging the conclusion of agreements made between relevant authorities of the Parties with the aim of joint production and further development of weapons, military technical equipment and their parts,



6. Exchange of scientific and technical information, relevant documents and information on Defence Industry standards used by the Parties for Quality Assurance,
7. Sales of finished goods produced through joint projects of the Parties to the Third Parties by mutual agreement and taking into account the national sensitives of the Parties and their obligations deriving from international regulations,
8. Cooperation in selling, purchasing or exchange, in line with relevant legislation of the Parties, of surplus defence industry products and services in the inventory of the Armed Forces of both Parties with other products and services,
9. Promotion of contacts, technical visits to research centers and personnel exchanges between the institutions and companies of Defence Industries of the Parties,
10. Acquisition by the Parties of military and defence equipment manufactured or developed jointly in either Party's territory,
11. Providing the conditions for joint programs of production, development, technology and modernization related to the Defence Industry products of both Parties, and if agreed upon, the defence industry products of Third Parties,
12. Conducting the projects regarding Defence Industry Goods and Services by the Parties in order that joint or mutual sales, procurement, production, modernization, technology transfer, research and development could be done, and implementing the works regarding these projects within framework of agreements, memoranda of understanding, protocols or contracts to be signed between the Parties and/or relevant authorities of the Parties.
13. Encouraging the conclusion of agreements between the Parties on joint production and joint development for Third Parties,
14. Cooperation between military technical institutions, defence industry companies and maintenance and repair facilities, under the authority of Parties,
15. Mutual participation in the defence industry fairs and symposia organized by the Parties.

ARTICLE 4 IMPLEMENTATION

1. The enforcement and details of implementation of this Agreement shall be defined through implementation agreements, that are to come into force in accordance with the procedure set forth in Article 20 governing the entry into force of this Agreement.
2. Implementation Agreement shall regulate the matters related to implementation activities of the Parties in the field of their own Defence Industry Cooperation. The inclusion of issues in cooperation that are within the interest of the third Parties shall be possible through mutual agreement the Parties.
3. Cooperation shall be established based on the principle of reciprocity by considering the legislation, the requirements and interests of the Parties.



SS

4. The Parties shall assess and make their decisions by mutual written agreement, including the invitation of the Third Parties to participate in joint production projects.

5. Neither Party shall transfer to a Third Party, without prior written consent, any material, technical information and documents to be donated, sold or co-produced as per this Agreement or implementation agreements to be made on the basis of this Agreement.

6. In case of termination of any implementation agreements, the Parties shall accept to fulfill all obligations started before the notification of termination. The Termination Notice shall be signed by both Parties and shall include a list of fulfilled and unfulfilled obligations.

ARTICLE 5 COMPETENCE

The implementation of the objective defined by Article 1 shall be under the competence of the following authorities:

For the Government of the Republic of Turkey: Ministry of National Defence of the Republic of Turkey

For the Government of Montenegro: Ministry of Economy

ARTICLE 6 JOINT COMMISSION

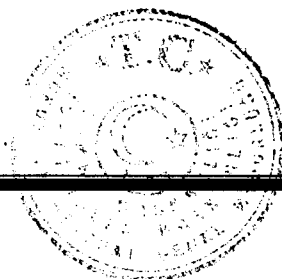
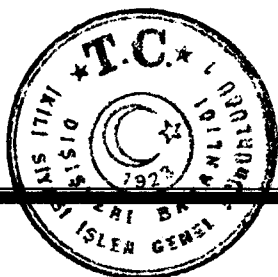
1. The Parties agreed to establish the Joint Commission, which will be composed of representatives of both Parties and where necessary expert personnel from respective competent authorities defined in Article 5 the Armed Forces and their defence industry institutions and companies may also be invited to participate.

2. The Joint Commission shall be presided over by representatives of the Ministry of National Defence of the Republic of Turkey and of the representatives of the Ministry of Economy of Montenegro.

3. In the Joint Commission the Delegation of the Ministry of National Defence of the Republic of Turkey shall be headed by the Deputy Undersecretary for Defence Industries, whereas the Delegation of Ministry of Economy of Montenegro shall be headed by Director General for Multilateral and Regional Trade Cooperation and Economic Foreign Relations. The Parties shall designate a Co-Chair on its part.

4. The points of contact which shall be responsible for organizing and coordinating the activities of the Commission are;

- International Cooperation Department of Undersecretariat for Defence Industry, the Ministry of National Defence of the Republic of Turkey,
- Directorate for Multilateral and Regional Trade Cooperation and Economic Foreign Relations, Ministry of Economy of Montenegro.



