



Miscellaneous No. 6 (2005)

Agreement

between the Governments of the United Kingdom of Great Britain and Northern Ireland, the French Republic, the Federal Republic of Germany and the Kingdom of the Netherlands regarding Collaboration in Centrifuge Technology

Cardiff, 12 July 2005

[The Agreement is not in force]

*Presented to Parliament
by the Secretary of State for Foreign and Commonwealth Affairs
by Command of Her Majesty
October 2005*



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**AGREEMENT BETWEEN THE GOVERNMENTS OF THE UNITED
KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND, THE
FRENCH REPUBLIC, THE FEDERAL REPUBLIC OF GERMANY AND
THE KINGDOM OF THE NETHERLANDS REGARDING
COLLABORATION IN CENTRIFUGE TECHNOLOGY**

The Government of the United Kingdom of Great Britain and Northern Ireland, the Government of the French Republic, the Government of the Federal Republic of Germany and the Government of the Kingdom of the Netherlands (hereinafter referred to as “the Four Governments”);

Having regard to the Agreement between the Kingdom of the Netherlands, the Federal Republic of Germany and the United Kingdom of Great Britain and Northern Ireland (hereinafter referred to as “the Three Governments”) on Collaboration in the Development and Exploitation of the Gas Centrifuge Process for Producing Enriched Uranium, of 4 March 1970¹ (hereinafter referred to as “the Treaty of Almelo”);

Noting the intention of Areva to utilize the process developed by Urenco for producing enriched uranium for purposes other than the production of weapons grade uranium for the manufacture of nuclear weapons or other nuclear explosive devices;

Noting the joint venture established between Urenco and Areva to carry out Centrifuge Technology research and development, manufacturing of gas centrifuges and related technology and activities, named Enrichment Technology Company Ltd, including its subsidiaries and their possible legal successors (hereinafter referred to as “ETC”);

Considering that Areva wishes to replace its diffusion plant as soon as possible;

Having regard to Article IX of the Treaty of Almelo and desiring to establish an intergovernmental framework between the Three Governments and the Government of the French Republic for collaboration with respect to ETC on all gas centrifuge research and development, and the manufacture of gas centrifuges and related technologies from Urenco and Areva;

Recognizing that the enrichment of uranium is a service activity;

Noting the intention of Urenco and Areva notwithstanding the establishment of ETC to remain independent competitors in the field of enrichment services;

Considering that the Three Governments have undertaken international obligations as parties to the Treaty of Almelo concerning the use, protection and handling of

¹ Treaty Series No. 69 (1971) Cmnd 4793

information and equipment relating to Centrifuge Technology as well as source or special fissionable material processed by such technology;

Considering that the Four Governments have established policies for the protection of information on Centrifuge Technology;

Considering the adherence of the Four Governments to the Treaty on the Non-Proliferation of Nuclear Weapons of 1 July 1968¹ (hereinafter referred to as “the NPT”), to the Statute of the International Atomic Energy Agency (IAEA) of 26 October 1956,² IAEA document INFCIRC/254/Rev.6/Part1 of 16 May 2003 and revisions thereto (hereinafter referred to as “the Guidelines for Nuclear Transfers”), and to the Convention on the Physical Protection of Nuclear Material of 3 March 1980;³

Recognising that each of the Four Governments has entered into safeguards agreements with the IAEA;

Intending to ensure that all activities of ETC shall be consistent with the policies of the Four Governments in relation to the non-proliferation of nuclear weapons and their international obligations in that field;

Noting that the Four Governments are required to protect nuclear material under the terms of the Declaration of a Common Policy by the European Community, published by the IAEA as INFCIRC/322 in April 1985;

Considering that the Four Governments are party to the Treaty establishing the European Atomic Energy Community of 25 March 1957⁴ (hereinafter referred to as “the Euratom Treaty”);

Considering the objective of the Commission of the European Communities as contained in its Green Paper “Towards a European strategy for the security of energy supply” with regard to co-operation in the field of new technologies;

Have agreed as follows:

ARTICLE I

Definitions

For the purpose of this Agreement, except as otherwise specified therein,

- (a) “Centrifuge Technology” means gas centrifuge and associated technology including information, know-how, equipment and

