

**GENERAL FLOW DOWN REQUIREMENTS  
FOR CONTRACTORS PAID WITH FEDERAL OR COST SHARE FUNDS  
UNDER DEPARTMENT OF ENERGY COOPERATIVE AGREEMENTS**

**RELATIONSHIP OF THE PARTIES:** Where necessary to make the context of the clauses set forth herein applicable, the term "Supplier" shall mean "Subcontractor," "Seller," or "Contractor"; the term "Contract" shall mean "Subcontract"; the term "Subcontract" shall mean "Lower-Tier Subcontract"; the term "Company" shall mean "Buyer"; and the term "Contracting Officer" shall mean "Buyer's Contract/Subcontract Representative".

It is intended that the referenced clauses shall apply to Seller, the legal entity which contracts with the Company, GE-HITACHI NUCLEAR ENERGY AMERICAS, LLC (GEH), under this Subcontract, in such manner as is necessary to reflect the position of Seller as a Subcontractor to the Company (GEH); Company ('Buyer') as the legal entity issuing this Sub-contract; to ensure Seller's obligations to buyer (GEH) and to the U. S. Government; and to enable buyer (GEH) to meet its obligations under its subaward with the prime recipient, TerraPower, LLC. and pursuant to Cooperative Agreement DE-NE0009054.

Order of Precedence:

1. Flow Down Requirements
2. Purchase Order
3. Main Services Agreement (MSA)

For the avoidance of doubt, to the extent of any apparent inconsistency between or among any of the contractual documents (including, but not limited to MSA, purchase order, change order, flow down requirements) the strictest of those requirements govern unless expressly stated otherwise.

**Definitions.**

When used in the Agreement, the following terms shall have the following meanings. All other capitalized terms shall have the meaning given to them elsewhere in the Agreement.

“Affiliate” means, with respect to a Person, any other Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with such first Person; provided, however, that for purposes of this definition (except to the extent this defined term is used within the definition of “Indemnified Persons” or with respect to any limitation on any obligation or liability of Affiliates in this Agreement), Company and its equityholders and other investors (whether direct or indirect) will be deemed not to be Affiliates of one another. For purposes of this definition, “control” of a Person means the power to directly or indirectly direct

or cause the direction of the management and policies of such Person whether through ownership of voting securities or other ownership interests, by contract or otherwise, including, with respect to a corporation, partnership or limited liability company, the direct or indirect ownership of more than 50% of the voting securities in such corporation or of the voting interest in a partnership or limited liability company.

“Agreement” means the documents that identify the parties’ roles and responsibilities.

“Applicable Laws” means all applicable statutes, laws, rules, codes, ordinances, regulations (including 2 CFR 200 and 910), decisions (including any obligations imposed as a result of any administrative or judicial review of the ARD FOA, the Cooperative Agreement or the Project), orders, permits, licenses (including any license issued by the Nuclear Regulatory Commission and the license conditions imposed therein, including as a result of its review under the National Environmental Policy Act) or common law of any Governmental Entity with jurisdiction over a Party, the Parties, the Project and/or performance under this Agreement, whether now in effect or imposed or revised during the Term (including any judicial or administrative interpretation) that, in any manner, affect the Agreement, one or both of the Parties, or performance under the Agreement.

“ARD FOA” means Advanced Reactor Demonstration Funding Opportunity Announcement (DE-FOA-0002271) issued on May 14, 2020.

“Background IP” means all Intellectual Property that is: (i) owned or otherwise controlled by a Party as of the Effective Date of this Agreement (which shall include, without limitation, any patents and patent applications pending as of the Effective Date); or (ii) results from activities which are independent from but concurrent with this Agreement including, without limitation, any Intellectual Property created, authored, developed, conceived or first actually reduced to practice during the Term of this Agreement, but not initially arising from the performance of work under, or otherwise in connection with, this Agreement.

“Business Day” means a day other than a Saturday, Sunday or other day on which banks in the United States State are authorized or required to close.

“Claiming Party” means any Party claiming relief in connection with a Force Majeure Event

“Claims” means all demands, claims, suits, costs, fines, penalties, proceedings, grievances, or actions of any kind or character presented or brought against any Person, and all associated Losses.

“Company” means GE-Hitachi Nuclear Energy Americas, LLC

“Cooperative Agreement” means #DE-NE0009054, dated as of May 3, 2021, with which US SFR Owner, LLC is leading development of a demonstration facility utilizing the Sodium Reactor.

“Deliverables” means the deliverable documents or items defined in any Statement of Work.

“DOE” means U.S. Department of Energy

“Effective Date” means the date when the parties obligations become binding.

“EH&S Requirements” means environmental, health and safety requirements that satisfies the requirements of this agreement and all applicable Federal, State, and Municipal regulations and requirements.

“Execution Date” means the date on which the parties execute and enter into an Agreement.

“Force Majeure Event” means an event or effect that cannot be reasonably anticipated or controlled.

“Foreground IP” means all Intellectual Property first conceived, created or developed by or on behalf of one or both Parties in connection with their work under this Agreement

“GAAP” means United States generally accepted accounting principles, consistently applied.

“GE” means General Electric Company, a New York corporation.

“GEH” means GE-Hitachi Nuclear Energy Americas LLC, a Delaware limited liability company with a place of business in Wilmington, NC

“Governmental Entity” means any federal, state, local, county, city, foreign, administrative or other governmental body, authority or entity, including any court, tribunal, arbitrator, agency, commission, legislative body, official or other instrumentality.

“Hold Point” has the meaning set forth in Section 30.

“Indemnified Persons” means the identified Party, its Affiliates, and its and their respective directors, officers, employees, representatives, agents, successors and permitted assigns.

“Indemnifying Party” has the meaning set forth in GTCs Section 19.2.

“Intellectual Property” means all intellectual property of any kind (other than trademarks), worldwide, including (a) Patents, (b) Copyrights, (c) Proprietary Information and (d) Software.

“Losses” means any loss, damage, costs (including, but not limited to, court costs, attorneys’ fees, costs of investigation, costs of defense, discovery costs, expert fees and expenses) judgments, settlements, fines, assessments, penalties, sanctions, and liability.

“Materials” means Software and Confidential Information.

“Modification” means a written amendment to this Agreement signed by an authorized representative of each Party.

“Natrium Reactor” means the Natrium sodium reactor technology for a demonstration plant identified in the ARD FOA.

“NRC” means the U.S. Nuclear Regulatory Commission.

“OFAC” means U.S. Department of the Treasury Office of Foreign Asset Control.

“Party” means Company and Subcontractor as referred to individually.

“Patents” means patented and patentable designs and inventions, design patents, utility patents, letters patent, utility models, pending patent applications, provisional applications, and all issuances, divisions, continuations, continuations-in-part, reissues, extensions, reexaminations, inter partes review proceedings, post-grant review proceedings, and renewals of such patents and applications.

“Performance Standards” has the meaning set forth in Section 36.

“Person” means any natural person, corporation, company, partnership (general or limited), limited liability company, trust or other entity (including Governmental Entities).

“Price Anderson Act” means PL 85-256, Section 170 of the Atomic Energy Act of 1954, as amended, 42 U.S.C. §§ 2210, as amended, and related provisions of Section 11 of the Atomic Energy Act.

“Prime” means US SFR Owner, LLC, a Delaware limited liability company

“Project” means the Natrium Reactor (together with all auxiliary equipment, ancillary and associated facilities and equipment, electrical transformers, interconnection and metering facilities and all other improvements and assets and rights related thereto).

“Proprietary Information” means know-how, trade secrets, and confidential or proprietary information, however documented and in whatever form, including, without limitation, technical information, product specifications, inventions, developments, data, charts, formulae, compositions, processes, methods, flow charts, designs, sketches, graphs, drawings, samples, research and development, manufacturing or distribution methods and processes, materials, training, quality procedures, customer requirements, price lists, market studies, business plans,

client and customer lists and files, historical, current and projected sales, capital spending budgets and plans, business plans, strategic plans, marketing plans, and other business and financial information.

“Prudent Industry Practices” means that degree of skill and judgment and the utilization of practices, methods, and techniques and standards that are generally expected of skilled and experienced engineering firms by a significant portion of the nuclear power industry in the United States of America in light of the facts known or ought to have been known at the time the decision was made, could reasonably have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, safety, reliability, expedition, and Applicable Laws. Prudent Industry Practice is not limited to the optimum practice, method or act to the exclusion of all others, but rather to a spectrum of reasonable and prudent practices, methods, standards and procedures.

“QA Requirements” means the applicable requirements of 10 CFR Part 50, Appendix B and interpretations specified by Company.

“Quality Assurance Program” means a program for the systematic monitoring and evaluation of the various aspects of a project, service, or facility to ensure that standards of quality are being met.

