

**GE HITACHI NUCLEAR ENERGY AMERICAS (GEH)
TENNESSEE VALLEY AUTHORITY (TVA) FLOWDOWN PROVISIONS
2016 Staff Augmentation Suppliers**

These TVA Flowdown Provisions Supplement the Master Services Agreement (MSA) and Purchase Order (PO) and are applicable to all goods and Services provided by Seller under the PO. In the event of a conflict between these Flowdown Provisions and any provision in the MSA or PO, the PO shall prevail.

Further information regarding TVA contract flowdowns can be found at the TVA supplier portal, <https://supplier.tva.gov/>.

Definitions

For purposes of these TVA Flowdown Provisions:

- A. "Contract" means the MSA, the PO and these TVA Flowdown Provisions.
- B. "Contractor" means "Company" as defined in the MSA.
- C. "Site" means TVA's Browns Ferry Nuclear Plant, located near Athens, Alabama ("BFN") and any property on or to which TVA has any property interest (including, without limitation, ownership or lease, license, or easement rights), or any other TVA facility where Supplier employees may be assigned under the PO.
- D. "Company Representative" means GEH Sourcing Commodity Fulfillment Leader.
- E. "Work" means the Services provided by Supplier to Company for TVA plant maintenance or refueling activities.

TVA Sub-Supplier Flowdown Requirements

- 1. TVA has the right to verify by audit any reimbursement by TVA to Contractor, Supplier and Supplier's subcontractors, of travel expenses related to the Work. All travel-related expenses are subject to and shall be reimbursed in accordance with GEH travel policies, a copy of which may be obtained from the Services Project Manager.
- 2. Supplier shall include the requirements of the following in each subcontract for on-Site Work. Supplier shall also include in each Site subcontract a requirement to maintain for a reasonable period of time adequate books and records to allow TVA to verify the items described below.

To verify that the amounts invoiced and paid to Supplier, including adjustments (if any), and any other amounts invoiced on a firm or fixed price basis, were:

- 1. properly calculated and paid in accordance with the terms of this Contract or relevant Work Release(s),
- 2. not otherwise erroneous or inaccurate, based on the price(s) stated in the Pricing Schedule, or otherwise proposed by Contractor and paid by TVA, or not duplicative of payments previously made by TVA to Contractor. Consistent with the foregoing in this subsection (b), TVA shall not have the right to audit the derivation of firm fixed price amounts invoiced to it by Contractor.

**GE HITACHI NUCLEAR ENERGY AMERICAS (GEH)
TENNESSEE VALLEY AUTHORITY (TVA) FLOWDOWN PROVISIONS
2016 Staff Augmentation Suppliers**

3. TVA is a Federal Government agency and, therefore, state sales and use taxes are not applicable to materials, supplies, equipment, or services sold directly to TVA. By entering into this Contract, Supplier certifies that no such state sales or use taxes have been included in its offer or the Contract.
4. Supplier and its subcontractors are responsible for payment of any other taxes they incur in performance of the Contract, including sales or use taxes on products installed or consumed by Supplier and its subcontractors rather than sold directly to TVA, and for taking all measures to identify and claim any available exemptions or reductions to such taxes (such as exemptions for electrical generating equipment under Tennessee Code Ann. § 67-6-209(e)). Applicable taxes (including applicable federal excise taxes or duties) must be included in prices and rates.
5. Supplier and its subcontractors, by entering into this Contract, certify that all applicable Federal, State, and local licenses and permits required by applicable law have been obtained and are in full force and effect. This includes, but is not limited to, professional licenses, business licenses, and corporate licenses and certifications. Supplier and its subcontractors shall secure and pay for all necessary permits and/or other licenses required in connection with performance of Work at the Site. Supplier and its subcontractors shall furnish copies of such licenses and permits if requested by TVA or Company.
6. Supplier and its subcontractors shall identify any proposed subcontracts which are to be performed by foreign-based entities; Domestic-based entities using non-domestic workers; or proposed to be awarded to any business concern or individual in any way affiliated with Supplier or its subcontractors.
7. Foreign material proposed under an offer or furnished under this Contract must be indicated as such by Supplier or its subcontractors prior to acceptance by TVA, including foreign material which may be eligible to be treated as domestic under an applicable trade agreement, statute, law, or regulation.
8. For purposes of the Trade Agreements Act (TAA), 19 U.S.C. §§ 2501-2581, Supplier, by entering into this Contract, agrees that there will be delivered under this Contract only U.S.-made or designated country end products or services (a list of designated countries is at 48 C.F.R. § 25.003), unless TVA determines offers for such end products or services are either not received, are insufficient to fulfill TVA's requirements, or the cost is unfair and/or unreasonable. The requirements of this paragraph shall only apply to the extent the applicable procurement is in an amount of at least two hundred fifty thousand dollars (\$250,000).
9. For purposes of the Buy American Act (BAA), 41 U.S.C. §§ 8301-8305, Supplier, by entering into this Contract, agrees that there will be delivered under this Contract only domestic end products, except end products that meet the following criteria:
 - a. For use outside the United States;
 - b. For which TVA determines are not mined, produced, or manufactured in the United States in sufficient and reasonably available commercial quantities of a satisfactory quality;

