

**Palo Verde Generating Station
Site Requirements
Revision 8/12/2020**

ALL PVGS SITE CONTRACTS

The term “Agreement” as used in this Palo Verde Generating Station (“PVGS” or “Site”) Site Requirements document shall mean the Agreement or Order to which this document is attached or otherwise applies.

The term “Work” as used in this PVGS Site Requirements document shall mean all “Work,” “Services,” “Task,” and/or “Tasks,” as defined in the Agreement or Order, and the delivery of any Goods under the Agreement or any Order.

1. GENERAL SITE REQUIREMENTS

- 1.1. The PVGS Mission is to **SAFELY** and efficiently **generate** electricity for the **long term**. PVGS is operated by its team on a key set of Core Values (why we do what we do), Fundamental Behaviors (how we do things), and Key Program Areas (what we do) to measure and monitor success. The Core Values of Safety, Respect, Accountability, Integrity, and Trust are an inherent part of our corporate culture. Arizona Public Service Company’s (“Company”) corporate Vision, which emanates from its Values, is to create a sustainable energy future for Arizona. The ongoing success of PVGS is critical to achieving the Company’s corporate Vision.
- 1.2. All Work under this Agreement shall be performed in accordance with the Company’s corporate Vision, PVGS’s Mission, Core Values, Fundamental Behaviors, and Key Program Areas, as well as the PVGS Leadership Model (current revision) and Standards and Expectations | Safety/Human Performance Tools (current revision), which further explain and describe the Vision, Core Value, Fundamental Behaviors, and Key Program Areas. Without limiting the foregoing, or any Program or Procedure described in this Site Requirements, Supplier and its subcontractors and their employees, agents, or representatives (“Supplier Personnel”) shall:
 - 1.2.1. display the highest levels of professionalism and courtesy while on the job. Supplier shall abide by all of Company’s policies that serve to foster and maintain a work environment free of harassment and intimidation;
 - 1.2.2. recognize each employee’s individual integrity, and therefore not permit conduct, whether intentional or unintentional, occurring between employees or between an employee and Company personnel or another supplier or other non-employee that creates an intimidating, hostile, or offensive working environment of that employee or for other employees;
 - 1.2.3. conduct their business activities pursuant to this Agreement in a highly ethical manner and in compliance with all laws and regulations. Supplier Personnel shall not, at any time, exhibit the following behaviors:
 - 1.2.3.1. harassment or discrimination of any kind or character, including but not limited to conduct or language derogatory to any individual, race, gender, color, religion, age, national origin, disability, or veteran status 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;
 - 1.2.3.2. 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 Company’s property, and destruction of Company or Company’s employee property or the threat of any of the foregoing;
 - 1.2.3.3. work practices that are unsafe or harmful to the natural environment;

- 1.2.3.4. use 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, race, color, religion, national origin, sex, age, disability, or veteran status;
 - 1.2.3.5. use, be under the influence of, or possess alcoholic beverages or unlawful drugs on Company property;
 - 1.2.3.6. engage in any activity that creates a conflict of interest or appearance of the same, or that jeopardizes the integrity of Company or Supplier, including, but not limited to, providing gifts and gratuities to Company employees.
- 1.3. If any Work is performed at the Site, Supplier shall identify a Site Representative who shall be responsible for implementation of all applicable PVGS administrative and/or technical requirements and controls, including but not limited to such programs as Site Access, Fitness for Duty, Safety, Contractor Badging, and Security.
 - 1.4. Supplier Personnel shall check in and out of the Site access gates, as designated by Company. All personnel, vehicles, lunchboxes, and other containers shall be subject to inspection and search. Supplier shall use best efforts to minimize vehicle ingress and egress through the PVGS Security Owner Controlled Area ("SOCA") and Protected Area ("PA") access points.
 - 1.5. All Supplier Personnel shall wear identification badges issued by Company, which shall be visible at all times while at the Site. All Supplier Personnel, when unescorted, shall wear picture identification badges issued by Company, which shall be visible at all times, while within the Site security boundaries.
 - 1.5.1. Supplier Personnel shall not enter any warehouses, storerooms, tool rooms, locker rooms, or any other area designated as off-limits to non-Company personnel without the prior approval of authorized Company personnel.
 - 1.5.2. Unauthorized entry into the Site or any part thereof, by any Supplier Personnel may be cause for removal of the personnel from the Site. Unauthorized exit from the Site or any part thereof, by any Supplier Personnel may result in such employee not being allowed on the Site at future times.
 - 1.6. Supplier Personnel shall report all injuries, no matter how minor, to the leader in charge.
 - 1.7. All Supplier Personnel performing contract work at the Site for Company shall not schedule or perform work the two calendar weeks preceding the first weekday following the 1st day of January. Exceptions to this policy that are not included as part of the Agreement shall be approved in writing from the Company project representative.