“Representatives” means, with respect to a Person, its directors, officers, members, managers, employees (full time, part time, temporary or leased), subcontractors and subrecipients (including (i) sub-subcontractors and sub-subrecipients at lower tiers, to the extent permitted hereunder, and (ii) in the case of Subrecipient, all Subcontractors and Sub-Subrecipients) and other representatives and agents of such Person and each other person listed in this definition.

“Services” means the work, services, tasks, activities (including procurements), Deliverables, supplies, manufactured components, equipment, and materials described in any applicable Statement of Work, and all related and necessary labor, supervision, tools, equipment, materials, travel, and lodging, in each case to be performed, provided or rendered by Subrecipient in accordance with the terms, conditions, timeframes, and specifications set forth in this Agreement.

“Software” means computer programs, software, including operating system and applications software, implementations of algorithms and application program interfaces, whether in source

code, object code, executable, or other form, databases, and all documentation relating to the foregoing, including user-level and programmer-level documentation and manuals relating to the foregoing.

“Statement of Work” means the scope of work and related matters agreed upon between the Parties.

“Subcontractor” means any vendor, supplier, staff augmentation contractor, subcontractor or other provider of goods or services retained by Subrecipient (including all Persons retained in such manner at lower tiers) in connection with the Services or the Project.

“Sub-Subcontractor” means any party, at any tier, having a subcontract agreement with Subcontractor or with a Sub-Subcontractor, to perform a portion of the Statement of Work.

“Subrecipient” means GE-Hitachi Nuclear Energy Americas LLC, a Delaware limited liability company with a place of business in Wilmington, NC

“Subrecipient Contributions” means Deliverables, Work Product, and/or Subrecipient Materials, and Intellectual Property in and physical embodiments of the foregoing, provided by or on behalf of Subrecipient pursuant to this Agreement.

“Subcontractor IP” means Subcontractor Background IP and Subcontractor Foreground IP.

“Subrecipient Materials” means all Materials owned by Subrecipient as of the Effective Date and all Materials developed by Subrecipient after the Effective Date that are developed by Subrecipient independently of this Agreement and not developed in the performance of Services or in the creation of Work Product under this Agreement.

“Sub-Subrecipient” means any subawardee or subrecipient of Subrecipient’s (including all subawardees and subrecipients at lower tiers).

“Term” means the period of time that begins on Effective Date and will remain in effect until the earlier of (i) completion of all Services pursuant to STCs Section 11, (ii) termination of this Agreement

“Third Party” means any Person who is neither a Party nor one of their Affiliates.

“Work Product” means all right, title and interest in and to all Deliverables, and any related documents, drawings, reports and materials, in each case, conceived, created or developed by or on behalf of Subcontractor for Company under this Agreement. Work Product does not include Subcontractor Background IP or Subcontractor Foreground IP.

TITLE 2 CODE OF FEDERAL REGULATIONS (CFR), PART 200

In accordance with OMB A-110 codified at 2 CFR 215, Appendix A, where the vendor is a Contractor as defined in 2 CFR 200.330, the following terms must contain the following provisions (as applicable) and will take precedence over the Purchaser's Standard Terms and Conditions as stated on the Purchase Order and shall prevail in the event of conflict.

By acceptance of the Purchase Order referencing these Flow Down provisions, the contractor certifies to the following requirements (if applicable). Seller is a Contractor as defined in 2 CFR 200.330. Seller shall comply with the mandatory clauses identified in 2 CFR 200, Appendix II.

Subcontractor agrees to be bound by the applicable regulations set forth at 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and the companion DOE regulations set forth at 2 CFR Part 910 in effect as of the Effective Date.

Full Text of Mandatory 2 CFR 200 Appendix II Flow Downs (Electronic Code of Federal Regulations (eCFR)):

In addition to other provisions required by the Federal agency or non-Federal entity, all contracts made by the non-Federal entity under the Federal award must contain provisions covering the following, as applicable.

- (A) Contracts for more than the simplified acquisition threshold, which is the inflation adjusted amount determined by the Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (Councils) as authorized by 41 U.S.C. 1908, must address administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as appropriate.
- (B) All contracts in excess of \$10,000 must address termination for cause and for convenience by the non-Federal entity including the manner by which it will be effected and the basis for settlement.
- (C) Equal Employment Opportunity. Except as otherwise provided under 41 CFR Part 60, all contracts that meet the definition of "federally assisted construction contract" in 41 CFR Part 60-1.3 must include the equal opportunity clause provided under 41 CFR 60-1.4(b), in accordance with Executive Order 11246, "Equal Employment Opportunity" (30 FR 12319, 12935, 3 CFR Part, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and implementing regulations at 41 CFR part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor."
- (D) Davis-Bacon Act, as amended (40 U.S.C. 3141-3148). When required by Federal program legislation, all prime construction contracts in excess of \$2,000 awarded by non-Federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 CFR Part 5, "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction"). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-Federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency. The contracts must also include a provision for compliance with the Copeland "Anti-Kickback" Act (40 U.S.C. 3145), as supplemented by Department of Labor regulations (29 CFR Part 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States"). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the

- compensation to which he or she is otherwise entitled. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency.
- (E) Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708). Where applicable, all contracts awarded by the non-Federal entity in excess of \$100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5). Under 40 U.S.C. 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.
- (F) Rights to Inventions Made Under a Contract or Agreement. If the Federal award meets the definition of “funding agreement” under 37 CFR §401.2 (a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that “funding agreement,” the recipient or subrecipient must comply with the requirements of 37 CFR Part 401, “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements,” and any implementing regulations issued by the awarding agency.
- (G) Clean Air Act (42 U.S.C. 7401-7671q.) and the Federal Water Pollution Control Act (33 U.S.C. 1251-1387), as amended—Contracts and subgrants of amounts in excess of \$150,000 must contain a provision that requires the non-Federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251-1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).
- (H) Debarment and Suspension (Executive Orders 12549 and 12689)—A contract award (see 2 CFR 180.220) must not be made to parties listed on the governmentwide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p. 235), “Debarment and Suspension.” SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.
- (I) Byrd Anti-Lobbying Amendment (31 U.S.C. 1352)—Contractors that apply or bid for an award exceeding \$100,000 must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-Federal award.
- (J) Reserved
- (K) See §200.216 Prohibition on certain telecommunications and video surveillance services or equipment.
- (L) See §200.322 Domestic preferences for procurements



Additional Provisions

**(1) ADMINISTRATIVE REQUIREMENTS (DECEMBER 2014)**

The administrative requirements for DOE grants and cooperative agreements are contained in 2 CFR Part 200 as amended by 2 CFR Part 910 [DOE Financial Assistance Regulation] (See: <http://www.eCFR.gov>). All references to 2 CFR 200, 2 CFR 910, FAR and DEAR clauses and articles incorporated by reference are, unless otherwise specified, to the version applicable as of the effective date of this Agreement.

**(2) NOTICE REGARDING ELIGIBLE/INELIGIBLE ACTIVITIES**

Eligible activities under this program include those which describe and promote the understanding of scientific and technical aspects of specific energy technologies, but not those which encourage or support political activities, such as the collection and dissemination of information related to potential, planned, or pending legislation.

**(3) SITE VISITS**

DOE's and GEH's authorized representatives have the right to make site visits at reasonable times to review project accomplishments and management control systems and to provide technical assistance, if required. The Recipient must provide, and must require subrecipients and subcontractors to provide, reasonable access to facilities, office space, resources, and assistance for the safety and convenience of the government representatives in the performance of their duties. All site visits and evaluations must be performed in a manner that does not unduly interfere with or delay the work.

**(4) FEDERAL, STATE, AND MUNICIPAL REQUIREMENTS**

The Subcontractor must obtain any required permits and comply with applicable federal, state, and municipal laws, codes, and regulations for work performed under this award.

**(5) INTELLECTUAL PROPERTY PROVISIONS**

To the extent applicable, Subcontractor shall comply with the following:

Specific intellectual property provisions may be amended as directed under any class patent waiver.

Special Protected Data Statutes. This program is covered by a special protected data statute. The provisions of the statute provide for the protection from public disclosure, for a period of up to five (5) years, technical data or commercial or financial data first produced in the performance of the award which if it had been obtained from and first produced by a non-federal party, would be a trade secret or commercial or financial information that is privileged or confidential under the meaning of 5 U.S.C. 552(b)(4), and which data is marked as being protected data by a party to the award.

**(6) NOTICE REGARDING THE PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS  
-- SENSE OF CONGRESS**

It is the sense of the Congress that, to the greatest extent practicable, all equipment and products purchased with funds made available under this award should be American-made. The purchase of foreign equipment and materials must be approved by GEH prior to purchase.