¹ Treaty Series No. 88 (1970) Cmnd 4474

² Treaty Series No. 19 (1958) Cmnd 450

³ Treaty Series No. 61 (1995) Cm 2945

⁴ Treaty Series No. 47 (1988) Cm 3151

components capable of use in the enrichment of uranium by the gas centrifuge process and in the construction of gas centrifuge manufacturing and enrichment plants;

- (b) “Urenco” means the joint industrial enterprise established under the Treaty of Almelo, including its subsidiaries and their possible legal successors, but excluding ETC;
- (c) “Areva” means Société des Participations du Commissariat à l’Energie Atomique, including its subsidiaries and their possible legal successors, but excluding ETC;
- (d) “Troika-US-Agreement” means the Agreement between the Three Governments of the Federal Republic of Germany, the Kingdom of the Netherlands and the United Kingdom of Great Britain and Northern Ireland, and the Government of the United States of America regarding the Establishment, Construction and Operation of a Uranium Enrichment Installation in the United States of 24 July 1992¹;
- (e) “Quadripartite Committee” means the Committee referred to in Article III;
- (f) “Classified Information” means information in any form required to be protected in accordance with Article VII. It includes documents, drawings, electronic media, information or material containing classified information and such information incorporated in centrifuge plant equipment and components however communicated;
- (g) “Government” means one of the Four Governments;
- (h) “National Agency” means the agency designated by each Government in accordance with Article VIII, responsible for ensuring the implementation of a common security and classification policy under this Agreement;
- (i) “Instruments” means the legal documents establishing ETC.

ARTICLE II

Scope

(1) The Four Governments shall supervise the collaboration between Urenco and Areva in ETC in accordance with the provisions of this Agreement with regard to the use and protection of Centrifuge Technology.

¹ Treaty Series No. 133 (2000) Cm 5009

(2) The Four Governments shall not engage in, or promote or assist in any way, any programme or project of research on, or development of, Centrifuge Technology outside ETC with a view to its exploitation for commercial purposes, unless such programme or project has been offered to ETC for execution within the collaboration described in paragraph (1) of this Article and ETC has not accepted the programme or project.

(3) The Four Governments shall furthermore ensure that neither Urenco nor Areva shall engage in, or promote or assist in any way, any programme or project of research on, or development of, Centrifuge Technology outside ETC with a view to its exploitation for commercial purposes, unless such programme or project has been offered for execution by ETC within the collaboration described in paragraph (1) of this Article and ETC has not accepted the programme or project.

(4) Where a programme or project, which has been offered to ETC under paragraphs (2) and (3) and has not been accepted by ETC, is carried out, the Four Governments shall ensure that the results shall neither be used by the Government concerned, nor by Urenco or Areva, unless they have been offered for use to ETC within the collaboration described in paragraph (1) of this Article on fair and reasonable terms and conditions and that offer has also not been accepted within a period of four months.

(5) The Four Governments shall take appropriate measures to facilitate:

- (a) the execution of this Agreement relating to the activities of ETC;
- (b) the building or operation of enrichment installations pursuant to this Agreement.

The Four Governments shall not take or support any initiatives which would impede the foregoing programmes and projects.

(6) Nothing in this Agreement shall hinder the entitlement of Urenco and Areva to be supplied with centrifuges and related equipment by ETC, in such quantities as they certify is necessary for their respective uranium enrichment operations.

(7) Subject to the other provisions of this Agreement, the Four Governments shall ensure that ETC does not discriminate between customers or plants within the territories of the Four Governments in the supply of Centrifuge Technology.

(8) Nothing in this Agreement shall impede the execution of the Treaty of Almelo as between the parties thereto when operating within the framework of that Treaty. The provisions of the Treaty of Almelo shall, however, in no way impede the execution of this Agreement as far as the collaboration between Urenco and Areva in ETC is concerned as described in paragraph (1) of this Article.

(9) The Four Governments shall not take any action under this Agreement which would impede the operation of the Troika-US-Agreement.

(10) The Four Governments shall facilitate, when necessary, the transmission to ETC of any Centrifuge Technology generated in a facility using Centrifuge Technology owned by, held by, or deriving or arising from the operations of, ETC.

(11) Annexes I and II form an integral part of this Agreement.

ARTICLE III

Quadripartite Committee

(1) In order to provide for effective supervision by the Four Governments of the collaboration between Urenco and Areva described in Article II there shall be established a Quadripartite Committee.