5. The tasks of the Joint Commission shall include, but not limited to the following:

a. Determination and definition of concrete fields of cooperation in accordance with the Article 4 of this Agreement,

b. Selection of projects, which will be jointly carried out, and identification of the most appropriate types and methods of cooperation as to the implementation of joint projects,

c. Exchange of information for the purpose of the realization of a cooperation proposal during the implementation of joint programs,

d. Submission of proposals, recommendations and opinions to relevant authorities concerning the participation of Third Parties in joint projects,

e. Ensuring the preparation and publication of necessary documents for realization of approved projects and decisions,

f. Regular supervision of the implementation of approved projects and decisions ,

g. Assessment of the implementation of this Agreement and if necessary negotiation of proposals regarding any amendments to be made to the Agreement.

6. The date and the Agenda of the Joint Commission's meeting shall be proposed by the hosting Party, whose Secretary shall be in charge of preparation of the Minutes.

7. For the discussion of particular issues, the Joint Commission may decide to set up working groups and specify their tasks.

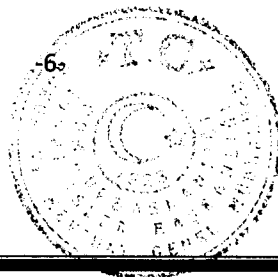
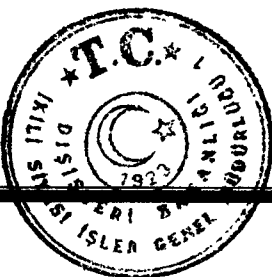
8. Each Party shall bear the participation cost of its delegations for the meetings of the Joint Commission.

9. The meeting of the Joint Commission shall be held alternately in both countries, on the dates to be agreed upon through the diplomatic channels.

ARTICLE 7

PROTECTION OF INTELLECTUAL AND INDUSTRIAL PROPERTY RIGHTS

1. Rights and obligations of the Parties concerning their intellectual and industrial property rights, production rights within their own territories, issuance of the production license, sales to Third Parties, preservation of patents on new products and inventions realized within the framework of joint projects and technology transfer shall be determined through the implementation agreements to be made for each joint project. The Parties, within the framework of their national legislation and international agreements to which they are party, shall effectively protect intellectual property rights to be established and transferred on the basis of this Agreement. Within the scope of this Agreement, the concept of intellectual property shall be considered as it is defined in the Article 2 of the agreement which was signed on 14 July, 1967 in Stockholm, and established World Intellectual Property Organization.



2. In these implementation agreements, besides the financial and legal obligations, the principles and procedures, concerning the type, pace, time and terms of liquidation of mutual debts and credits, due to any expenses resulting from research, development, production, procurement, technical services, personnel support and infrastructure services, shall be specified in detail.

3. Release or publication of the defence industrial material and information exchanged between the Parties to a Third Party shall only be possible upon the written consent of the Originating Party. The Parties shall mutually agree on information, documents and explanations to be extended to the public and the press within the scope of cooperation in the field of defence industry.

4. The Parties shall abide by the intellectual and industrial property rights and other limitations concerning reproduction, duplication, utilization or distribution of all materials, products and information which are released by the other Party within the framework of this Agreement.

5. Commitments established in the Agreement regarding the protection of Intellectual and Industrial Property Rights shall continue to be applied even after the termination of this Agreement.

ARTICLE 8 PROTECTION OF CLASSIFIED INFORMATION, DOCUMENTS AND MATERIAL

1. The Parties agree that the following security classification levels are equivalent and correspond to the security classification levels specified in the table below:

TURKISH:

COK GIZLI

GIZLI

OZEL

HIZMETE OZEL

MONTENEGRIN:

STRAGO TAJNO

TAJNO

POVJERLJIVO

INTERNO

ENGLISH:

TOP SECRET

SECRET

CONFIDENTIAL

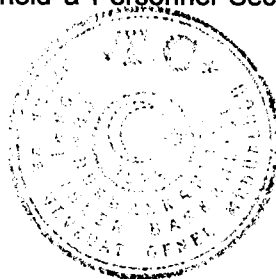
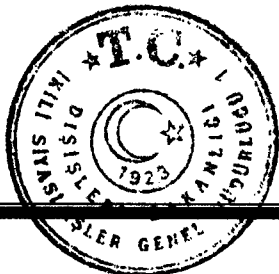
RESTRICTED

2. Both Parties commit themselves to mark the Classified information received under this Agreement in compliance with their national security classification levels with the equivalent markings displayed in the table above.