**(7) ENVIRONMENTAL, SAFETY AND HEALTH (ES&H) PERFORMANCE OF WORK AT DOE  
FACILITIES (applies if performance occurs on a DOE-owned or control site)**

With respect to the performance of any portion of the work under this award which is performed at a DOE-owned or controlled site, the recipient agrees to comply with all State and Federal ES&H regulations and with all other ES&H requirements of the operator of such site.

Prior to the performance on any work at a DOE-Owned or controlled site, the recipient shall contact the site facility manager for information on DOE and site-specific ES&H requirements.

The recipient shall apply this term to its sub-recipients and contractors.

**(8) INSURANCE COVERAGE (DECEMBER 2014)(REVISED)**

Subcontractor shall provide insurance coverages pursuant to the executed GEH Main Services Agreement (MSA).

See 2 CFR 200.310 for insurance requirements for real property and equipment acquired or improved with Federal funds.

**(9) EQUIPMENT (DECEMBER 2014)**

Subject to the conditions provided in 2 CFR 200.313, title to equipment (property) acquired under a Federal award will vest conditionally with the non-Federal entity.

The non-Federal entity cannot encumber this property and must follow the requirements of 2 CFR § 200.313 before disposing of the property.

States must use equipment acquired under a Federal award by the state in accordance with state laws and procedures.

Equipment must be used by the non-Federal entity in the program or project for which it was acquired as long as it is needed, whether or not the project or program continues to be supported by the Federal award. When no longer needed for the originally authorized purpose, the equipment may be used by programs supported by the Federal awarding agency in the priority order specified in 2 CFR § 200.313(c)(1)(i) and (ii).

Management requirements, including inventory and control systems, for equipment are provided in 2 CFR § 200.313(d).

When equipment acquired under a Federal award is no longer needed, the non-Federal entity must obtain disposition instructions from the Federal awarding agency or pass-through entity.

Disposition will be made as follows: (a) items of equipment with a current fair market value of \$5,000 or less may be retained, sold, or otherwise disposed of with no further obligation to the Federal awarding agency; (b) Non-Federal entity may retain title or sell the equipment after compensating the Federal awarding agency as described in 2 CFR § 200.313(e)(2); or (c) transfer title to the Federal awarding agency or to an eligible third Party as specified in CFR § 200.313(e)(3).

See 2 CFR § 200.313 for additional requirements pertaining to equipment acquired under a Federal award. Also see 2 CFR § 200.439 Equipment and other capital expenditures.

See 2 CFR § 910.360 for amended requirements for Equipment for For-Profit recipients.

If there is a statutory change that allows DOE to vest unconditional title to property in the non-Federal entity, without reference to the above requirements, then DOE agrees to amend this Agreement to delete the foregoing language and substitute the word "RESERVED".

**(10) USE OF REAL PROPERTY AND EQUIPMENT ACQUIRED UNDER THE AWARD**

For real property and equipment acquired in the performance of this award, the real property and equipment can continue to be used for the originally authorized purpose as long as needed for that purpose (i.e., as part of the power generation facilities of an electric utility system or in any other manner for the purpose of demonstrating the suitability for commercial application of the advanced nuclear reactor). Accordingly, at the end of the award project period, DOE will proceed with its normal award close out procedures; however, the recipient shall maintain conditional title to the property and continue to use it for its originally authorized purpose. The Recipient cannot encumber this property, without prior written approval by Contracting Officer, and must follow the requirements set forth in 2 C.F.R. § 910.360 before disposing of the property.

If there is a statutory change that allows DOE to vest unconditional title to property in the non-Federal entity, without reference to the above requirements, then DOE agrees to amend this Agreement to delete the foregoing language and substitute: "DOE agrees that all equipment and property will vest unconditionally in the recipient with retroactive effect to the date of award to the extent allowable by applicable law."

**(11) SUPPLIES (DECEMBER 2014)**

See 2 CFR § 200.314 for requirements pertaining to supplies acquired under a Federal award. See also § 200.453 Materials and supplies costs, including costs of computing devices.

**(12) PROPERTY TRUST RELATIONSHIP (DECEMBER 2014)**

Real property, equipment, and intangible property, that are acquired or improved with a Federal award must be held in trust by the non-Federal entity as trustee for the beneficiaries of the project or program under which the property was acquired or improved.

See 2 CFR § 200.316 for additional requirements pertaining to real property, equipment, and intangible property acquired or improved under a Federal award.

If there is a statutory change that allows DOE to vest unconditional title to property in the non-Federal entity, without reference to the above requirements, then DOE agrees to amend this Agreement to delete the foregoing language and substitute the word "RESERVED".

**(13) DECONTAMINATION AND/OR DECOMMISSIONING (D&D) COSTS**

Notwithstanding any other terms of this Agreement, the Government shall not be responsible for or have any obligation to the recipient for (i) Decontamination and/or Decommissioning (D&D) of any of the recipient's facilities, or (ii) any costs which may be incurred by the recipient in connection with the D&D of any of its facilities due to the performance of the work under this Agreement, whether said work was performed prior to or subsequent to the effective date of this Agreement.

**(14) FINAL INCURRED COST AUDIT (DECEMBER 2014)**

In accordance with 2 CFR § 200 as amended by 2 CFR § 910, DOE reserves the right to initiate a final incurred cost audit on this award. If the audit has not been performed or completed prior to the closeout of the award, DOE retains

the right to recover an appropriate amount after fully considering the recommendations on disallowed costs resulting from the final audit.

**(15) INDEMNITY**

Subcontractor shall indemnify Company and the Government and their respective officers, agents, or employees for any and all liability including litigation expenses and attorneys' fees, arising from suits, actions, or claims of any character for death, bodily injury, or loss of or damage to property or to the environment, resulting from the project except to the extent that such liability results from the direct fault or negligence of Government officers, agents or employees, or to the extent such liability may be covered by applicable allowable costs provisions or to the extent such liability arises from a nuclear incident or precautionary evacuation as defined by the Price Anderson Act. Parties shall inform each other as soon as practicable of any suit or action alleging an indemnifiable claim and, to the extent allowed by statute, participate in litigation and settlement.

**(16) LOBBYING RESTRICTIONS (MARCH 2012)**

By accepting funds under this award, the Recipient agree that none of the funds obligated on the award shall be expended, directly or indirectly, to influence congressional action on any legislation or appropriation matters pending before Congress, other than to communicate to Members of Congress as described in 18 U.S.C. 1913. This restriction is in addition to those prescribed elsewhere in statute and regulation.

**(17) NONDISCLOSURE AND CONFIDENTIALITY AGREEMENTS ASSURANCES (JUNE 2015)**

By entering into this agreement, the Subcontractor attests that it does not and will not require its employees or contractors to sign internal nondisclosure or confidentiality agreements or statements prohibiting or otherwise restricting its employees or contractors from lawfully reporting waste, fraud, or abuse to a designated investigative or law enforcement representative of a Federal department or agency authorized to receive such information.

The undersigned further attests that it does not and will not use any Federal funds to implement or enforce any nondisclosure and/or confidentiality policy, form, or agreement it uses unless it contains the following provisions:

- a. "These provisions are consistent with and do not supersede, conflict with, or otherwise alter the employee obligations, rights, or liabilities created by existing statute or Executive order relating to (1) classified information, (2) communications to Congress, (3) the reporting to an Inspector General of a violation of any law, rule, or regulation, or mismanagement, a gross waste of funds, an abuse of authority, or a substantial and specific danger to public health or safety, or (4) any other whistleblower protection. The definitions, requirements, obligations, rights, sanctions, and liabilities created by controlling Executive orders and statutory provisions are incorporated into this agreement and are controlling."

**(18) PROHIBITION ON PERSONALLY IDENTIFIABLE INFORMATION (PII)**

The Recipient / Contractor must not provide PII, either printed or electronic, to the U.S. Department of Energy within any deliverable, report or submittal under this agreement / contract. Personally Identifiable Information (PII) is any information maintained by the Contractor / Recipient about an individual, including but not limited to, education, financial transactions, medical history and criminal or employment history, and information that can be used to distinguish or trace an individual's identity, such as his/her name, social security number, date and place of birth, mother's maiden name, biometric data, etc., and including any other personal information that is linked or linkable to a specific individual. This requirement must be incorporated into any and all subcontracts or subagreements to the lowest tier.

**(19) CONFIDENTIAL BUSINESS INFORMATION**

The Government acknowledges that the recipient or its subcontractors may provide to DOE confidential or proprietary business, technical or financial information. DOE will manage this information consistent with the Trade Secrets Act, 18 U.S.C. §1905. DOE will also process any request for release of this information to the public consistent with the

Freedom of Information Act (FOIA), 5 U.S.C. §552 and DOE's FOIA regulations, 10 C.F.R Part 1004. DOE agrees that any confidential business, financial, and legal information provided by the recipient is not "data" within the meaning of the Rights in Data clause.