(2) The Quadripartite Committee shall be composed of an accredited representative of each Government who may be accompanied by advisers. It shall take all its decisions by unanimous vote. Each representative shall have one vote.

(3) The Chairmanship of the Quadripartite Committee shall be held in turn by the representative of each Government for a period of one year.

(4) The Quadripartite Committee shall adopt its own rules of procedure and decide upon the administrative arrangements necessary for the execution of its responsibilities. It may establish sub-committees or working groups as needed. Each Government shall bear its own administrative expenses.

(5) The Quadripartite Committee shall:

- (a) consider questions concerning safeguards and physical protection provided for in Articles V and VI, advise the Four Governments thereon and, as appropriate, decide upon them;
- (b) consider and decide upon questions arising out of the classification arrangements and security procedures to be observed in accordance with Article VII, paragraphs (2) and (3) of Article VIII, and Annex II;
- (c) advise the Four Governments as to the conditions upon which any agreement referred to in Article X might be concluded;
- (d) consider and decide upon any proposals for:
 - (i) the transfer outside the territories of the Four Governments of any Centrifuge Technology owned by, held by, or deriving or arising from the operations of, ETC;
 - (ii) the granting of licences or sub-licences for the use outside the territories of the Four Governments of any Centrifuge Technology

referred to in sub-paragraph (i) of this paragraph, other than licences or sub-licences already granted prior to the entry into force of this Agreement;

- (e) approve any changes to the Instruments and to the control of ETC;
 - (f) approve proposals of ETC for the siting of its manufacturing installations pursuant to the collaboration described in Article II, paragraph (1);
 - (g) decide upon or recommend to the Four Governments appropriate measures to be taken if technical or economic developments occur which are likely to affect significantly the commercial exploitation of Centrifuge Technology by ETC;
 - (h) decide any question concerning the interpretation of this Agreement put before it by ETC in connection with the exercise of the functions of ETC.
- (6) The Quadripartite Committee may at any time issue to ETC directives pursuant to decisions taken by it under paragraph (5) of this Article, which directives it shall be the duty of ETC to put into effect.

ARTICLE IV

Peaceful Use

(1) The Four Governments jointly and separately undertake to ensure, in conformity with the NPT, that any Centrifuge Technology, which may be at their disposal for the purpose of, or as a result of, the collaboration described in Article II shall not be used in any way to assist, encourage or induce any non-nuclear-weapon State to manufacture or otherwise acquire nuclear weapons or other nuclear explosive devices or control over such weapons or explosive devices. For the purposes of this paragraph the expression "non-nuclear-weapon State" means any State, including any State bound by this Agreement, which has not manufactured and exploded a nuclear weapon or other nuclear explosive device prior to 1 January 1967.

(2) The Government of the French Republic shall ensure that any organisation which builds plants for the enrichment of uranium on the territory of the French Republic using or otherwise exploiting Centrifuge Technology owned by, held by, or deriving or arising from the operations of, ETC, or operates such plants, shall not produce weapons grade uranium for the manufacture of nuclear weapons or other nuclear explosive devices.

ARTICLE V

Application of International Safeguards

- (1) For the purpose of verification of compliance with the undertakings set forth in Article IV, safeguards procedures consistent with the international obligations of the Four Governments shall be applied.
- (2) Any plant for the enrichment of uranium built on the territory of the French Republic using Centrifuge Technology owned by, held by, or deriving or arising from the operations of, ETC shall be placed and remain under safeguards of the IAEA.
- (3) The Quadripartite Committee shall make whatever arrangements are necessary for the implementation of this Article.

ARTICLE VI

Physical Protection

Nuclear material used or produced as a result of the collaboration described in Article II shall be subject at all times to adequate measures of physical protection which shall satisfy, as a minimum, the levels set out in Annex C to the Guidelines for Nuclear Transfers.

ARTICLE VII

Protection of Classified Information

- (1) The Four Governments shall each take all appropriate measures in accordance with its international obligations and its national laws and regulations to protect any information owned by, held by, or deriving or arising from the operations of, ETC which is classified from the point of view of non-proliferation.
- (2) The Four Governments shall each ensure that present or future shareholders of ETC shall not, by reason of such shareholding (whether such shareholding is direct or indirect), have access to Classified Information.
- (3) The provisions of Annex II shall apply to Classified Information which has to be protected under the common classification policy.
- (4) The National Agency concerned shall promptly inform the Quadripartite Committee and the other National Agencies of all cases where Classified Information provided or generated pursuant to this Agreement has been lost or disclosed to unauthorised persons, or if there is reasonable suspicion of such unauthorised disclosure.