**GE HITACHI NUCLEAR ENERGY AMERICAS (GEH)
TENNESSEE VALLEY AUTHORITY (TVA) FLOWDOWN PROVISIONS
2016 Staff Augmentation Suppliers**

- c. As to which TVA determines the domestic preference to be impracticable (with respect to construction material) or inconsistent with the public interest;
 - d. As to which TVA determines the cost to be unreasonable;
 - e. For which TVA determines are information technology commercial items; or
 - f. For which TVA determines are not subject to the BAA domestic preference.
 - g. In evaluating foreign material, TVA may consider TVA's added costs of inspections of such foreign material at non-U.S. locations.
10. If foreign items are furnished, Supplier or any subcontractor agrees to utilize U. S. Flag air carriers to the maximum extent practicable in connection with their performance of this Contract in the transportation of any cargo (other than commercial items as defined at 41 U.S.C. § 103 between the United States and a foreign country or between foreign countries. This includes not only scheduled carriers but nonscheduled carriers. All charges to TVA destination, including import duty and brokerage fees, are to be prepaid by Supplier. In the event brokerage arrangements have not been made, TVA reserves the right to employ a broker, at Supplier's expense, to clear shipment through customs to avoid delaying shipment at port of entry.
11. Nothing herein shall be construed to limit any right TVA may have to not apply the various applicable laws relating to the procurement of foreign material by a United States government entity, including but not limited to the BAA and the TAA, in total or in part, or to determine those laws to be inapplicable.
12. The possession, transportation, gift, sale, or use of controlled substances, alcohol, explosives, firearms (that are not on Site as part of Supplier's performance of Work), or incendiary devices is prohibited at the Site. In addition to any other remedies TVA may have under applicable laws or this Contract, TVA may require Supplier or its subcontractors to prohibit any person violating this provision from further work at TVA.

Labor Provisions

13. Supplier and its subcontractors shall comply with the latest version of labor provisions which are applicable to the Project Maintenance and Modifications Agreement (PMMA).
14. The labor documents are available from TVA's Procurement Internet Site at <https://supplier.tva.gov/ReferencedClauses.html> or from the GEH Sourcing Commodity Fulfillment Leader upon request.
15. Supplier is responsible for ensuring that its subcontractors fully comply with these requirements, as appropriate, depending on the nature of the Work.
16. Supplier and its subcontractors will comply with and be responsible for any and all wage requirements or wage escalations due to changes in the PMMA labor documents, whether such requirements or escalations adjust annually, pursuant to amendments to the PMMA, or otherwise. The parties agree that union craft labor rates charged by Supplier and its subcontractors will be consistent with the "Fixed Periodic Rates" as described and subject to the adjustments as stipulated in the, Labor requirements of the applicable TVA Contract.