**(20) WAIVER REQUESTS: PERFORMANCE OF WORK IN THE UNITED STATES**

Pre-approval is required for all foreign purchases. Work performed (i.e., purchases and labor) under awards must be performed in the U.S., unless otherwise approved, awards proposing foreign purchase of supplies and equipment or for foreign labor performed must clearly specify what work is to be done, by which entity, where the work is to be performed, the estimated time period for the work, the estimated dollar value of the work and the rationale for doing the work outside the U.S.

(21) Intellectual Property. Subject to the rights and requirements of DOE set forth in this Flowdown Documents, the Project and the Services are as follows:

21.1 Background IP. Each Party shall own and continue to own its respective Background IP.

21.2 Ownership of Foreground IP and Work Product.

21.2.1 Company shall exclusively own all Company Foreground IP. Subcontractor agrees to assign and hereby assigns to Company, without separate consideration, all of Subcontractor's right, title and interest in and to the Company Foreground IP.

21.2.2 Company shall exclusively own all Work Product and all Intellectual Property therein.. Work Product that is copyrightable will constitute a "work made for hire" for Company under the United States Copyright Act, and any other applicable copyright law. To the extent any Work Product does not constitute a "work made for hire," Subcontractor agrees to assign and hereby irrevocably assigns to Company, without separate consideration, all right, title and interest in and to the Work Product and all Intellectual Property therein other than Subcontractor IP.

(22) Licenses.

22.1 For the Project; and Summary. To the extent that a Party has not granted a license of corresponding scope and duration with respect to its Background IP or Foreground IP to the other Party. each Party hereby grants to the other Party a nonexclusive, royalty-free, perpetual, world-wide, irrevocable, sublicensable license to use its Background IP and Foreground IP as necessary to satisfy its obligations under this Agreement for the Project.

22.2 License for Use of Work Product.

(a) If Subcontractor incorporates or embeds into any Work Product any Subcontractor IP, or any Subcontractor IP is reasonably necessary for the use, execution, reproduction, display, performance, creation of derivative works, modification, distribution, exploitation or maintenance of, any of the Work Product, then Subcontractor hereby grants to Company and its Affiliates a worldwide, nonexclusive, transferable, royalty-free, fully paid-up, irrevocable, perpetual license, with the right to sublicense, to use, execute, reproduce, display, perform, modify and

create derivative works of, maintain and distribute such Subcontractor IP in connection with Company's use, execution, reproduction, display, performance, creation of derivative works, modification, distribution, exploitation or maintenance of, any of the applicable Work Product, in each case, to the extent that Subcontractor has not already granted a license of corresponding scope and duration with respect to such Subcontractor IP to Company.

22.3 The right to sublicense granted to a Party shall be restricted to such Party retaining a Third Party to act on such Party's behalf within the scope of the corresponding license.

22.4 The rights and licenses in this Section granted to Company shall be transferable by Company, in whole or in part, to an assignee or successor in interest of Company.

22.5 Subcontractor agrees to execute without further consideration (but at Company's expense if Subcontractor or its representatives incur any expenses in such execution) any reasonable further documents and instruments that Company reasonably deems necessary, lawful or proper: (a) to secure to Company its ownership and title, and any other rights and licenses, in the Intellectual Property and Work Product and (b) in the prosecution of Company's ownership and title in such applicable Intellectual Property and Work Product or in the preparation or prosecution of any applications for patents or copyrights or other Intellectual Property, of any region or country, or that may be necessary to prosecute, protect, perfect, or maintain Company's ownership and title in such applicable Intellectual Property and Work Product. Subcontractor shall provide reasonable assistance, at Company's expense, in defending and enforcing Company's ownership and title in such applicable Intellectual Property and Work Product.

(23) DOE Rights. The foregoing rights in Foreground IP and any licenses thereto shall be subject to DOE rights in data and inventions created under the Project.

(24) Patent Waiver. Each Party agrees to support the other Party (requesting Party), at the requesting Party's expense, in: (a) providing information and assistance to enable the requesting Party to comply with all applicable DOE regulations for subject inventions related to the Project, including all reporting requirements for subject inventions; (b) preparing, filing, prosecuting and maintaining patent applications relating to the Project (which shall be done solely at the requesting Party's option and expense); (c) taking such actions as are required to secure, assign and confirm ownership of subject inventions and other Intellectual Property, including providing notice to and/or seeking any approvals and authorizations that a Party may seek to obtain from DOE in order to secure and protect its interest in Intellectual Property; and (d) taking any other actions as may be reasonably required to file, prosecute, secure, maintain, and otherwise protect a requesting Party's Intellectual Property. Subcontractor shall in its performance of the Services comply with any terms and conditions set forth in the Class Patent Waiver, and any requests made by Company in furtherance thereof, including, for the avoidance of doubt, any provisions related to the United States competitiveness clause.

(25) Subcontractor shall bind any permitted Sub-Subcontractors, Sub-Subrecipients or permitted assigns to terms and conditions regarding confidentiality and nondisclosure that are no less stringent than those set forth in this Agreement and shall ensure that Company has the right to enforce directly as a third-party beneficiary, or to require direct privity in respect of, such terms and conditions.

(26) Subcontractor shall be fully responsible to Company's Indemnified Persons for its Sub-Subcontractors and Sub-Subrecipients, and payment to its Sub-Subcontractors and Sub-Subrecipients pursuant to the terms of subcontracts and other agreements executed between Subcontractor and its Sub-Subcontractors or Sub-Subrecipients (or by any Subcontractor or Sub-Subrecipient with its lower-tier sub-subcontractors or subawardees). Subcontractor shall pay each Sub-Subcontractor and Sub-Subrecipient the amount that such Sub-Subcontractor and Sub-

Subrecipient is entitled to receive consistent with the terms of the governing subcontract or other agreement and shall reflect in records available for review hereunder (including invoices) the percentage actually retained, if any, from payments by Company to Subcontractor on account of such Subcontractor's or Sub-Subrecipient's work. Should a lien, claim, or other encumbrance be filed or threatened on any property of Company or its Affiliates arising from work under a sub-subcontract or sub-subrecipient agreement between Subcontractor and one of Subcontractor's Sub-Subcontractors or Sub-Subrecipients, Subcontractor shall promptly, fully resolve and discharge such lien, claim, or encumbrance and shall indemnify, defend, and hold the Company's Indemnified Persons harmless from and against all related Claims. Subcontractor will, through appropriate agreements with each Sub-Subcontractor and Sub-Subrecipient, require each Sub-Subcontractor and Sub-Subrecipient to make payments to their lower level subcontractors and subawardees permitted hereunder (if any) in similar manner.

**(27)** For purposes of this Agreement, the Subcontractors, sub-subcontracts, Sub-Subrecipients and subrecipient agreements referenced in this Section shall include all tiers of permitted subcontracts, sub-subcontractors and sub-subrecipients. Subcontractor is responsible to ensure its Sub-Subcontractors or Sub-Subrecipients have specific project and government contracting and compliance controls in place to meet the overall objectives under any subcontracts or sub-subrecipient agreements.

**(28)** Without relieving Subcontractor of any of its obligations under this Agreement, Subcontractor shall assign (or shall cause to be assigned, as applicable) in full, and without cost to Company, all warranties from Subcontractor's permitted Sub-Subcontractors and Sub-Subrecipients, including, without limitation, any manufacturers' warranties, that are applicable to the Services, and shall promptly deliver such assigned warranties to Company as Deliverables are submitted and other Services in respect thereof are performed

**(29) Surveillances, Audits and Inspections.**

Company reserves the right to perform audits and surveillances of Subcontractor's approved Quality Assurance Program, including suppliers, subcontractors and subrecipients of any tier, at any stage of performance subject to reasonable advance notice. Company designated representatives or agents, may access Subcontractor's and any sub-subcontractor's or subrecipient's facilities and records for surveillance, witnessing operations in progress, witnessing inspections and tests, performing inspections, reviewing records related to QA Requirements or performing audits with respect to QA Requirements during normal business hours. Upon request by Company, Subcontractor shall provide Company with any and all quality information, documents and records related to this Agreement or the performance of Subcontractor's obligations under this Agreement.

**(30) Hold Points.**

Any portion of the Services may be subject to certain mandatory hold or notification points (each, a "Hold Point"), which may require witnessing by an authorized representative of Company. Any Hold Points applicable to the Services shall be set forth in the applicable Statement of Work or otherwise agreed between the Parties in writing. Applicable Services may not proceed beyond a Hold Point without either (a) inspection or review by an authorized representative of Company, or (b) Company's express written authorization for the applicable Services to proceed. Subcontractor shall provide Company at least fourteen (14) Business Days advance written notice of each Hold Point to allow the Parties to schedule the Services related to the applicable Hold Point.