(5) The National Agency concerned shall investigate any case referred to in paragraph (4) of this Article and inform the Quadripartite Committee and the other National Agencies of the final results of the investigations and of the corrective action taken to prevent recurrences.

ARTICLE VIII

National Agencies

(1) Each Government shall, in accordance with its national laws and regulations, designate a National Agency to be responsible for ensuring the effective implementation in its territory of the measures of protection mentioned in Article VII.

(2) The four National Agencies shall advise the Quadripartite Committee on questions of the classification and security procedures to be observed in accordance with Article VII and shall execute its decisions thereon.

(3) The four National Agencies shall consult as necessary on any information relating to the implementation and effectiveness of the measures in Article VII and Annex II.

(4) When necessary, the National Agencies shall report jointly to the Four Governments through the Quadripartite Committee.

ARTICLE IX

Protection of Proprietary Information

(1) Each Government shall apply the provisions of Annex I concerning patents and other industrial rights to the collaboration described in Article II, paragraph (1), of this Agreement.

(2) None of the Four Governments shall, except as may otherwise be agreed, make any use of information transferred to it pursuant to this Agreement nor communicate such information to any person except for the purposes of the collaboration described in Article II, paragraph (1).

ARTICLE X

International Co-operation

The Four Governments may jointly conclude agreements for collaboration within the scope of this Agreement with European or other States, or with international organisations. Any proposal for the conclusion of such an agreement shall first be

considered by the Quadripartite Committee in accordance with Article III, paragraph (5) (c).

ARTICLE XI

Euratom Treaty

The obligations set out in this Agreement are without prejudice to the obligations of the Four Governments under the Euratom Treaty.

ARTICLE XII

Settlement of Disputes

(1) Any dispute which may arise between the Four Governments as to the interpretation or application of this Agreement, any decision of the Quadripartite Committee, or any measures or arrangements put into effect as a result of any such decision, shall be referred to the Quadripartite Committee, which shall endeavour to reach a friendly settlement of the matter.

(2) If a dispute is not thus settled, it shall, if possible, be settled by direct negotiation between the Four Governments.

(3) If a dispute is not thus settled by the Four Governments, it shall, at the request of any Government involved, and unless any other Government objects on security grounds, be submitted to arbitration by an Arbitral Commission.

(4) Such Arbitral Commission shall be constituted ad hoc as follows. If there are two Governments involved, each Government shall appoint one member. If more than two Governments are involved and one is proceeding against two or three, or two against one or two, or three against one, the Governments in the same interest shall appoint one member in common. The two members so appointed shall nominate the third member who shall be chairman. The members of the Arbitral Commission other than the chairman shall be appointed within two months, and the chairman within three months, from the date of the request for submission to arbitration.

(5) If an appointment has not been made within the period specified in paragraph (4) of this Article, any Government involved may invite the President of the European Court of Human Rights to make the necessary appointment. If the President is a national of a Government involved or if he is otherwise prevented from discharging the said function, the Vice President should make the necessary appointment. If the Vice President is a national of any Government involved or if he too is prevented from discharging the said function, the Member of the Court next in seniority who is not a national of any Government involved should make the necessary appointment.

(6) The Arbitral Commission shall, on the basis of this Agreement and of general international law, reach its decision by a majority of votes. The Arbitral Commission shall determine its own procedure. A Government not involved may intervene in the proceedings.

(7) The decision of the Arbitral Commission shall be binding upon the Governments involved in the arbitration.

(8) The decision of the Arbitral Commission is final and without appeal. In case of a dispute concerning the import or scope of such decision it shall be incumbent upon the Arbitral Commission to interpret the decision at the request of any of the Four Governments.

ARTICLE XIII

Territorial Application of the Agreement

This Agreement shall apply, in respect of the Kingdom of the Netherlands only to that part of the Kingdom situated in Europe, in respect of the United Kingdom of Great Britain and Northern Ireland only to Great Britain and Northern Ireland, and in respect of the French Republic only to that part of the Republic situated in Europe.