**GE HITACHI NUCLEAR ENERGY AMERICAS (GEH)
TENNESSEE VALLEY AUTHORITY (TVA) FLOWDOWN PROVISIONS
2016 Staff Augmentation Suppliers**

17. Affirmative Action and Equal Opportunity. To the extent applicable, is incorporated by reference, and Supplier and its subcontractors must comply with, the following federal regulatory provisions: Affirmative Action for Special Disabled Veterans and Veterans of the Vietnam-Era, 41 C.F.R. § 60-250.5; Equal Opportunity for Workers with Disabilities, 41 C.F.R. § 60-741.5; Equal Opportunity, 41 C.F.R. § 60-1.4; and Discrimination on the Basis of Age, 18 C.F.R. § 1316.6; and all amendments thereto and all applicable rules, and orders issued thereunder.
18. Supplier and its subcontractors shall not employ any person undergoing sentence of imprisonment at hard work, except those exceptions covered by Executive Order 11755. If it is determined that Supplier or its subcontractors or their personnel fail to meet TVA's qualifications, performance requirements, or for any other reason fails to meet the standards established in the Contract, TVA reserves the right to direct Company to discontinue the services of Supplier or its subcontractors or their personnel.

Drug Testing

19. In addition to the provisions covered under Public Law 100-690, the Drug-Free Workplace Act of 1988, Supplier's and its subcontractor's employees performing Work on TVA Sites are subject to TVA conducting reasonable suspicion testing at TVA's discretion.

Environmental Considerations

20. Supplier and its subcontractors shall perform Work under the Contract in a way that minimizes the impact on the environment, and shall assist TVA in complying with environmental applicable laws and such other TVA environmental policies and commitments that impact or are affected by the Work, including commitments in environmental review documents.

Contractor Use of TVA Computer System Resource

21. Use of the TVA computer system by Supplier or its subcontracts, authorized or unauthorized, constitutes Supplier's and its subcontractor's consent to monitor their use of this system. The TVA computer system and all related equipment, networks, and network devices (including internet access) are provided to authorized users for authorized purposes as described in TVA's Standard Programs and Processes 12.01 (TVA SPP 12.01), Acceptable Use of Information Resources. Supplier is responsible for ensuring that its employees, subcontractors, and agents comply with TVA SPP 12.01.

Personally Identifiable Information and Privacy Act

22. For purposes of this Contract, Personally Identifiable Information (PII) means any information which can potentially be used to uniquely identify, contact, or locate a single person (e.g. age, gender, weight, name) and Restricted Personally Identifiable Information means information if disclosed without authorization could create a substantial risk of

**GE HITACHI NUCLEAR ENERGY AMERICAS (GEH)
TENNESSEE VALLEY AUTHORITY (TVA) FLOWDOWN PROVISIONS
2016 Staff Augmentation Suppliers**

- identity theft (e.g. social security number, bank account number, home address). Personally Identifiable Information and Restricted Personally Identifiable Information shall collectively be referred to herein as "PII."
23. If Supplier or its subcontractors obtain or have access to PII of TVA employees, or any employees of third parties that are not Affiliates or subcontractors of Supplier in connection with its performance of this Contract, Supplier shall:
- a. obtain, access, or use PII only as necessary to perform in accordance with the terms of this Contract and for no other purpose;
 - b. maintain the confidentiality of the PII and not disclose PII to any third party without the prior written consent of Company and TVA except as may be required by applicable law or regulation;
 - c. obtain, access, use, receive, back-up, maintain, transmit, store, and disclose PII at all times in accordance with the terms of this Contract and applicable law and regulation; and
 - d. establish and maintain security controls and procedures acceptable to Company and TVA for the collecting, processing, transmitting, and storing of PII on any Supplier information system. TVA or the TVA Office of Inspector General (TVA OIG) may inspect and review such security controls and procedures during normal business hours and upon providing reasonable advance notice. If an event has or could have resulted in the unauthorized access to, loss, theft, or damage to PII (hereinafter, "security incident"), Supplier and its subcontractors shall immediately notify Contractor and TVA. Such notice shall, at a minimum, identify, to the extent known, the information involved in the security incident, the timing and place of the security incident, the cause of the incident, and the steps being taken to mitigate any harm or damage caused by the security incident. After such notification, Supplier and its subcontractors shall provide, as required by TVA, timely and regular updates regarding the security incident. Supplier and its subcontractors shall cooperate with TVA and the TVA OIG in any law enforcement investigation and legal proceedings relating to a security incident.
24. In the event of any security incident, TVA or the TVA OIG may, at its option, perform an independent risk analysis of the security incident to determine the level of risk and potential harm associated with the security incident. Supplier agrees to fully cooperate with and assist in this risk analysis.
25. Certain PII may be subject to the provisions of the Privacy Act, 5 U.S.C. §552a. Neither Supplier or its subcontractors will disclose any confidential information or information subject to the Privacy Act obtained from any party, without such party's prior written consent, except as required or permitted by law, including the Freedom of Information Act. Information covered by the Privacy Act shall be maintained pursuant to the Privacy Act and shall not be disclosed without authorization from the individual to whom the information pertains or in accordance with a routine use, which shall include disclosure to subcontractors to the extent necessary to provide Services hereunder. A Privacy Act statement, which includes a notice advising the routine uses that may be made of the information, shall be provided by Supplier and its subcontractors to Company and TVA personnel receiving services hereunder, if any. Certain PII may also meet the definition of Protected Health Information ("PHI") and be subject to the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and the privacy and security rules promulgated thereunder. In the event Supplier or its subcontractors receive PHI from TVA or creates PHI on behalf of TVA, the Supplier and its subcontractors agree to comply with the HIPAA Business Associate Agreement.