**(31) Stop Work.**

Company may, at any time, direct Subcontractor in writing to stop performing Services if in the judgment of the Company the Services (i) are not being materially performed in accordance with QA Requirements or EH&S Requirements, or (ii) have material quality control deficiencies. If such direction is given, Subcontractor and its

sub- subcontractors shall cease operations, including shipments, on any Service within the scope of the direction. Resumption of Services shall not be undertaken until Subcontractor has obtained Company's written authorization which should not be unreasonably withheld

**(32) Reporting of Defects and Noncompliance.**

This Agreement may involve the procurement of "basic components" for a nuclear facility or activity as defined by the NRC in 10 CFR Part 21. When applicable, Subcontractor shall comply with all requirements therein, including but not limited to the flow-down requirements of 10 CFR § 21.31 and all applicable notification requirements.

Subcontractor or its sub-subcontractor shall be responsible for reporting in writing to Company, as promptly as is reasonably practicable, whenever information is obtained reasonably indicating: (1) any failure to comply with the Atomic Energy Act, or any applicable regulation, order, or license of the Commission relating to a Substantial Safety Hazard (as defined in 10 CFR Part 21); (2) the existence of any defect found in the construction or manufacture of any item or facility (including on basic components supplied for such facility of activity), or (3) that the Quality Assurance Program (or any portions thereof) has undergone any significant breakdown which could have produced a defect in a basic component as defined in 10 CFR Part 21. Subcontractors or its sub-subcontractor or subrecipient shall have a procedure in place that addresses these evaluation and reporting responsibilities to the satisfaction of this scope of work requirement and the requirements of 10 CFR Part 21. In accordance with the requirements of 10 CFR Part 21, the requirements in this paragraph, including to submit any reports in writing to Company, shall be applicable before, during and after acceptance with respect to any Deliverable or Service.

**(33) Commercial Grade Dedication.**

If Subcontractor will procure basic components (as defined in 10 CFR § 21.3), then Subcontractor shall make commercially reasonable efforts to procure those basic components from manufacturers with approved 10 CFR Part 50 Appendix B, and ASME NQA-1 Quality Assurance Programs. If Subcontractor or its sub-subcontractors or subrecipients procure commercial grade items and services from non-Appendix B sub-suppliers for use in safety-related applications or procured as services in support of safety-related applications, then Subcontractor or its sub-subcontractors or subrecipients shall act as the dedicating entity (as defined in 10 CFR § 21.3), and comply with the requirements of 10 CFR § 21.21(c). Controls for commercial grade dedication shall be documented in implementing procedures consistent with NQA-1 (2015) subpart 2.14. These procedures shall include the required interfaces with Company to obtain the nuclear safety-related function and technical information necessary for the Dedicating Entity to develop for the dedication process. Procedures and plans for commercial grade dedication shall comply with Electric Power Research Institute (EPRI) NP-5652 (Guideline for the Acceptance of Commercial Grade Items in Nuclear Safety-Related Applications) Rev 1. They shall also comply with NRC expectations as stated in Information Notice IN 2011-01 and NRC Inspection Manual procedures IP-38703, "Commercial Grade Dedication", and IP-43004, "Inspection of Commercial Grade Dedication Programs".

**(34) Nonconformance and Deficiencies Reporting.**

34.1 All nonconformances to and deficiencies in respect of Services provided under this Agreement, including Codes and Standards identified in the design specifications or Company's "approved documents", with a Subcontractor-recommended disposition of "repair" or "use-as-is", and notwithstanding whether such Services have at such time been accepted pursuant to this Agreement, shall be submitted as a deviation to Company for review and approval. Company's approval shall be obtained prior to implementation of the proposed disposition. Nonconformances and deficiencies where Subcontract performs activities such as "scrap" or "rework" to bring the component into compliance with the contract requirements are not required to be submitted to Company for approval. Without regard for how detected, nonconformances and deficiencies which are not immediately addressed or corrected (i.e., during the relevant inspection/test/audit activity) by Subcontractor will be documented by the



Subcontractor if detected by Subcontractor, or if detected by Company or a third-party inspector, and reported to Subcontractor for resolution. Subcontractor shall, as soon as possible, not to extend beyond the next Business Day, physically identify the non-conforming or deficient item (e.g. marked or tagged) and when practical, segregate in accordance with Subcontractor's procedures. Subcontractor shall conduct a review, perform timely corrective action and return it for re-inspection or acceptance of Subcontractor's recommended disposition of the nonconformance or deficiency.

34.2 Subcontractor shall establish and maintain a report log for nonconformances and deficiencies. As a minimum, the log shall include Subcontractor or sub-subcontractor's or subrecipient's name and physical address, nonconformance or deficiency date, unique identification of affected item, and disposition details. A copy of the nonconformance and deficiency log shall be provided to Company.

34.3 Subcontractor shall conduct analysis of all Project nonconformances and deficiencies to identify adverse trends. Analysis shall include hardware, documentation, and procedural deficiencies. The analysis results shall be presented to Company.

**(35) Quality Assurance Records.**

35.1 Subcontractor shall ensure that sufficient Quality Assurance records are maintained to furnish evidence of the quality of items and activities within the applicable Statement of Work. All lifetime records (as defined by NQA- 1 2015, Requirement 17 (and PART III, Subpart 3.1 17.1 as a guide), or NRC Reg. Guide 1.28, Revision 5, Section 3), which are not provided to Company, shall be maintained by Subcontractor in accordance with NRC RG 1.28 requirements. All other records required under this Agreement or generated as a result of Subcontractor's Quality Assurance Program shall be retained in Subcontractor's file in accordance with the NRC RG 1.28, Revision 5, and, at the end of the retention period, Company shall be provided the option of receipt and/or Subcontractor's continued retention of the file contents. No Quality Assurance records shall be destroyed or otherwise disposed of without written permission from Company.

35.2 Subcontractor shall develop and submit a detailed list of Quality Assurance records, on a component/equipment basis, and provide that list to Company.

35.3 Subcontractor shall assemble and maintain all Quality Assurance records consistent with the programmatic and specific standards and requirements identified by Company as applicable to the Statement of Work.

**(36) Performance Standards.**

Subcontractor shall furnish and perform the Services in a timely, professional, competent and workmanlike manner, utilizing Prudent Industry Practices and in accordance with this Agreement (including without limitation any applicable QA Requirements and EH&S Requirements), all Applicable Laws, including without limitation: (i) using personnel with appropriate levels of skill, experience and qualifications, including, where required, licenses and certifications; (ii) coordinating the performance of the Services with the activities of Company, Prime, their Affiliates and other Persons (including other service-providers and contractors) in respect of the Cooperative Agreement and the Project (in each case, to the extent Subcontractor has knowledge thereof); (iii) maintaining compliance with the material rules, regulations and policies of Company and Prime (to the extent (x)(1) such rules, regulations and policies are identified in a Statement of Work as being applicable or (2) Company has provided notice to Subcontractor of the applicability of such rules, regulations and policies reasonably in advance of the time for compliance therewith, and (y) a copy of such rules, regulations and policies, including copies of any changes thereto (as

and when applicable), has been provided to Subcontractor reasonably in advance of the time for compliance therewith); and (iv) performing to the reasonable satisfaction of Company.

**36.1 Specific Materials or Accessories.** To the extent any applicable Statement of Work requires any specific materials or accessories, Subcontractor shall not substitute such specific materials or accessories without the advance written consent of Company.

**36.2 Statements of Work.** The Parties may from time to time enter into one or more Statements of Work by agreeing in writing to do so, and the completion or termination of any Services in respect of any individual Statement of Work, including any termination in part of this Agreement (as applicable), shall not result in the completion or termination of any Services in respect of any other individual Statement of Work or any other part of this Agreement (except as expressly set forth herein); provided, the Parties acknowledge and agree that they shall use commercially reasonable efforts to ensure that the duration of any Statement of Work is contained within a single budget period,

**(37)** Title to any property (real, personal, or intangible), unless Company otherwise directs (including as explicitly agreed in an applicable Statement of Work), that is acquired by Subcontractor for the performance of its Services and for which it receives compensation (as a direct cost, rather than properly included in any indirect cost), shall transfer to Company free and clear of any liens upon the earlier of (x) payment for such property or (y) delivery of such property to Company. Notwithstanding the passage of title to such property, Subcontractor shall bear the risk of loss with respect to such property until delivery of such property to Company. With respect to such property, Subcontractor shall make, retain, and provide, upon request, to Company all property records as described in 2 CFR 200 (including 2 CFR 200.313) and shall ensure that any Subcontractor use of such property is consistent with the requirements of paragraphs 28 through 32 of Exhibit D and any specific directions of DOE that are shared by Company with Subcontractor.