ARTICLE XIV

Entry into Force and Duration

(1) This Agreement shall enter into force on the first day of the first month following the date that the last of the Four Governments deposits its diplomatic note with the Government of the Kingdom of the Netherlands confirming that all its legal requirements for the entry into force of the Agreement have been fulfilled. The Government of the Kingdom of the Netherlands shall inform the other Governments of the date of entry into force. This Agreement shall remain in force for a period of 30 years. This term shall be extended automatically for additional periods of ten years unless one of the Four Governments notifies the others, not less than one year in advance of the date on which the Agreement would otherwise be automatically extended, that it intends to withdraw from the Agreement.

(2) This Agreement may at any time be terminated by the unanimous consent of the Four Governments. In this event a Protocol shall be concluded between them to regulate their rights and obligations consequentially, which shall include provisions for the disposal of assets and liabilities arising from their collaboration under this Agreement.

(3) In the event of the withdrawal from this Agreement by any of the Four Governments in accordance with the provisions of paragraph (1) of this Article, or

of the termination of this Agreement under paragraph (2) of this Article, appropriate provision shall be made for the continuation, in connection with Articles IV and V, of undertakings and safeguards and, in connection with Articles VII, VIII and Annex II, of measures for the protection of Classified Information, documents and equipment. Pending the making of such provision, the said Articles IV, V, VII, VIII and Annex II, and any arrangements made or procedures applied in fulfilment thereof, shall continue in force.

ARTICLE XV

Changes or Amendments

Any Government may at any time propose amendments to this Agreement. Any such proposals shall, if approved by the Quadripartite Committee, be submitted by it to the Four Governments for acceptance. Any amendment to be submitted shall require acceptance in writing from each Government and shall enter into force 30 days after the receipt by the Government of the Kingdom of the Netherlands of written notification and acceptance from all of the Four Governments. The Government of the Kingdom of the Netherlands shall inform the other Governments of the date of entry into force of any such amendments.

In witness whereof the undersigned, duly authorised by their respective Governments, have signed this Agreement.

Done in quadruplicate at Cardiff this 12th day of July 2005, in the English, French, German and Dutch languages, each text being equally authoritative.

For the Government of the United Kingdom of Great Britain and Northern Ireland,

BARRY GARDINER

For the Government of the French Republic,

CATHERINE COLONNA

For the Government of the Federal Republic of Germany,

GEORG WILHELM ADAMOWITSCH

For the Government of the Kingdom of the Netherlands,

L J BRINKHORST

Patents and other Industrial Rights

- (1) For the purposes of this Annex:
 - (a) “industrial rights” shall mean all industrial property rights, in particular patents, registered designs, petty patents and rights in know-how, as well as copyrights;
 - (b) “pre-existing”, in relation to industrial rights, shall mean all such rights held or controlled in the territory of any of the Four Governments at the date of entry into force of this Agreement, by any of the Four Governments, or entities owned, controlled or funded by them or by Urenco;
 - (c) “the field” shall mean gas centrifuge and associated technology capable of use in the enrichment of uranium by the gas centrifuge process and in the construction of gas centrifuge manufacturing and enrichment plants.
- (2) All industrial rights arising out of research and development programmes or projects in the field put into effect by ETC shall exclusively belong, or to the extent legally possible, be transferred to ETC. The rights of the inventor are determined by the law of the country in which the industrial right originated.
- (3) All industrial rights arising out of Governmental, Government-funded or controlled programmes or projects of research and development in the field with a view of exploitation for commercial purposes have to be offered to the extent legally possible to ETC on fair and reasonable terms and conditions for non-exclusive use.
- (4) ETC is entitled to
 - (a) grant licences in the territories of the Four Governments for the purposes of any activity in the field to be performed within the collaboration described in Article II;
 - (b) grant licences on reasonable commercial terms to enterprises in the territories of the Four Governments for purposes other than the enrichment of uranium by the gas centrifuge process.
- (5) None of the Four Governments shall attack or contest, or in any way encourage or assist any other person to attack or contest, the industrial rights of the other Governments or of ETC in the field.
- (6) The Four Governments and ETC shall handle commercially valuable information arising under this Agreement with appropriate precautions, and shall

require all persons to whom they may communicate such information to observe similar precautions.

