



CRITERIA FOR DETERMINING FOCI

A U.S. company is considered under Foreign Ownership, Control or Influence 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 information or may affect adversely the performance of specific contracts involving COMSEC or classified information. The provided information will be considered and the fact that some of the below listed conditions may apply does not necessarily render the applicant company ineligible for access to COMSEC.

- (1) Ownership or beneficial ownership, direct or indirect, of 5 percent or more of the applicant company's voting securities by a foreign person;
- (2) Ownership or beneficial ownership, direct or indirect, of 25 percent or more of any class of the applicant company's non-voting securities by a foreign person.
- (3) Management positions, such as directors, officers, or executive personnel of the applicant company held by non U.S. citizens;
- (4) Foreign person power, direct or indirect, to control the election, appointment, or tenure of directors, officers, or executive personnel of the applicant company and the power to control other decisions or activities of the applicant company;
- (5) Contracts, agreements, understandings, or arrangements between the applicant company and a foreign person;
- (6) Details of loan arrangements between the applicant company and a foreign person if the applicant company's (the borrower) overall debt to equity ratio is 40:60 or greater; and details of any significant portion of the applicant company's financial obligations that are subject to the ability of a foreign person to demand repayment.
- (7) Total revenues or net income in excess of 5 percent from a single foreign person or in excess of 30 percent from foreign persons in the aggregate;
- (8) Ten percent or more of any class of the applicant's voting securities held in "nominee shares", in "street names", or in some other method that does not disclose the beneficial owner of equitable title.
- (9) Interlocking directors with foreign persons and any officer or management official of the applicant company who is also employed by a foreign person;
- (10) Any other factor that indicates or demonstrates a capability on the part of foreign persons to control or influence the operations or management of the applicant company; and
- (11) Ownership of 10% or more of any foreign interest.

Do any of the above items 1-11 apply? Yes No If Yes, please explain:

Supplier: _____

Signed: _____

Print Name: _____

Title: _____

Date: _____