**(38)** Company shall have the right from time to time, upon written notice to Subcontractor, to make changes to the scope or contents of this Agreement (including any applicable Statement of Work), including but not limited to changes to: (i) the drawings, designs, specifications, and/or technical attachments; (ii) schedule; (iii) additions to or deletions from quantities ordered; (iv) the method of delivery, shipment or packing of goods; or (v) the dates or delivery destinations specified in any Statement of Work.

**(39)** Notwithstanding any other terms of this Agreement, Company shall not be responsible for or have any obligation to Subcontractor for (a) the decontamination and/or decommissioning of any of Subcontractor's facilities or (b) any costs that may be incurred by Subcontractor in connections with such decontamination and/or decommissioning regardless of when such decontamination and/or decommissioning is performed.

**(40) Recordkeeping and Audits.**

**40.1** Subcontractor agrees to maintain, and to cause its Sub-Subcontractors and Sub-Subrecipients to maintain, documentation and records in accordance with 2 CFR 200.334; provided, that with respect to Sub-Subcontractors only, if the applicable subcontract has an aggregate consideration less than ten thousand dollars (\$10,000), then Subcontractor's obligations in this sentence with respect to such subcontract shall be satisfied if Subcontractor maintains invoices in accordance with 2 CFR 200.334. If Company establishes uniform codes of accounts for the Project, Subcontractor shall link, and shall cause to be linked, such codes to existing task and project codes identified in the applicable Statement of Work in identifying such records and accounts.

**40.2** Upon reasonable request, Subcontractor will allow Company Representatives (including Company's accounting firms) and/or Governmental Entity auditing agencies and personnel, during normal business hours, to inquire into and/or examine and make copies of (and in the case of Governmental Entity auditing agencies and personnel, to audit) documentation and records of Subcontractor (and, as applicable to the Project, its Affiliates and Representatives)

relating to compliance or non-compliance with Applicable Laws. Subcontractor shall maintain, and shall cause to be maintained by its Affiliates and Representatives (as applicable to the Project), books and records in accordance with GAAP (it being understood that only Governmental Entity auditing agencies and personnel shall have the right to undertake any formal audits) concerning the performance of and payment for the Services. Throughout the Term, and as required by 2 CFR 200.334, Subcontractor must maintain and permit Company Representatives (including Company's accounting firms), during normal business hours, to inquire into, examine, and receive corresponding documentation in respect of books and records of Subcontractor (and, if applicable to the Project, its Affiliates and Representatives) relating to invoices and payments under the Agreement and compliance with the Agreement. Any such inquiry and examination shall not be conducted in a manner to impede unreasonably Subcontractor's Services or business. If the requested records are maintained in electronic format, Subcontractor will provide its accounting and compliance records to (as applicable) Company Representatives and auditors in suitable electronic data format. Notwithstanding anything to the contrary in this Section, Company Representatives shall not be provided any access to materials to the extent including Subcontractor Proprietary Rates Information, any periodically compiled financial results or financial projections of Subcontractor (or of its Affiliates or Representatives) or (except to the extent reasonably necessary in connection with performance of the Services) any personally identifying information with respect to individual employees or other representatives of Subcontractor; provided, that this sentence shall not limit any access rights of (i) Company Representatives, including (subject to customary confidentiality obligations) accounting firms, to invoices, payment records and other Project-specific documentation and information which may contain information related to obligations, payments, estimates, budgets and accounts or (ii) any Governmental Entity auditing agencies and personnel; provided, further, that to the extent this Section does not provide a Company Representative with the right to inquire into, examine or copy any specific piece of information that is stored with other information with respect to which such Company Representative has such right, Subcontractor shall redact solely to the extent necessary for such Company Representative to exercise its rights hereunder.

**40.3** Each Party agrees to cooperate fully with any investigation or audit by or before any Governmental Entity, and Subcontractor agrees to cooperate fully, upon request made in writing by Company, with Company, Prime and their representatives in connection with any investigation or audit by or before any Governmental Entity and related to the Project or the Cooperative Agreement. Subcontractor shall make available personnel to respond to questions arising from said audits by the relevant Governmental Entity, Company, Prime or their representatives.

**(41) Safety; Quality Assurance; and Environmental Health & Safety.**

**41.1** Subcontractor is responsible for the safe performance of the Services under this Agreement. This responsibility extends to the safety of the Parties' Representatives and the safety of the public affected by the performance of the Services. These responsibilities include environmental, health and safety requirements ("EH&S Requirements") as well as quality assurance requirements.

**41.2** Subcontractor is hereby notified that the delivery of suspect or counterfeit goods as part of the Services is of special concern to Company. If any Services specified in this Agreement are described using a part or model number, a product description, and/or an industry standard, Subcontractor shall assure the Services supplied meet all requirements of the latest version of the applicable manufacturer data sheet, product description, and/or industry standard unless otherwise specified in the applicable Statement of Work. If Subcontractor is not the manufacturer, Subcontractor shall assure that such Services supplied shall be: (a) made by the original manufacturer; and (b) meet the applicable manufacturer data sheet, product description or industry standard. Should Subcontractor desire to supply alternate Services that may not meet these requirements, Subcontractor shall notify Company of any such exceptions and receive Company's written approval prior to delivering the Services to Company. If Subcontractor does not receive Company's written approval then, it will be considered a material breach of the Agreement and any limitations on damages or liability shall not apply to Subcontractor with respect to Claims arising from such breach.

**(42) Insurance.**

Subcontractor shall provide insurance coverages pursuant to the executed GEH Main Services Agreement (MSA). All insurance coverage required by federal, state, or local law, including statutory workers' compensation insurance in the minimum statutory amount. With respect to workers' compensation insurance: (i) Subcontractor specifically and expressly waives any immunity that it may be granted under the Washington State Industrial Insurance Act, Title 51 RCW (or similar Applicable Law in any other relevant jurisdiction), and (ii) the indemnification obligation

under this Agreement shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable to or for any third party.

#### **42.1 Waiver of Right to Recovery including Subrogation**

To the extent of Subcontractor's indemnification obligations, Subcontractor hereby waives all its rights of recovery, under subrogation or otherwise, against Company and Terra Power LLC, their officers, agents and employees, and all tiers of contractors, vendors and suppliers engaged directly by Company with respect to the Project, to the extent covered by insurance required to be provided by Subcontractor and its Sub-Subcontractors and Sub-Subrecipients of whatever tier further waives all rights of recovery which are not covered by insurance because of deductible or self insurance obligations relating to such insurance. Subcontractor will require all tiers of its Sub-Subcontractors, Sub-Subrecipients, vendors and suppliers, by appropriate written agreements, to provide similar waivers each in favor of all parties enumerated in this paragraph. Subcontractor will require all insurance policies in any way related to the Services secured and maintained by the Subcontractor to include clauses stating each insurer will waive all rights of recovery consistent with this paragraph.

#### **42.2 Additional Insurance Requirements**

Company and Terra Power LLC shall be named as additional insured under the policies of insurance set forth in the executed MSA.

#### **(43) Force Majeure Events.**

**43.1** The Parties acknowledge and agree that the rights of Prime in respect of excusable events are set forth in the Cooperative Agreement (as reflected in paragraph 95 of Exhibit D) and control as to the applicability of any relief between the Parties in respect of any Force Majeure Event pursuant to this Agreement. In furtherance of the foregoing, and notwithstanding anything to the contrary in this Section, neither Party shall be entitled to excuse or relief in respect of a Force Majeure Event arising out of or in connection with any facts, events or circumstances, except to the extent Prime is entitled to relief in respect of such facts, events or circumstances pursuant to the Cooperative Agreement.

**43.2** Except in the case of defaults of subcontractors (of any tier) of Subcontractor, neither Party will be deemed to be in default of any provision of this Agreement for a prevention of or delay in performance to the extent such prevention or delay arises from a cause beyond its control and without its fault or negligence (such occurrence, a "**Force Majeure Event**"). Examples of Force Majeure Events are: (1) acts of God or of the public enemy, (2) acts of the U.S. Government in either its sovereign or contractual capacity, (3) fires, (4) floods, (5) epidemics or pandemics, (6) quarantine restrictions, (7) strikes, (8) freight embargoes, and (9) unusually severe weather. In each instance, the failure to perform must be beyond the control and without the fault or negligence of the affected Party. For purposes of this Section, "default" includes failure to make progress in the work so as to endanger performance. If Subcontractor's failure to perform is caused by the failure of a sub-subcontractor of any tier to perform or make progress, and if the cause of the failure was beyond the control of both Subcontractor and the sub-subcontractor, and without the fault or negligence of either, Subcontractor shall not be deemed to be in default, unless the subcontracted supplies or services were obtainable from other sources at reasonable price and terms, Company directed Subcontractor in writing to purchase these supplies or services from the other source, Company agreed to compensate Subcontractor for any additional costs, and Subcontractor failed to comply reasonably with Company's direction.