3. The Parties shall take all the necessary measures for the protection of the Classified Information generated or transferred as a result of the mutual cooperation in compliance with their national laws and this Agreement and shall also ensure at least the same protection for such information as stipulated for their own Classified Information will an equivalent level of security.

4. The Recipient Party will not transmit Classified Information to a Third Party without prior written authorization from the Originating Party.

5. Classified Information exchanged or generated within the scope of the mutual cooperation between the Parties shall only be given or disclosed to private firms or kept in the facilities of these firms that hold a Facility Security Certificate with the appropriate level issued by their Competent Security Authority, within the scope of Need-to-Know Principle. Classified Information shall only be disclosed to individuals who have been duly authorized and hold a Personnel Security Certificate with the



appropriate level issued by their Competent Security Authority, within the scope of Need-to-Know Principle.

6. The Classified Information exchanged and/or generated by mutual cooperation between the Competent Security Authorities and/or organizations in its country of the Parties shall only be used in line with the purpose of its transfer under this Agreement.

7. Commitments established in the Agreement regarding protection of classified information and prevention of its disclosure shall continue to apply even after the termination of the Agreement.

8. Level of security classification given to classified information shall only be modified by Originating Party. Such decisions shall immediately be notified in writing by the Originating Party to the Recipient Party which shall enforce them. Each Party undertakes not to change the classification level given to the Classified Information without the written consent from the Party originating the Classified Information.

9. The level of security classification to be given to the information generated in the process of the mutual cooperation of the Parties shall only be determined, modified or declassified by mutual consent. In case of disagreement on the level of security classification to be given to such information, the Parties shall adopt the higher level proposed by any of them.

10. Classified Information and Documents will be transmitted between the Parties through government-to-government diplomatic channels or through other channels agreed by the Competent Security Authorities of the Parties.

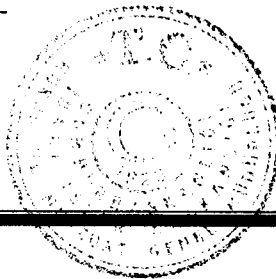
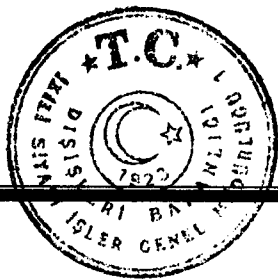
11. A project security instruction covering the measures to be taken for ensuring the security within the project shall be prepared as an annex to the contract to be signed for each project which the Classified Information is used at the "CONFIDENTIAL" and higher security classification level.

12. Transfer of Classified Information at "CONFIDENTIAL" or higher classification level shall be carried out according to the procedures and principles to be defined in the project security instruction to be prepared for each project.

13. Classified Information, Documents and Material marked up to "CONFIDENTIAL" shall be destroyed in accordance with the national laws.

14. A Party, wishing to conclude a classified contract with an organization of the other Party, or wishing to authorize one of its own organizations to conclude a classified contract in the territory of the other Party within a classified project shall obtain in advance, through its Competent Security Authority, the written confirmation from the Competent Security Authority of the other Party that the proposed organization holds a Facility Security Certificate of the relevant security classification level.

15. In case the Classified Information is breached or there is suspicion of breach or in case such information is disclosed to an unauthorized person, the Party where the breach or disclosure have occurred or may have occurred shall take all the necessary measures in accordance with its national laws and regulations and shall immediately inform the other Party of this situation as well as of the measures taken and their outcomes.



16. Visits requiring access to Classified Information or to the areas where they are being kept or processed shall only be made within the framework of international visit procedures upon receiving the prior written authorization from the Competent Security Authority of the host country provided that the visitor has a Personnel Security Certificate at the appropriate classification level and Need-to-Know Principle is applied.

17. The Facility Security Certificate and the Personnel Security Certificate granted by the Competent Security Authority of each Party shall be recognized by the Competent Security Authority of other Party within the scope of those projects of mutual cooperation, following written confirmation from the Competent Security Authority of the Party that granted those certificates.

