MEMORANDUM OF UNDERSTANDING

BETWEEN

THE DEPARTMENT OF ENERGY OF THE UNITED STATES OF AMERICA

AND

THE MINISTRY OF FOREIGN AFFAIRS OF THE CZECH REPUBLIC

FOR COOPERATION ON

NONPROLIFERATION ASSISTANCE

The Department of Energy of the United States of America ("DOE") and the Ministry of Foreign Affairs of the Czech Republic, hereinafter referred to as the "Participants",

SEEKING to promote the non-proliferation of nuclear weapons and other nuclear explosive devices in accordance with the Treaty on the Non-Proliferation of Nuclear Weapons of July 1, 1968; and

GUIDED by the mutual desire to cooperate with each other to assist countries around the world to detect and deter the illicit trafficking in nuclear material across international borders; and to identify, secure, remove and/or facilitate the disposition of vulnerable, high-risk nuclear and other radioactive materials, in accordance with the objectives of the Global Partnership Against the Spread of Weapons and Materials of Mass Destruction, an initiative created by the G8 at the Kananaskis Summit in June 2002 (the "Global Partnership"),

HAVE REACHED THE FOLLOWING UNDERSTANDING:

I OBJECTIVE

1.1 The objective of this Memorandum of Understanding ("Memorandum") is to facilitate cooperation between the Participants to address, in furtherance of the Global Partnership, non-proliferation, disarmament, counter-terrorism and nuclear security issues, including threats posed by vulnerable, high-risk nuclear and other radioactive materials, through specific cooperation projects.

1.2 The Participants recognize that vulnerable high-risk nuclear and other radioactive materials in countries of the former Soviet Union and in other countries around the world constitute a proliferation threat; and, in furtherance of their Global Partnership commitments and the objective of this Memorandum, the Participants intend to cooperate pursuant to this Memorandum to strengthen the capabilities of those countries to identify, secure, remove and/or facilitate the disposition of those materials, and to detect and deter nuclear smuggling across their borders.

II SCOPE

2.1 DOE, on behalf of the Government of the United States of America, is providing technical assistance, through the DOE/National Nuclear Security Administration, to:

(a) identify, secure, remove and/or facilitate the disposition of vulnerable, high-risk nuclear and other radioactive material in countries around the world (Global Threat Reduction Initiative [GTRI]);

(b) detect, deter, and interdict illicit trafficking of nuclear and other radioactive material by providing countries around the world with radiation detection and related communications equipment and training to secure their land borders, seaports, and airports as well as provide mobile detection capabilities (Second Line of Defense Program [SLD]).

2.2 The Ministry of Foreign Affairs, for the Government of the Czech Republic (the Ministry), intends to make one or more financial contributions (the "Contributions") to DOE under this Memorandum, for use by DOE in support of GTRI and/or SLD technical assistance cited in paragraph 2.1 of this Memorandum.

2.3 The Participants intend to consult periodically to identify the GTRI and/or SLD projects (the "Cooperation Projects") to which the Ministry may elect to contribute.

2.4 Cooperation under this Memorandum is limited to the Cooperation Projects, and DOE intends to use all funds contributed by the Ministry under this Memorandum exclusively for that purpose.

2.5 DOE may accept, retain, and use the Contributions for GTRI technical assistance until December 31, 2013; and for SLD technical assistance, until December 31, 2015.

III FINANCIAL ARRANGEMENTS

3.1 From time to time as the Participants identify Cooperation Projects for funding by the Ministry, the Ministry intends to pay the Contributions into DOE's account at the Federal Reserve Bank of New York, in accordance with arrangements determined by the Participants.

3.2 Subject to paragraph 2.5 of this Memorandum, in the event any portion of the Contributions is not used within five years of its receipt by DOE, DOE intends to return the unused portion of said Contributions to the Ministry.

3.3 DOE intends to keep accounts and records of the costs of the Cooperation Projects, including all expenditures or commitments and intends to comply with its relevant regulations and with generally accepted accounting principles, including those related to audits.

3.4 DOE intends to provide the Ministry monthly written updates on the Cooperation Projects, until the Contributions have been fully disbursed. In addition, DOE intends to provide the Ministry an annual summary progress report of the Cooperation Projects until the Contributions have been fully disbursed.

3.5 With reasonable notice, the DOE intends to give the Ministry or its representatives access to audits performed by DOE with regard to DOE's disbursement of the Contributions for the Cooperation Projects, for a period of three years after the Cooperation Projects are completed. The Ministry understands that DOE may remove from its audits any information that DOE may be required to withhold from disclosure under United States law.

IV SOURCE OF FUNDS

For the duration of the Cooperation Projects, DOE intends to provide to the Ministry a copy of the United States Secretary of Energy's annual report to the United States Congress's defense committees regarding international contributions to GTRI and SLD.

V POINTS OF CONTACT

For purposes of facilitating communication under this Memorandum, the Ministry hereby designates as its point of contact:

Executive Officer
UN Department
Ministry of Foreign Affairs of the Czech Republic
Loretánské nám. 5
110 00 Praha 1
Czech Republic

For the same purposes, DOE designates as its points of contact:

Executive Officer
Office of Global Threat Reduction Initiative (NA-21)
U.S. Department of Energy
1000 Independence Avenue, S.W.
Washington, D.C. 20585

and

Director
Office of the Second Line of Defense (NA-256)
U.S. Department of Energy
1000 Independence Avenue, S.W.
Washington, D.C. 20585

VI COMMENCEMENT, MODIFICATION AND DISCONTINUATION

6.1 This Memorandum is not intended to create any legally binding rights or obligations.

6.2 Cooperative activities under this Memorandum may commence upon signature by both Participants.

6.3 This Memorandum may be modified by mutual consent of the Participants in writing. Any such modification is to take effect upon signature by the Participants.

6.4 The Participants do not intend this Memorandum to continue in operation after the Cooperation Projects (as specified in Section II) are completed.

Signed at Washington, in duplicate, this 13th day of September 2011.

FOR THE DEPARTMENT OF ENERGY
OF THE UNITED STATES OF AMERICA:

FOR THE MINISTRY OF FOREIGN
AFFAIRS OF THE CZECH REPUBLIC: