Ultra Electronics Ocean Systems Inc. (UEOS) provides export-controlled products and services to its customers on a worldwide basis. These products and services are classified as “defense articles”, “defense services” or “technical data,” as defined in the International Traffic in Arms Regulations (ITAR) [22 CFR 120-130] and set forth in the United States Munitions List (USML), as well as other export-controlled products and services that are classified in the Export Administration Regulations (EAR) [15 CFR 730-774] and set forth in the Commerce Control List (CCL). Therefore, UEOS and its partners, representatives, teammates, vendors, suppliers, and subcontractors (hereinafter referred to as “Supplier”) are subject to the regulatory requirements of the ITAR and/or the EAR.

It is the Policy of UEOS that all contracts, agreements and purchase orders with any Supplier involving ITAR and/or EAR controlled goods, technical data/technology, or services must include flow-down clauses on export control responsibilities.

# DEFINITIONS:

**Flow-Down Clause:** A flow-down clause is a contract provision by which the parties incorporate the terms of the general contract between UEOS and the Supplier with whom the contract is being executed. It may also be referred to as a pass-through or conduit clause. In effect, it is a contractual clause that applies the rights, remedies and/or other responsibilities in a prime contract to the Supplier to ensure that the UEOS’s expectations are met.

**Export-Controlled:** Export-controlled means Defense Articles, Defense Services, Technical Data, items (including accessories, attachments, commodities, components, end items, part or system), technology, software, and information enumerated on the USML/ CCL or otherwise requiring approval from a U.S. Government entity (unless an exemption or exception is available) before it is exported, deemed exported, or re-exported, transferred, or retransferred to a foreign person in the U.S. or abroad.