ARTICLE 9 QUALITY ASSURANCE

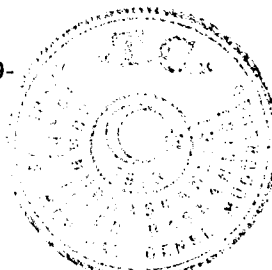
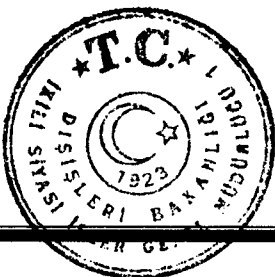
If agreed by the Parties, the cooperation on the Quality Assurance shall be established with a separate agreement to be signed between the Parties. Until the entry into force of that agreement, the procedures and general principles shall be specified in the contracts to be concluded between the relevant organizations of the Parties in accordance with their national legislations.

ARTICLE 10 REGIONAL AND INTERNATIONAL AGREEMENTS

The Agreement shall not affect any rights and obligation of other Agreement in force concluded by Montenegro or the Republic of Turkey with third Parties, as well as the rights and obligations arising from the membership of both Parties in regional and international organizations and shall not be used against the legality, interests, security and territorial integrity of other states.

ARTICLE 11 LEGAL ISSUES

1. Guest Personnel and their Dependants shall be subject to the laws and regulations in force and criminal jurisdiction of the Receiving Party during their presence in the territory of the Receiving Party including their entry, stay and departure.
2. In case Guest Personnel or their Dependants is detained or arrested, the Receiving Party shall promptly inform the Sending Party of this situation.
3. In case any of the Guest Personnel or their Dependants faces a legal investigation or trial in the Receiving Party, he or she shall be entitled to the generally accepted legal protection, which shall be no less than the one enjoyed by the nationals of the Receiving Party.
4. The activities of the Guest Personnel could be terminated by the responsible authorities defined in Article VI if they violate the law of the Receiving Party.
5. The Sending Party shall retain exclusive disciplinary jurisdiction over the Guest Personnel within the territory of the Receiving Party.



9

**ARTICLE 12
ADMINISTRATIVE ISSUES**

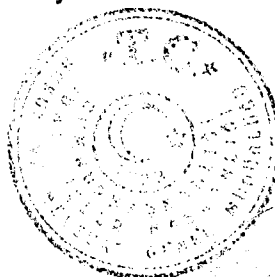
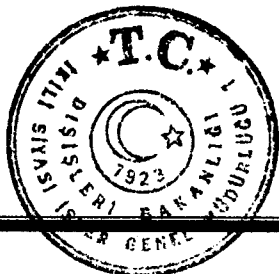
1. No mission shall be assigned to the Guest Personnel other than the ones specified in this Agreement or to be specified in the complementary and implementation agreements, memoranda of understanding, protocols and arrangements to be signed in accordance with this Agreement.
2. The Sending Party's military personnel shall wear their own uniform in their place of duty.
3. The Receiving Party shall make effort to provide the equipment required for carrying out activities defined in this Agreement, where necessary.

**ARTICLE 13
FINANCIAL MATTERS**

1. The Sending Party shall be liable for the salary, lodging, catering, transportation, per diem and other financial rights of the Guest Personnel assigned for the implementation of cooperation activities under this Agreement.
2. The Receiving Party shall decide within the framework of its legislation whether the activities are organized free of charge or at current or reduced charges.
3. The Guest Personnel shall clear their own debts and those of their Dependants when they leave the Receiving Party permanently. In case Guest Personnel have not paid those debts and/or in case of an emergency withdrawal, the debts of the Guest Personnel and those of their Dependants shall be paid by the Sending Party in Euro at the exchange rate used at the date of payment according to the invoice issued by the Receiving Party.
4. The Guest Personnel and their Dependants shall be subject to the tax laws prevailing in the Receiving Party during their entry, stay and departure.

**ARTICLE 14
OTHER ISSUES**

1. The Sending Party reserves the right to recall its personnel when deemed necessary. The Receiving Party shall adopt all the measures for the return of the personnel as soon as it receives such a request.
2. In case of the death of any Guest Personnel or any Dependant, the Receiving Party shall inform the Sending Party, transport the deceased to the nearest international airport within its territory and take appropriate health protection measures until the delivery thereof.



Handwritten signature and initials in the bottom right corner.

**ARTICLE 15
DAMAGE/LOSS AND COMPENSATION**

1. Each Party shall compensate the other Party for a damage caused to the latter's property resulting from acts of the Guest Personnel, while performing their duties.
2. The laws of the Receiving Party shall be applied to settle the claims for compensation of losses or damages caused intentionally or by negligence to the persons and the properties of the Receiving Party, Guest Personnel and their Dependants.
3. Unless resulted from willful misconduct or gross negligence, each Party shall waive all its claims against the other Party for injury or death suffered by any of its personnel while such personnel were engaged in the performance of their Official Duties.