**43.3** Any Party claiming relief in connection with a Force Majeure Event (the "**Claiming Party**") shall notify the other Party as soon as practicable under the circumstances, and in detail, of the commencement and nature of such Force Majeure Event and the probable consequences thereof, including the obligations or performance which are prevented or delayed by reason thereof. The burden of proof regarding the existence of a Force Majeure Event shall rest with the Claiming Party. Any obligations suspended during the pendency of a Force Majeure Event shall be suspended only to the extent and for the duration of such Force Majeure Event.

**43.4** From and after the occurrence of a Force Majeure Event, the Claiming Party shall use its commercially reasonable efforts to minimize disruption and delay, render performance in a timely manner and otherwise remedy the cause of such Force Majeure Event in the shortest practicable time. If any failure to perform results from a Force Majeure Event (subject to the

Claiming Party's compliance with this Section), the Claiming Party's time for performance shall be revised to the extent affected.

**(44) Anticipated Change in Law.**

**44.1** Each Party shall reasonably promptly notify the other Party of any reasonably identifiable anticipated change in any Applicable Law that such Party reasonably expects will affect the Services, the Project or the performance of any other obligations hereunder, and the Parties together shall determine the appropriate course of action, if any, to implement with respect to the potentially affected Services, Project or performance in light of the anticipated change in an effort to mitigate cost increases or schedule delays. Any such mitigation plan shall become effective when set forth in a Modification.

**(45) Indemnity.**

**45.1** Except to the extent arising from a nuclear incident or precautionary evacuation as defined by the Price Anderson Act, and subject to the limitations set forth in GTCs Section 34.0:

**45.1.1** Except with respect to Claims of the U.S. Government, each Party will indemnify, defend (if requested by the other Party), and hold harmless the other Party and its Indemnified Persons from and against any and all third party Claims (including, but not limited to, Claims for death, bodily injury, or loss of or damage to property or to the environment) to the extent the Claim arises from (a) the Party's operations on the other Party's premises; (b) (in the case of Subrecipient) any failure by Subrecipient to comply with the Performance Standards in performance of the Services; (c) the negligent acts or omissions or willful misconduct of the Party or its employees, agents and/or contractors; or (d) any breach (or claim which, if proven, would be a breach) of any warranty, representation, covenant or agreement made by the Party under this Agreement.

**45.1.4** Subrecipient's IP Indemnification.

**45.1.4.1** To the fullest extent permitted under Applicable Laws, Subrecipient shall defend (if required by the other Party or the Indemnified Person), indemnify, and hold Company's Indemnified Persons harmless from and against any third party Claims to the extent that any Subrecipient Contributions provided by or on behalf of Subrecipient pursuant hereto or the permitted uses thereof contemplated herein, infringes or misappropriates any Intellectual Property of a third party.

**45.1.4.4** If, in any such claim based on a Deliverable or Work Product, the Project, Sodium Reactor, or any part, combination or process thereof, is held to constitute an infringement or misappropriation and its use is enjoined, then Subrecipient, at Subrecipient's sole cost and expense as a non-reimbursable cost, shall either promptly (a) secure for Company a perpetual, irrevocable, royalty-free, nonexclusive, sublicensable license, at no cost to Company, authorizing continued use of the infringing Deliverable or Work Product without impairing the performance or operating cost of the Project or Sodium Reactor, or (b) either replace the affected Deliverable or Work Product or portion, combination or process thereof with a non-infringing substitute, without impairing the performance or operating cost of the Project or Sodium Reactor, or components or parts of the foregoing, or modify the same so that they become non-infringing; provided, however, in connection with any such replacement or modification, Subrecipient shall be responsible for any work necessary to access the items to be replaced or modified, and any work necessary to recover, finish or otherwise cover and return to full operating status the items to be replaced or modified and removing the items to be replaced or modified, or reinstalling the items so replaced or modified, in each case as and to the extent necessary, to fully complete the replacement or modification of such item into the Project or Sodium Reactor. Additionally, if such Claim for infringement or misappropriation threatens to affect the operation of the Project or Sodium Reactor or any portion thereof in the reasonable judgment of Company, Subrecipient shall promptly undertake the obligations set forth in the previous sentence.

**(46) Duty to Cooperate in Claims Investigation.**

Each Party will fully cooperate with the other Party in any investigation of any Claims or potential Claims made against any Indemnified Persons of the Parties. Upon becoming aware of any such investigation, the Party first receiving notice of the investigation will provide prompt notice to the other Party, and the Parties will cooperate with each other with regard to the investigation. Such cooperation will include (without limitation) making employees available for interviews and depositions, providing requested documentation and otherwise being responsive to requests for information concerning the Claim or potential Claim. This obligation to cooperate will survive the completion, expiration, cancellation or termination of this Agreement. This obligation will exist regardless of whether any indemnification obligations have been or will be triggered by the circumstances on which the Claim is based and regardless of whether either Party is named as a party in any lawsuit, arbitration or other action that arises out of the Claim.

**(47)** Each Party will not make or authorize any direct or indirect contribution whatsoever to any federal, state, or local political candidate, public official, office holder, political party, committee or agency thereof on behalf of the other Party. Each Party will further make no direct or indirect contribution of any kind or nature to any person who may be considered a candidate for a state public service commission office, or to any member of the state public service commission, or to any state public service commission employee, on behalf of any officer or employee of the other Party. Each Party hereby represents and warrants as follows at all times during the Term: (a) neither it, nor any of its beneficial owners, is a Specially Designated National (SDN) as defined by U.S. Department of the Treasury Office of Foreign Asset Control (“OFAC”); (b) neither it nor its personnel (including its contractors, officers, directors and principal owners) are currently included in any published lists maintained by the U.S. government of persons and entities whose export or import privileges have been denied or restricted; (c) neither it, nor any of its beneficial owners, is a citizen of a country subject to an OFAC Country Sanction; and (d) it, and all of its beneficial owners, are in material compliance with any and all laws and regulations relating to the prevention of money laundering and the financing of terrorism to which they are expressly subject. Each Party agrees that it will not intentionally offer, promise or give any undue pecuniary or other advantage, whether directly or through intermediaries, in connection with this Agreement and the transactions contemplated hereby to a Foreign Public Official, for that Official or for a third party, in order that the Official act or refrain from acting in relation to the performance of official duties, in order to obtain or retain business or other improper advantage for work related to this Agreement. Each Party warrants and represents that, before the execution of this Agreement, neither it nor its Affiliates took any action with respect to any work related to this Agreement that would have violated this Section had this Agreement been signed at that time. As used herein, the term “Foreign Public Official” and “Official” will mean any person holding a legislative, administrative or judicial office of a country, whether appointed or elected; any person exercising a public function for a country, including a public agency or a public enterprise; any official or agent of a public international organization; any political party, official of a political party or candidate for political office. As used in this this Section, the term “country” will include all levels and subdivisions of a government from national to local.

**(48) Drawings and Specifications.**

All drawings and specifications provided by a Party to the other Party shall comply with Applicable Laws. If either Party discovers any discrepancy or conflict between such drawings and specifications and any Applicable Laws, said Party shall report the problem in writing to the other Party’s applicable contract administrator.

**(49) Additional Markings.**

Subcontractor will comply with markings requirements as may be requested by Company from time to time in connection with its Deliverables and Work Product provided to Company.

**(50) Publicity.**

Subcontractor shall submit to Company prior to use all advertising, sales promotion, papers, presentations, or other publicity matter relating to this Agreement wherein Company’s name or logo or the name or logo any of its Affiliates or the Project is mentioned, and Subcontractor shall not use or publish such advertising, sales promotion, paper, presentation, or publicity matter without the prior written consent of Company. Prior approved materials may be used in substantially consistent further uses without further written consent. Company may not use Subcontractor’s name or logo or the name or logo of any of its Affiliates for use in any advertising, sales, promotion, papers, presentations, or other publicity matter relating to this Agreement or the Project without the prior written consent of Subcontractor.

**(51) Representations and Warranties; Related Matters.**

**51.1** Each Party represents and warrants to the other Party as of the Effective Date that:

(i) it is a corporation or other business entity duly organized, validly existing and in good standing under the laws of the state of its incorporation or formation, (ii) it has all requisite power and authority to enter into and perform its obligations under this Agreement, and when executed and delivered, this Agreement shall constitute its legal, valid and binding obligations, and (iii) there are no actions, suits or proceedings pending, or to the best of its knowledge threatened, which may have a material adverse effect on its ability to fulfil its obligations under this Agreement or on its operations, business, properties, assets or condition.

