

# Outside Directors, Proxy holders, & Voting Trustees Glossary

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## A

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AE	Assessment & Evaluation
Affiliates	<p>The Ultimate Parent and each entity that directly or indirectly controls, is directly or indirectly controlled by (other than the FOCI Mitigated Company and its Controlled Entities), or is directly or indirectly under common control with the Ultimate Parent.</p> <p>The foreign interest and its controlled entities that have the ability to control or influence the election or appointment of one or more members to the company are governing board. It does not differentiate between affiliates in the United States or those in foreign countries.</p>
Affiliated Operations Plan (AOP)	Purpose is to identify company's operating under a FOCI Mitigation Agreement who plans to request Shared Services with the Affiliates.

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## B

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Best Effort	Means performance of duties, including fiduciary duties, in good faith and in a manner believed to be: (i) in the U.S. national interest; (ii) where not inconsistent with the U.S. national interest, in the best interests of the Company and the Company's shareholders in accordance with applicable state law to the extent that any such state law is not preempted by the Agreement; and (iii) with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances.
Board Resolution (BR)	Is a method that can be applied to negate or mitigate the risk of foreign ownership or control.

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## C

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Center for Development of Security Excellence (CDSE)	Provides security education, training, and certification products and services to a broad audience supporting the protection of National Security and professionalization of the DoD security enterprise.
Counterintelligence (CI)	Phase of intelligence covering activity designed to neutralize the effectiveness of adversary intelligence collection activities.
Commercial and Government Entity (CAGE) Code	It is a five (5) position code that identifies companies doing or wishing to do business with the Federal Government. The format of the code is the first and fifth position must be numeric. The second, third and fourth may be any mixture of alpha/numeric excluding alpha letters I and O. All positions are non-significant. For additional information go to: <a href="https://www.dlis.dla.mil/bin/cs/begin_search.aspx">https://www.dlis.dla.mil/bin/cs/begin_search.aspx</a> / <a href="https://www.sam.gov/portal/SAM/#1">https://www.sam.gov/portal/SAM/#1</a>

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## D

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DIB	Defense Industrial Base
Defense Security Service (DSS)	DSS is an agency of the Department of Defense (DoD) who provides security support to the Military, Defense Agencies, 27 Federal Agencies, and approximately 13,300 cleared contractors. Administers and implements the defense portion of the National Industrial Security Program (NISP). They provide oversight and assistance to cleared contractor facilities and assist the organization's management and Facility Security Officers in ensuring the protection of national security information
DoD	Department of Defense
DSS Mission	The DSS Mission is to administer the National Industrial Security Program (NISP) and oversee the protection of U.S. and foreign classified information in the hands of Industry; secure technology within the Defense Industrial Base (DIB); supports national security and the warfighter; serve as the DoD functional manager for the development and maintenance of an overarching DoD security training program; as well as provide a center of excellence for security professionalization, education, and training for the DoD.
DSS Field Counterintelligence Specialist (DSS FCIS)	Primary DSS individual responsible for providing threat briefings to the cleared facility and recipient of suspicious contact reporting.
DSS Industrial Security Representative (DSS ISR)	Primary DSS individual responsible for security matters at the cleared facility.
DSS Information System Security Professional (DSS ISSP)	Primary DSS individual responsible for supporting classified IT systems and the Electronic Communication Plan.
DSS Senior Regional Action Officer (DSS SAO)	Primary DSS individual responsible for coordinating National Industrial Security Program compliance, to include FOCI, within a region.

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## E

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Electronic Communication Plan (ECP)	The purpose is to maintain policies and procedures enabling effective oversight of communication between Company personnel and the foreign owner and/or Affiliates to prevent their exertion, influence, or control over the Company's business
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## F

Facility Security Officer (FSO)	Primary advisor to the GSC on the implementation/effectiveness of FOCI Mitigation and the Company's security program.
FAD	FOCI Analytic Division
Facility Security Officer (FCL)	Primary advisor to the GSC on the implementation/effectiveness of FOCI Mitigation and the Company's security program
Foreign Ownership, Control, or Influence (FOCI)	A U.S. company is considered under FOCI whenever a foreign interest has the power, direct or indirect, whether or not exercised, and whether or not exercisable through the ownership of the U.S. company's securities, by contractual arrangements or other means, to direct or decide matters affecting the management or operations of that company in a manner which may result in unauthorized access to classified information or may adversely affect the performance of classified contracts.
FOD	FOCI Operations Division
FOCI Operations Division Action Officer (FOD AO)	Primary DSS individual responsible for the negotiation of FOCI Mitigation Agreement (in coordination with the Office of General Counsel), determination of the effective implementation of FOCI mitigation, and determination of FOCI compliance.
FOCI Significant Individuals	<p><b>Affiliates</b> - The Ultimate Parent and each entity that directly or indirectly controls, is directly or indirectly controlled by (other than the FOCI Mitigated Company and its Controlled Entities), or is directly or indirectly under common control with the Ultimate Parent.</p> <p><b>Facility Security Officer</b> - Primary advisor to the GSC on the implementation/effectiveness of FOCI Mitigation and the Company's security program.</p> <p><b>Technology Control Officer</b> - Principle advisor to the GSC on matters related to the control of export controlled material.</p> <p><b>Senior Management Official</b> - Is the individual responsible for the day-to-day management of the Company.</p> <p><b>Inside Director(s)</b> - Board representatives of the Foreign Interest for a Special Security Agreement or Security Control Agreement.</p> <p><b>FOCI Operations Division Action Officer</b> - Primary DSS individual responsible for the negotiation of FOCI Mitigation Agreement (in coordination with the Office of General Counsel), determination of the effective implementation of FOCI mitigation, and determination of FOCI compliance.</p> <p><b>DSS Industrial Security Representative</b> - Primary DSS individual responsible for security matters at the cleared facility.</p> <p><b>DSS Senior Regional Action Officer</b> - Primary DSS individual responsible for coordinating National Industrial Security Program compliance, to include FOCI,</p>

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within a region.