2. SAFETY REQUIREMENTS

- 2.1. There are four (4) elements of safety at PVGS (the four safeties): Nuclear Safety, Industrial Safety, Radiological Safety, and Safety Culture. Supplier shall use commercially reasonable efforts to make a personal and conscious commitment in decisions and actions to ensure the safety of personnel and the general public during the performance of its obligations under the Agreement.
- 2.2. Company may terminate the Agreement for cause in the event Supplier fails to act in accordance with site safety expectations, as set forth in Section 2.

2.2.1. NUCLEAR SAFETY

- 2.2.1.1. Nuclear Safety relates to the protection of workers and the public from hazards associated with nuclear operations. To maintain that protection, nuclear safety issues focus on protecting the nuclear fuel and maintaining fission product barriers intact (fuel cladding, reactor coolant system and containment). Supplier shall take into consideration the special characteristics of nuclear

technology in all of Supplier's decisions and actions.

2.2.2.INDUSTRIAL SAFETY

- 2.2.2.1. Supplier shall comply with the PVGS Safety Manual revisions in effect during the term of the Agreement, as well as applicable procedures and supporting manuals. If work performed requires additional documents, such as procedures or supporting manuals, it is the sole responsibility of the Supplier to perform and comply with these documents.
- 2.2.2.2. Supplier is expected to be involved in activities and decisions that impact safety and follow proper industrial health and safety work practices and rules.
- 2.2.2.3. During the performance of the Services, Supplier shall submit to Company safety performance reports regarding work performed for PVGS that include but are not limited to: Supplier Personnel and subcontractor hours worked, recap of incidents, accidents, injuries or near misses, results of accident investigations and action plans and any regulatory agency inquiries at Company's request.

2.2.3.RADIOLOGICAL SAFETY/RADIATION PROTECTION

- 2.2.3.1. For all Work performed within Radiation Controlled Areas ("RCA's") at PVGS on an unescorted basis, Supplier and its Supplier Personnel of any tier, if any, shall comply with all radiation rules and procedures established by Company and with all regulatory requirements, including but not limited to the following:
 - 2.2.3.1.1. Upon arrival at PVGS, Supplier's Personnel shall have in their possession i) an up-to-date copy of the individual's "Occupational External Radiation Exposure History" (NRC Form-4 or equivalent), with documentation which supports the information listed on the NRC-4 and ii) a written report of all diagnostic or therapeutic medical treatment received by Supplier's Personnel within the previous six (6) months. If the person has been recently employed at another nuclear facility, or has been monitored for occupational radiation exposure, and a final report is not available, Supplier shall provide at least an estimate of such exposure. Supplier shall be responsible for providing Company with all such exposure records in a timely manner, including the telecopying of exposure requests and exposure histories or the use of any other methods which may be necessary under the then existing circumstances.
 - 2.2.3.1.2. Radiation Protection Services Training shall be conducted by Company and shall be required of all Supplier's Personnel who have not had such training at PVGS within twelve (12) months prior to performing work in an RCA. The training period will be approximately five (5) days in duration.
 - 2.2.3.1.3. Company shall provide and assign radiation monitoring devices to Supplier's Personnel and Supplier's Personnel shall wear such devices as directed by Company.
 - 2.2.3.1.4. Supplier's Personnel shall wear protective clothing and other protection devices as specified by Company.
- 2.2.3.2. All Work within an RCA shall be performed by Supplier's Personnel in accordance with established Company radiation protection practices and in a manner that maintains total accumulated radiation exposure for each of Supplier's Personnel as low as reasonably achievable ("ALARA").
- 2.2.3.3. Company shall provide radiation monitoring devices, protective clothing and supplies,

respiratory protection equipment, and other radiation protection equipment, as well as decontamination services, as determined by Company to be required for the protection of Supplier's Personnel while working in an RCA.

- 2.2.3.4. Company shall have the right to require Supplier's Personnel to submit to a bioassay evaluation and/or whole body count(s) prior to, during, or upon termination of performance of any Work in an RCA.
- 2.2.3.5. Supplier shall provide Company with a certificate for each of its personnel required to wear any respiratory protection devices, certifying that the individual is physically and mentally qualified to wear such devices. Such certificates, which shall have been signed by a medical doctor within the past eleven (11) months, shall be provided prior to the commencement of any Work requiring any respiratory protection devices, and, if necessary, shall be renewed on an annual basis.