**GE HITACHI NUCLEAR ENERGY AMERICAS (GEH)
TENNESSEE VALLEY AUTHORITY (TVA) FLOWDOWN PROVISIONS
2016 Staff Augmentation Suppliers**

26. At TVA's request and within 90 days of the expiration or termination of this Contract, Supplier shall destroy or return all PII received or obtained while performing this Contract. Any such destruction shall be done in accordance with Appendix D of TVA Standard Program and Process 12.02, TVA Information Management Policy, which is incorporated herein by this reference and available at <http://supplier.tva.gov>. This Section will survive the expiration or termination of this Contract.

Reporting of Defects and Noncompliance – Nuclear

27. Referencing the Staff Augmentation Header Notes, all Supplier personnel shall be trained in the GEH policy for Reporting of Defects and Non-Compliance under 10 CFR 21. The parties will identify in Work Releases the Work (or portions thereof) that is subject to the requirements and civil penalty provisions of Nuclear Regulatory Commission (NRC) regulations, at 10 C.F.R. Part 21 (Reporting of Defects and Noncompliance). As applicable to such Work, Supplier and its subcontractors shall: (a) comply with the TVA technical and quality assurance (QA) requirements as set forth on each Work Release, (b) provide to TVA or NRC upon request any documentation specified on such Work Release; and (c) inform TVA immediately in writing of each defect or noncompliance reportable under 10 C.F.R. Part 21. Contractor must send any such notice to the following TVA address, with a copy to the Contracting Officer: TVA Nuclear Power Performance Improvement, Attention: Program Manager, Operating Experience, 1101 Market Street, Mailstop: LP 4G, Chattanooga, Tennessee 37402-2801.

Employee Protected Activities for Nuclear Contractors

28. Supplier shall conduct its activities in accordance with "TVA's PRINCIPLES, Commitment to Nuclear Safety," and SPP-11.8.4, "Expressing Concerns and Differing Views," which are available from the Company, TVA's Contracting Officer and are available at TVA's Supply Chain Internet Site at <http://supplier.tva.gov>. Supplier and its subcontractors shall comply with 10 C.F.R. § 50.7 "Employee Protection" regulations of the Nuclear Regulatory Commission (hereinafter referred to as the "NRC") and Section 211 of the Energy Reorganization Act of 1974, (hereinafter referred to as the "ERA"), which prohibit discrimination against employees for engaging in certain protected activities.

Fitness for Duty (FFD) - Nuclear

29. For all personnel performing Work at a TVA nuclear Site, under this Contract or under subcontracts entered into under this Contract, all personnel with unescorted access to TVA nuclear Sites, and all personnel required to report in person to any TVA emergency response center under TVA's emergency plans and procedures (collectively, "Covered Personnel"), Contractor will adhere to TVAN's fitness-for-duty (FFD) requirements, as applicable, set forth by the latest revision of NPG-SPP-14.1 and any subsequent revision(s) thereto. Covered Personnel who have been denied access to or removed from work at any nuclear plant as a result of any violation(s) of any FFD program will not be assigned to work as Covered Personnel during the course of this Contract.