**DSS Information Systems Security Professional** - Primary DSS individual responsible for supporting classified IT systems and the Electronic Communication Plan.

**DSS Field Counterintelligence Specialist** - Primary DSS individual responsible for providing threat briefings to the cleared facility and recipient of suspicious contact reporting.

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## G

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Governing Body	It is the board of directors or the managing board.
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Government Contracting Activity (GCA)	Element of an agency designated by the agency head and delegated broad authority regarding acquisition functions.
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Government Security Committee (GSC)	Is a permanent committee of the Corporation Board.
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## H

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HQ	Headquarters
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## I

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Inside Directors (IDs)	Are Directors appointed by the foreign interest without any need for concurrence by DSS.
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Industrial Policy & Program (IP)	Provides headquarters support to the field operations and cleared industry in the areas of industrial and personnel security policy, mitigation of FOCI, implementation of FOCI countermeasures, and administration on international programs.
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ISFO	Industrial Security Field Operations
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## J

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## K

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Key Management Personnel (KMP)	All entities in the ownership chain must submit the KMP listing. The KMP listing shall identify all elected and appointed positions listed in the governance documents. The KMP listing shall be certified as being accurate, current, and complete by an authorized official of the organization.
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## L

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## M

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Majority Ownership/ Control Cases	Are those in which the foreign interest has direct or indirect majority ownership, or effective control, over the cleared/in-process company.
Minority Ownership Cases	Are those in which the foreign interest does not effectively own or control the company, but has a beneficial stake of five (5) percent or more in the cleared/in-process company.

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## N

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National Interest Determination (NID)	In order for a company cleared under a Special Security Agreement (SSAs) to have access to proscribed information the GCA must make a NID that release of proscribed information to the company shall not harm the national security interests of the United States. NID applies only to SSAs.
National Industrial Security Program (NISP)	Was established to ensure that cleared U.S. defense industry safeguards the classified information in their possession while performing work on contracts, programs, bids, or research and development efforts.
National Industrial Security Program Operating Manual (NISPOM)	Prescribes the requirements, restrictions, and other safeguards that contractors follow to prevent the unauthorized disclosure of classified information released by U.S. Government agencies to contractors. It is a baseline document of national standards for contractor industrial security programs.

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## O

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Outside Directors (ODs)	This position is to help ensure that the Facility implements all needed procedures and organizational changes pertaining to the security and safeguarding of classified and export controlled information.
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## P

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Proxy Agreement (PA)	Is an agreement whereby the foreign owner relinquishes most rights associated with ownership of the company by conveying voting rights to the proxy holder, who must be cleared W.W. citizen approved by the U.S. Government.
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Proxy Holders (PHs)	The individual that ensures proper safeguarding of classified and export controlled information and effective insulation of the foreign ownership/control entity from the company.
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Proscribed Information	Is information that is Top Secret, Sensitive Compartment Information, Special Access Program Communication Security and Restricted Data
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## R

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RD	Restricted Data
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## S

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SAP	Special Access Programs
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Security Control Agreement (SCA)	Is an agreement that imposes limited industrial security measures and preserves the foreign owner's voice in the business management of the company while denying unauthorized access to classified and controlled unclassified information.
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SCI	Sensitive Compartmentalized Information
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Senior Management Official (SMO)	Is the individual responsible for the day-to-day management of the Company such as the President/CEO.
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Signatory	Is where the FOCI Agreement is signed by the KMP/GSC on behalf of the Company and all subsidiaries/branches/divisions of that Company.
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Social Contact	Is a meeting, communication, or both, between any director, officer, employee, contractor, agent or representative of the FOCI Company or its Controlled Subsidiaries and any member of the Affiliated Group outside of normal business activities such as a Holiday Party or a conference, including non-working hours.
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Special Security Agreement (SSA) Is an agreement imposing various industrial security measures denying unauthorized access to classified and controlled unclassified information while preserving the foreign owner's voice in the business management of the company.

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## T

Technology Control Officer (TCO) Principle advisor to the GSC on matters related to the control of export controlled material.

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Technology Control Plan (TCP) Are developed and implemented to reasonably preclude the possibility of inadvertent access by non-U.S. citizens to information for which they are not authorized.

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## U

Under Secretary of Defense for Intelligence Provides authority, direction, and control over Defense Security Services (DSS)

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## V

Visits Means each meeting, communication, or both, between any director, officer, employee, contractor, agent or representative of the Company or its Controlled Subsidiaries and any member of the Affiliated Group, whether official or unofficial, business or social, routine or special. A Visit includes videoconferences, and at the discretion of the GSC, a Visit may include teleconferences subject to the Company's Visitation Procedures. A Visit does not include electronic communications such as emails, faxes, and telephone calls whose content is recorded and capable of review pursuant to an ECP.

This includes meetings at any location within or outside the United States, but not limited to any facility owned or operated by the US Company or any of the Affiliates.

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Voting Trustees (VTs) The individual that ensures proper safeguarding of classified and export controlled information and effective insulation of the foreign ownership/control entity from the company.

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Voting Trust Agreement (VTA) Is similar in effect to the PA, except under a VTA the foreign owner transfers legal title in the company to the cleared U.S. citizen ("Trustees") approved by the U.S. Government.

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