1. **Foreign Person:** Means any natural [person](https://www.law.cornell.edu/definitions/index.php?width=840&height=800&iframe=true&def_id=f7e53bad9e1ee125c3c318a60350165a&term_occur=1&term_src=Title:22:Chapter:I:Subchapter:M:Part:120:120.16) who is not a lawful permanent resident as defined by [8 U.S.C. 1101(a)(20)](https://www.law.cornell.edu/uscode/text/8/1101#a_20) or who is not a protected individual as defined by [8 U.S.C. 1324b(a)(3)](https://www.law.cornell.edu/uscode/text/8/1324b#a_3). It also means any foreign corporation, business association, partnership, trust, society or any other entity or group that is not incorporated or organized to do business in the United States, as well as international organizations, foreign governments and any agency or subdivision of foreign governments (e.g., diplomatic missions).
2. **U.S. Person:** U.S. person means a [person](https://www.law.cornell.edu/definitions/index.php?width=840&height=800&iframe=true&def_id=f7e53bad9e1ee125c3c318a60350165a&term_occur=2&term_src=Title:22:Chapter:I:Subchapter:M:Part:120:120.15) who is a lawful permanent resident as defined by [8 U.S.C. 1101(a)(20)](https://www.law.cornell.edu/uscode/text/8/1101#a_20) or who is a protected individual as defined by [8 U.S.C. 1324b(a)(3)](https://www.law.cornell.edu/uscode/text/8/1324b#a_3). It also means any corporation, business association, partnership, society, trust, or any other entity, organization or group that is incorporated to do business in the United States. It also includes any governmental (federal, state or local) entity. It does not include any [foreign person](https://www.law.cornell.edu/definitions/index.php?width=840&height=800&iframe=true&def_id=92e0dba7abcc6a1243b3e932a46e7ec7&term_occur=1&term_src=Title:22:Chapter:I:Subchapter:M:Part:120:120.15) as defined in ITAR 120.16.
3. **Person:** Person means a natural person as well as a corporation, business association, partnership, society, trust, or any other entity, organization or group, including governmental entities.
4. **Defense Article (ITAR):** Means any item or technical data designated in the US Munitions List. This term includes technical data recorded or stored in any physical form, models, mockups or other items that reveal technical data directly relating to items designated in the USML. It also includes forgings, castings, or other unfinished products, such as extrusions and machined bodies, that have reached a stage in manufacturing where they are clearly identifiable by mechanical properties, material composition, geometry, or function as defense article.
5. **Equipment (ITAR):** Equipment is a combination of parts, components, accessories, attachments, firmware, or software that operate together to perform a function of, as, or for an end-item or system. Equipment may be a subset of an end-item based on the characteristics of the equipment. Equipment that meets the definition of an end-item is an end-item. Equipment that does not meet the definition of an end-item is a component, accessory, attachment, firmware, or software.
6. **Technical Data (ITAR):** Means (a): (1) Information, other than [software](https://www.law.cornell.edu/definitions/index.php?width=840&height=800&iframe=true&def_id=29629422915b7fb94e1a224540d869da&term_occur=1&term_src=Title:22:Chapter:I:Subchapter:M:Part:120:120.10) which is required for the design, development, production, manufacture, assembly, operation, repair, testing, maintenance or modification of defense articles. This includes information in the form of blueprints, drawings, photographs, plans, instructions or documentation; (2) [Classified](https://www.law.cornell.edu/definitions/index.php?width=840&height=800&iframe=true&def_id=b99582539d2244a7b2e5a42469fbae9e&term_occur=1&term_src=Title:22:Chapter:I:Subchapter:M:Part:120:120.10) information relating to [defense articles](https://www.law.cornell.edu/definitions/index.php?width=840&height=800&iframe=true&def_id=0a0d876a32581466c3e41314d1e4123d&term_occur=1&term_src=Title:22:Chapter:I:Subchapter:M:Part:120:120.10) and [defense services](https://www.law.cornell.edu/definitions/index.php?width=840&height=800&iframe=true&def_id=f743b9d34e312308d20f27ce0b2a743a&term_occur=1&term_src=Title:22:Chapter:I:Subchapter:M:Part:120:120.10) on the U.S. Munitions List and 600-series items controlled by the Commerce Control List; (3) Information covered by an invention secrecy order; or (4) [Software](https://www.law.cornell.edu/definitions/index.php?width=840&height=800&iframe=true&def_id=29629422915b7fb94e1a224540d869da&term_occur=2&term_src=Title:22:Chapter:I:Subchapter:M:Part:120:120.10) (see 120.45(f)) directly related to defense articles. The definition in (a) does not include information concerning general scientific, mathematical, or engineering principles commonly taught in schools, colleges, and universities, or information in the [public domain](https://www.law.cornell.edu/definitions/index.php?width=840&height=800&iframe=true&def_id=ded630d73cbeaf238ba008413c083a7a&term_occur=1&term_src=Title:22:Chapter:I:Subchapter:M:Part:120:120.10) as defined in 120.11 or telemetry data as defined in note 3 to Category XV(f) of part 121 of the ITAR. It also does not include basic marketing information on function or purpose or general system descriptions of defense articles.
7. **Technology (EAR):** Information necessary for the “development,” “production,” “use,” operation, installation, maintenance, repair, overhaul, or refurbishing (or other terms specified in ECCNs on the CCL that control “technology”) of an item. “Technology may be in any tangible or intangible form, such as written or verbal communications, blueprints, drawings, photographs, plans, diagrams, models, formulae, tables, engineering design files, manuals, or documentation, electronic medial or information revealed through visual inspection. Further, the modification of the design of an existing item, creates a new item and technology for the modified design is technology for the development or production of the new item.
8. **Defense Services (ITAR):** Means: (1) The furnishing of assistance (including training) to foreign persons, whether in the United States or abroad in the design, development, engineering, manufacture, production, assembly, testing, repair, maintenance, modification, operation, demilitarization, destruction, processing or use of defense articles; (2) The furnishing to [foreign persons](https://www.law.cornell.edu/definitions/index.php?width=840&height=800&iframe=true&def_id=92e0dba7abcc6a1243b3e932a46e7ec7&term_occur=1&term_src=Title:22:Chapter:I:Subchapter:M:Part:120:120.9) of any [technical data](https://www.law.cornell.edu/definitions/index.php?width=840&height=800&iframe=true&def_id=b9cae4a208a0590987ffaf637e314109&term_occur=1&term_src=Title:22:Chapter:I:Subchapter:M:Part:120:120.9) controlled under this subchapter (see 120.10), whether in the United States or abroad; or (3) Military training of foreign units and forces, regular and irregular, including formal or informal instruction of [foreign persons](https://www.law.cornell.edu/definitions/index.php?width=840&height=800&iframe=true&def_id=92e0dba7abcc6a1243b3e932a46e7ec7&term_occur=2&term_src=Title:22:Chapter:I:Subchapter:M:Part:120:120.9) in the United States or abroad or by correspondence courses, technical, educational, or information publications and media of all kinds, training aid, orientation, training exercise, and military advice.
9. **Software (ITAR):** Software includes but is not limited to the system functional design, logic flow, algorithms, application programs, operating systems, and support [software](https://www.law.cornell.edu/definitions/index.php?width=840&height=800&iframe=true&def_id=29629422915b7fb94e1a224540d869da&term_occur=3&term_src=Title:22:Chapter:I:Subchapter:M:Part:120:120.45) for design, implementation, test, operation, diagnosis and repair.