(7) The granting of licences or sub-licences by ETC to use and exercise outside the territories of the Four Governments the industrial rights referred to in paragraphs (2), (3), (4) and (5) of this Annex or any other industrial rights in the field held or controlled by ETC shall be regulated in accordance with subparagraph 5 (d) of Article III.

ANNEX II

Security Procedures and Classification

- (1)
 - (a) The Four Governments shall apply to all Classified Information the security measures applicable to their national Classified Information of a corresponding security grading, but in no case shall the measures applied be less stringent than the principles and minimum standards mutually agreed;
 - (b) no access to Classified Information graded CONFIDENTIAL, VS-VERTRAULICH, VERTROUWELIJK or CONFIDENTIEEL and CONFIDENTIEL DEFENSE or above shall be granted unless the person concerned is authorised by the relevant National Agency to have access to Classified Information of at least the corresponding security grading taking into account the "need to know" principle;
 - (c) no access to Classified Information graded CONFIDENTIAL, VS-VERTRAULICH, VERTROUWELIJK or CONFIDENTIEEL and CONFIDENTIEL DEFENSE or above shall be granted to a non-national of one of the Four States except as may otherwise be agreed by the Quadripartite Committee.
- (2) Where necessary in order to satisfy itself as to the satisfactory and effective implementation of Articles VII and VIII, the Quadripartite Committee may at any time call for such reports from any of the National Agencies as it deems necessary.
- (3)
 - (a)
 - (i) Classified Information shall bear one of the security gradings specified in respect of the State of origin in paragraph (4) of this Annex. On receipt such Classified Information shall in addition be marked with the corresponding national security grading by the National Agency of the receiving State or under its authority. The receiving State may not lower or remove such a security grading without the consent of the State of origin;
 - (ii) the National Agency of the State of origin may require that a specific document classified TOP SECRET or ZEER GEHEIM or STRENG GEHEIM or TRES SECRET DEFENSE or

SECRET or GEHEIM or SECRET DEFENSE shall not be reproduced by a receiving State without prior permission;

(iii) documents bearing one of the classifications referred to in paragraph (3) (a) (ii) of this Annex shall be registered and handled separately and shall be mustered annually;

(b) the Quadripartite Committee shall give directions for the application as appropriate of the security gradings specified in paragraph (4) of this Annex, in accordance with a common classification policy, to information which may result from the collaboration described in Article II.

(4) The corresponding security gradings within the meaning of this Annex are:

1. In the United Kingdom of Great Britain and Northern Ireland

TOP SECRET
SECRET
CONFIDENTIAL
RESTRICTED

2. In the French Republic

TRES SECRET DEFENSE
SECRET DEFENSE
CONFIDENTIEL DEFENSE
DIFFUSION RESTREINTE (marquage de protection)

3. In the Federal Republic of Germany

STRENG GEHEIM
GEHEIM
VS-VERTRAULICH
VS-NUR FÜR DEN DIENSTGEBRAUCH

4. In the Kingdom of the Netherlands

ZEER GEHEIM
GEHEIM
VERTROUWELIJK or CONFIDENTIEEL
DIENSTGEHEIM

(5) Classified Information shall be transferred from one country to another by Diplomatic Bag or by such other secure means as may be agreed between the National Agencies of the Four Governments concerned.

(6) The following security requirements shall apply to visits to restricted areas of premises in the territories of the Four Governments:

- (a) No admission to restricted areas of premises in the territories of the Four Governments where Classified Information is held, nor access to Classified Information, shall be granted to visitors unless they are authorised to have access to Classified Information of at least the corresponding security grading in their own State, and are accredited by the National Agency of that State;
 - (b) the accreditation shall be in writing and shall be sent in advance to the National Agency of the State to be visited by mail or by such other secure means as may be agreed between the National Agencies. It shall specify the scope and duration of the accreditation and the highest security grading to which access may be had;
 - (c) the National Agency of the State to be visited shall be notified in advance of each visit, and shall be responsible for informing in good time the person or persons authorised to grant admission to the premises concerned. The notification shall indicate the subjects on which the visitor may be given access to classified matter.
- (7) (a) In cases falling within the terms of paragraphs (4) and (5) of Article VII, the investigation of whether such an occurrence constitutes an offence under the applicable laws and regulations, and the prosecution of such an offence, shall lie entirely within the competence of the State within whose territory the occurrence took place, in accordance with its domestic legislation and internal regulations; nevertheless, an opportunity shall be given to any other State to lay before the competent authorities of the State in question any information relevant in the institution of proceedings in respect of such an occurrence. The Government of the State of origin or the Quadripartite Committee, whichever is appropriate, shall be informed in due course whether such proceedings have been instituted or not and of their outcome;
- (b) Classified Information transferred under the provisions of paragraphs (4) and (5) of Article VII, and of sub-paragraph (a) of this paragraph, shall be entitled to the same degree of protection as any other Classified Information transferred subject to this Agreement.