**ARTICLE 16
PASSPORT AND CUSTOMS PROCEDURES**

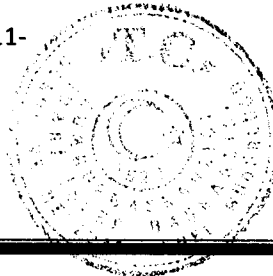
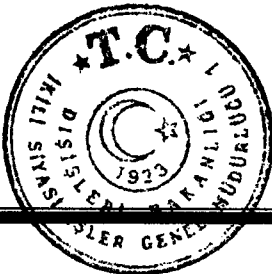
1. The Guest Personnel and their Dependants shall be subject to the rules applicable to foreigners within the territory of the Receiving Party.
2. When entering and leaving the country of the Receiving Party, the Guest Personnel and their Dependants shall be subject to the customs and passport procedures foreseen in the Receiving Party's law. However, the Receiving Party shall facilitate administrative formalities in compliance with their legislation.

**ARTICLE 17
SETTLEMENT OF DISPUTES**

1. Any dispute between the Parties arising out of the interpretation or implementation of this Agreement shall be settled by holding meetings in the Joint Commission, established by Article 6 of this Agreement without bringing the dispute to an international court, arbitration board or to a third Party for settlement. During the settlement process the Parties shall continue to fulfill their commitments.
2. In case the dispute cannot be settled in the Joint Commission within 90 days following its assessment, it shall be handled at the level of the Undersecretary for Defence Industries of the Ministry of National Defence of the Republic of Turkey and of the Director General for Multilateral and Regional Trade Cooperation and Economic Foreign Relations, Ministry of Economy of Montenegro. In that case, negotiations shall be initiated within 30 days following the notification of the issue to the relevant authorities of the Parties, and if no solution can be reached within the subsequent 45 days, each Party shall be able to terminate this Agreement in accordance with paragraph 3 of Article 19 of this Agreement.

**ARTICLE 18
AMENDMENT**

1. Either Party may propose, through diplomatic channels, amendments or revision of this Agreement if so required. Negotiations shall start within 30 days after the receipt of a written proposal. If no result



S

is reached within 90 days, each Party shall terminate this Agreement in accordance Article 19, paragraph 3 of this Agreement.

2. All amendments shall be done in writing.

3. Agreed amendments shall enter into force in accordance with the procedure set forth in Article 19 governing the entry into force of this Agreement.

ARTICLE 19 FINAL PROVISIONS

1. This Agreement shall enter into force on the date of receipt the last written notification through diplomatic channels, by which the Parties inform each other that the internal legal procedures necessary for its entry into force have been fulfilled.

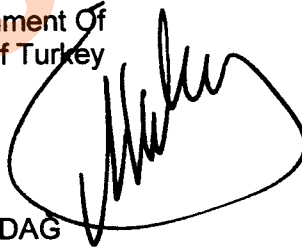
2. This Agreement shall remain inforce for a period of five years and shall be automatically extended for successive five years, unless one of the Parties notifies the other in a written form, through diplomatic channel, at least six months in advance of its decision to terminate it.

3. If any agreement cannot be reached between the Parties during the revision or amendment of this Agreement or settlement of a dispute, either Party may terminate this Agreement with a written notification through diplomatic channels. Termination of this Agreement shall take effect 90 days after the receipt of the notification.

4. The termination of this Agreement shall not affect the implementation of any ongoing project/ program/contract being implemented in accordance with this Agreement, until such program/project/contract is concluded, unless otherwise agreed by the Parties.

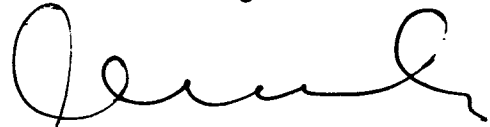
DONE IN Ankara/the Republic of Turkey on November 17th, 2017, in two originals, each in Turkish, Montenegrin and English languages, all texts being equally authentic. In case of divergence of interpretation , the English text shall prevail. In case of divergence of interpretation, the English text shall prevail.

For The Government Of
The Republic Of Turkey



Müjdat ULUDAG
International Cooperation Department Of
Undersecretariat For Defence Industries Of The
Ministry Of The National Defence Of Turkey

For The Government
Of Montenegro



Goran ŠĆEPANOVIĆ
Director General For Multilateral And
Regional Economic Cooperation Of The
Ministry Of Economy