**51.2** Subcontractor warrants and represents to Company as of the Effective Date that

(i) neither it, nor any other Representative of Subcontractor is precluded from performing its Services by any employment agreement or otherwise and (ii) its performance of its obligations and agreements hereunder shall not conflict with, violate or breach any other obligations or agreements to any other Person (including to any Governmental Entity).

**51.3** In accordance with 2 CFR 200.214, Subcontractor represents and warrants to

Company as of the Effective Date and at all times during the Term that Subcontract, its Affiliates, and its and their respective agents, vendors, consultants or other Representatives, who are in any such case performing, or designated to perform, Services hereunder, (i) have not, at the time of such performance of Services or designation to so perform, been excluded, debarred, declared ineligible or suspended from (or proposed for debarment or suspension from) participation in, or are not at such time otherwise ineligible to participate in, any Federal program, any transaction with any Federal department or agency or any Federal procurement or non-procurement programs and (ii) are not knowingly the subject of any pending action, suit, claim, investigation or proceeding that could result in the foregoing. Subcontractor agrees to promptly inform Company in writing of any debarment, exclusion, suspension, conviction, ineligibility or other event addressed by the above with respect to Subcontractor, its Affiliates, and their respective agents, vendors, consultants or other Representatives. Should any of Subcontractor's Affiliates, agents, vendors, consultants or other Representatives become subject to any of the foregoing, upon receipt by Subcontractor of notification thereof, the affected entity or individual shall immediately become ineligible to perform the Services contemplated by this Agreement. Should Subcontractor or any of its affiliates, agents, vendors, consultants or other Representatives become subject to any of the foregoing, upon receipt by Subcontractor of notification thereof, Company shall have the right to immediately terminate this Agreement (in whole or in part).

**51.4** Subcontractor represents and warrants to Company as of the Effective Date and at

all times during the Term that (x) Subcontractor's System for Award Management (SAM) registration (<https://uscontractorregistration.com/>) is current (it being understood that Subcontractor's prior and any future experience of an immaterial, temporary lapse in such registration following the Effective Date, which prior lapse was cured prior to the Execution Date, shall not be an inaccuracy or breach of this representation and warranty) and (y) Subcontract is in compliance in all respects with all representation and certification matters incorporated in this Agreement, including without limitation paragraph 45 of Exhibit D. Subcontractor shall notify Company in writing within thirty (30) days of any material changes affecting the representations and certifications described in the foregoing sentence and agrees to provide such additional representations and certifications as Company may reasonably request from time to time as may be required in connection with this Agreement.

**51.5** Subcontractor represents and warrants to Company as of the Effective Date and at all times during the Term that:

**51.5.1** it has not received notice from any Third Party alleging that the use of its technology, services, products, Intellectual Property or components thereof as contemplated to be used in the performance of this Agreement infringes or misappropriates any Intellectual Property of any third party;

**51.5.2** it has enforceable written agreements with all of its employees (and shall cause any contractors that are working for it on a contractor basis, as applicable) who receive confidential information and/or perform activities under this Agreement assigning ownership of all Intellectual Property rights created in the course of their employment to Subcontractor; and

**51.5.3** the use and commercialization of its technology, services, products, Intellectual Property and components thereof as contemplated to be used and commercialized in the performance of this Agreement does not infringe or misappropriate any Intellectual Property right of any third party.

**(52) Limitations.**

**52.1** Except to the extent that amounts claimed pursuant to the indemnity, confidentiality

or intellectual property obligations described in this Agreement may be construed to cover such damage, NEITHER PARTY WILL BE ENTITLED TO RECOVER CONSEQUENTIAL, SPECIAL, INDIRECT, TREBLE, EXEMPLARY, PUNITIVE, OR LOSS OF OPPORTUNITY OR USE DAMAGES, INCLUDING WITHOUT LIMITATION LOST REVENUES OR PROFITS, FROM THE OTHER PARTY.

**(53) Site Access Provisions and Behavioral Standards.**

**53.1** If either Party or any of its Representatives access any property, premises, facility, system or network of the other Party or any of its Affiliates in their performance under this Agreement or in respect of the Cooperative Agreement, that Party shall comply, and ensure that all its Representatives comply, with all access, safety, security, traffic, delivery, behavioral, drug/alcohol/background and acceptable use rules, policies, procedures, requirements, standards, signage, and protocols applicable to such property, premises, facility, system or network.

**53.2** Representatives of Subcontractor and Company shall conduct their activities pursuant to this Agreement and the Services in accordance with applicable ethical standards. Representatives must not, at any time, exhibit the following behaviors: (A) harassment or discrimination of any kind or character, including but not limited to conduct or language derogatory to any individual on the basis of race, gender, color, religion, age, national origin, disability, veteran status or sexual orientation that creates an intimidating, hostile, or offensive working environment (specific examples include, but are not limited to, jokes, pranks, epithets, written or graphic material, or hostility or aversion toward any individual or group); (B) any conduct or acts such as threats or violence that creates a hostile, abusive, or intimidating work environment (examples of such inappropriate behaviors include, but are not limited to fighting, abusive language, inappropriate signage, use or possession of firearms on the work site or the threat of any of the foregoing); (C) use of Company's computers, email, telephone or voice-mail system that in any way involves material that is obscene, pornographic, sexually oriented, threatening, or otherwise derogatory or offensive to any individual on the basis of race, gender, color, religion, age, national origin, disability, veteran status, gender identity, or sexual orientation; (D) the use of, being under the influence of, or possession of alcoholic beverages or unlawful drugs on the work site; or (E) engagement in any activity that creates a conflict of interest or appearance of the same, or that jeopardizes the integrity of Company or Subcontractor.

**53.3** If any Company or Subcontractor Representative observes a Representative of either Party doing, or is ever asked to do, something that the Representative considers to be unethical, illegal, or in violation of these behavioral standards, the Representative should be instructed to notify management immediately,

**53.4** Safety Conscious Work Environment and Employee Concerns. Subcontractor shall comply with Section 211 of the Energy Reorganization Act and 10 CFR 50.7 "Employee Protection" which prohibit an NRC licensee, an applicant for an NRC license, or a contractor or subcontractor of an NRC licensee or applicant from discriminating against an employee for engaging in protected activities. Discrimination includes discharge, or other adverse action that relates to compensation, terms, conditions, and privileges of employment, and protected activities include raising nuclear safety or quality issues internally to company or Subcontractor management or directly to the NRC.

**53.4.1** Subcontractor shall maintain a working environment in which Subcontractor's employees are free to raise nuclear safety issues to Subcontractor, to Company, Specified Owner, or to government agencies without fear of retaliation. Subcontractor shall inform its employees, subcontractors and subrecipients that are engaged to work under this Agreement, of their protected rights under Section 211 of the Energy Reorganization Act and 10 CFR 50.7 to report nuclear safety or quality concerns.

**53.4.2** Subcontractor shall notify Company within five (5) Business Days after receipt by Subcontractor of:

**53.4.2.1** An allegation with work under this Agreement by an employee or former employee of Subcontractor or any Sub-Subcontractor or Sub-Subrecipient of discrimination because of engagement in protected activities; or

**53.4.2.2** Notice of filing of a Section 211 complaint with the U.S. Department of Labor by any such employee or former employee; or

**53.4.2.3** Notice of an investigation related to the filing of an allegation or Section 211 complaint by the NRC or Occupational Safety and Health



Administration (OSHA).

**53.4.3** Subcontractor shall cooperate fully with Company to assure a complete investigation of any allegation or complaint of discrimination for engaging in protected activity; shall provide Company with any investigation summary that it may prepare or which may be prepared by the NRC or OSHA as a result of any such allegation or complaint; and shall provide Company with a full written description of any Subcontractor management action which may have been taken in response to any such allegation or complaint.

**53.4.4** Any breach of this provision shall be a material breach of contract. In the event the NRC imposes a civil penalty against Company as a result of Subcontractor's or its sub-subcontractor's or sub-subrecipient's breach of this provision, such civil penalty shall be considered by the Parties to be direct and not special consequential damages under the contract.

**(54) NO WARRANTIES.** EXCEPT AS OTHERWISE EXPRESSLY SET FORTH HEREIN, NEITHER PARTY NOR ANY OF ITS REPRESENTATIVES OR AFFILIATES MAKES ANY REPRESENTATIONS OR WARRANTIES, EITHER EXPRESS OR IMPLIED, TO THE OTHER, WITH REGARD TO THE PROJECT, THE SERVICES OR ANY WORK SITE, INCLUDING WITHOUT LIMITATION, THOSE OF FITNESS FOR A PARTICULAR PURPOSE, MERCHANTABILITY, NON-INFRINGEMENT, SECURITY, OR SAFETY.