**SIDE LETTER TO THE AGREEMENT BETWEEN THE GOVERNMENTS
OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN
IRELAND, THE FRENCH REPUBLIC, THE FEDERAL REPUBLIC OF
GERMANY AND THE KINGDOM OF THE NETHERLANDS
REGARDING COLLABORATION IN CENTRIFUGE TECHNOLOGY**

Specification regarding Article II (Scope)

(1) The Four Governments confirm that in paragraph (5) of Article II of the Agreement “the activities of ETC” include the agreements between, inter alia, Urenco and Areva, and, in particular, the Agreement for the Sale and Purchase of Shares in Enrichment Technology Company Ltd of 24 November 2003, the proposed Shareholders Agreement, the proposed Technology Transfer Agreement and the proposed Cascade Supply Agreement, which will allow Areva to participate in ETC and to replace its present uranium enrichment plant.

Specification regarding Article IV (Peaceful Use)

(2) With regard to paragraph 1 of Article IV of the Agreement, the Four Governments share the view that the obligations contained in this paragraph do not go beyond the obligations already agreed in the NPT and thus have a declaratory and not a constitutive character.

(3) Any plant for the enrichment of uranium built on the territory of the French Republic using Centrifuge Technology owned by, held by, or deriving or arising from the operations of, ETC will only produce low enriched uranium (enriched uranium containing less than 20% of the isotope uranium-235) for purposes other than the production of weapons grade uranium for the manufacture of nuclear weapons or other nuclear explosive devices.

Specifications regarding Article V (Application of International Safeguards)

(4) Any plant for the enrichment of uranium for commercial purposes built on the territory of the French Republic using Centrifuge Technology owned by, held by, or deriving or arising from the operations of, ETC will be placed and remain on the list of facilities eligible for the application of IAEA safeguards, pursuant to the agreements set out in INFCIRC/290.

(5) The Four Governments will use their best endeavours to ensure that any plant referred to in paragraph (4) of this Side Letter is placed and remains under safeguards of the IAEA equivalent to those applying to the commercial gas centrifuge enrichment facilities under the jurisdiction of the Three Governments. These safeguards will include those of the respective Additional Protocols to the Safeguards Agreements with the IAEA applicable in the four States.

Specifications regarding Annex II (Security Procedures and Classification)

- (6) a) The security measures contained in Annex II will be the minimum standards of protection required for Classified Information.
- b) The Government of the French Republic will apply to all Classified Information the security and classification principles and standards of protection agreed by the Three Governments pursuant to the Treaty of Almelo and in force in the countries of the Three Governments at the date of signing of the Agreement.
- c) The security and classification principles and standards of protection referred to in subparagraph 6 (b) may be supplemented by a classification policy or more detailed security procedures decided by the Quadripartite Committee.
- d) A classification policy and security measures to replace the provisions in subparagraph 6 (b) and to cover the protection of Classified Information will be agreed upon as soon as possible by the Quadripartite Committee after the entry into force of the Agreement.

Interpretation

- (7) Terms used in this Side Letter have the meaning assigned to them by the Agreement.

Signed at Cardiff, on 12th July 2005, in the English, French, German and Dutch languages, each text being equally authentic.

For the Government of the United Kingdom of Great Britain and Northern Ireland,

BARRY GARDINER

For the Government of the French Republic,

CATHERINE COLONNA

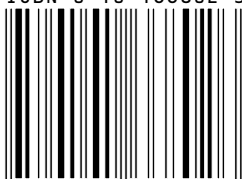
For the Government of the Federal Republic of Germany,

GEORG WILHELM ADAMOWITSCH

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