**GE HITACHI NUCLEAR ENERGY AMERICAS (GEH)
TENNESSEE VALLEY AUTHORITY (TVA) FLOWDOWN PROVISIONS
2016 Staff Augmentation Suppliers**

30. Citizenship Requirements. Supplier shall comply with requirements of the United States Citizenship and Immigration Services (USCIS) related to eligibility to work in the United States. This includes, but is not limited to, acquiring, verifying and maintaining appropriate documentation such as USCIS Form I-9. All covered persons are required to have a valid Social Security number which must be provided at the request of designated TVA representatives.
31. Supplier recognizes that even though Supplier and its subcontractors compensation may be computed on a per hour basis, Supplier is responsible for complying with the Fair Labor Standards Act and shall pay, and shall require its subcontractor(s) to pay, the personnel performing services under this Contract in such a way that Supplier and such subcontractor(s) are in compliance with the Fair Labor Standards Act regardless of whether such compensation is on a salary basis or on a per hour basis.

Terms Incorporated By Reference

32. This Contract incorporates by reference the following regulatory provisions, which, to the extent applicable to this Contract or the Work, apply as if they were set forth in their entirety in this Section, and are available from TVA's Supplier Portal Internet Site at <http://supplier.tva.gov> under "Clauses Incorporated by Reference."
 - a. All Solicitations, Purchase Orders, or Contracts
 - I. Affirmative Action and Equal Opportunity; Asbestos Containing Materials; Officials Not To Benefit; Small Business Policy;
 - b. All Solicitations and Contracts Over \$100,000
 - I. Anti-Kickback Procedures; Drug Free Workplace; Lobbying; Nondiscrimination in Public Accommodations; Walsh-Healey;
 - c. All Construction Work in Excess of \$10,000
 - I. Notice of Requirement for Affirmative Action to Ensure Equal Employment Opportunity (Executive Order 11246).

Business Ethics and Compliance Requirements

33. Disclosure Requirements – Supplier and its subcontractors shall timely disclose, in writing, to Company's Sourcing Commodity Fulfillment Leader, TVA's Office of Inspector General (TVA's OIG), with a copy to TVA's Contracting Officer, whenever, in connection with the award, performance, or closeout of this Contract or any subcontract thereunder, Supplier or its subcontractors have credible evidence that a principal, employee, agent, or subcontractor of Supplier has committed (i) a violation of Federal criminal law involving fraud, conflict of interest, bribery, or gratuity violations found in title 18 of the United States Code; or (ii) a violation of the civil False Claims Act (31 U.S.C. §§ 3729-3733); provided that if Supplier or its subcontractors has credible evidence that TVA's Contracting Officer is implicated in such violation of Federal criminal law, the written disclosure shall be made to TVA's OIG with a copy to TVA's Vice President, Supply Chain.

**GE HITACHI NUCLEAR ENERGY AMERICAS (GEH)
TENNESSEE VALLEY AUTHORITY (TVA) FLOWDOWN PROVISIONS
2016 Staff Augmentation Suppliers**

Public Communications

34. Supplier and its subcontractor(s) must obtain the written approval of, Contractor's Representative and TVA's Contracting Officer prior to making any or all of the following types of public disclosures or communications, relating to or referencing this contract or TVA: Any oral, written, or electronic announcement, including without limitation, announcements on or through social media, press, or new release(s), marketing materials, or comparable materials; Any photographs, tapes or video recordings, of real or personal property owned or controlled by TVA, and the public communication or posting of such photographs, tapes or videos (or related information or images) in any manner or through any media (including on any website); or Any information concerning this Contract, Supplier's or any of its subcontractor(s)' business relationship with TVA, or any related project. TVA, in its sole discretion, may approve or reject Contractor's or any subcontractor(s)' proposed public communication(s), except to the extent a proposed communication or disclosure is specifically required by applicable laws.

Language and Measurements

35. All communication among the Supplier, its subcontractors, Company, and TVA, including all documents, notes on drawings, and submissions required under this Contract, will be in the English language. Unless otherwise specified in the Contract, the US System of Measurements shall be used for quantity measurement. All instrumentation and equipment will be calibrated in US System of Measures.

<end of text>