2.2.4. SAFETY CULTURE/EMPLOYEE PROTECTION

- 2.2.4.1. Supplier shall become familiar and comply with Company's requirements regarding Safety Conscious Work Environment. Supplier shall utilize and support programs that encourage employees to raise safety or any other concerns to Supplier's management, to the Company (including but not limited to the Company's Employees Concerns Department), and to the Nuclear Regulatory Commission ("NRC").
- 2.2.4.2. Section 211 of the Energy Reorganization Act of 1974 ("ERA"), as amended (42 U.S.C. § 5851), and Title 10 of the Code of Federal Regulations, Section 50.7 (10 CFR § 50.7) prohibit employers from discriminating against any employee who engages in "protected activities" as defined in the statute and NRC regulation. Such activities include but are not limited to providing information to the NRC concerning possible violations of requirements imposed under the ERA or Atomic Energy Act of 1954, as amended ("AEA"), requesting the NRC to institute action against his/her employer, and testifying in any NRC proceeding. Discrimination for engaging in protected activity is broadly construed to include not only discharge but also other actions that relate to compensation, terms, conditions and privileges of employment. In implementation of the statutory provisions and NRC regulation:
 - 2.2.4.2.1. Supplier shall immediately notify Company of any complaint filed with or other information given to the U.S. Department of Labor ("DOL") or the NRC by Supplier Personnel alleging violation of ERA §211, as amended, or 10 CFR §50.7 related in any way to PVGS or the Work performed under this Agreement, or of any information which becomes known to Supplier which reasonably indicates such a complaint may be filed.
 - 2.2.4.2.2. Supplier shall immediately notify Company of all investigations and proceedings conducted by the DOL or NRC in response to such complaint or information, including any judicial review proceedings.
 - 2.2.4.2.3. Notification shall be made by Supplier by telephone and confirmed in writing, with a copy of any complaint, to Section Leader, PVGS Contract Services Department.
 - 2.2.4.2.4. Supplier shall conduct a thorough and prompt investigation of such complaint or information and advise Company of the findings, conclusions, and actions planned to resolve the matter. Additionally, Supplier shall keep Company apprised of all developments in any proceedings or investigations conducted by the DOL or NRC in response to such complaint or information, including the initial investigation, settlement negotiations and defense strategy, and any proceedings for court review of an order

issued by the Secretary of Labor, including issuance of any orders and the scheduling of any hearings. Company expressly reserves the right to participate in the investigation and defense of any such complaint, including decisions on whether to settle such complaint.

- 2.2.4.3. The Company uses a Discipline Review Panel (“DRP”) to review and make recommendations on all terminations and suspensions affecting its employees. The DRP includes both the affected employee’s leader and other members who are not in the affected employee’s chain of command and who have relevant experience (e.g. Human Resources representative, in-house employment attorney.) The DRP works to maximize the fairness and consistency of disciplinary decisions, and to ensure that disciplinary actions are not taken in retaliation for raising nuclear, industrial, or radiological safety or nuclear safety concerns. The Company requires that the Supplier use a similar process to provide an objective review of any disciplinary terminations or suspensions affecting Supplier Personnel while they are assigned to PVGS.
- 2.2.4.4. No agreement affecting the compensation, terms, conditions and privileges of employment, including an agreement to settle a complaint filed by an employee with the DOL pursuant to ERA §211, as amended, may contain any provision which would prohibit, restrict, or otherwise discourage an employee from participating in protected activity, including but not limited to providing information to the NRC on potential violations or other matters within the NRC’s regulatory responsibilities.
- 2.2.4.5. Supplier shall include the above provisions in its contracts with any and all subcontractors, which it engages in connection with this Agreement, unless waived by Company for specific subcontractors.

3. EXPORT CONTROLS

- 3.1. U.S. Export Control Laws. Notwithstanding any other provision of this Agreement, each Party shall retain responsibility for its compliance with all applicable U.S. export control laws and economic sanctions programs relating to its respective business, facilities, contractors and personnel. U.S. export control laws prohibit or restrict (a) transactions with certain persons, and (b) the type and level of technologies and services that may be exported. These laws include the Arms Export Control Act, the Export Administration Act, the International Emergency Economic Powers Act, the AEA and regulations issued pursuant to these, including the Export Administration Regulations (“EAR”) (15 CFR Parts 730-774), the International Traffic in Arms Regulations (“ITAR”) (22 CFR Parts 120-130), and the NRC and Department of Energy export regulations (10 CFR Parts 110 and 810). Export control requirements may change and export of goods and/or technical data from the United States without an export license or other appropriate governmental authorization may result in civil and criminal liability. Supplier acknowledges that it can contact the U.S. Departments of Commerce, State, Energy and Treasury for guidance as to applicable licensing requirements and restrictions.
- 3.2. Deliveries to Supplier. Supplier shall not export, re-export or transfer any goods, software, services and/or technical data received from Company to Non-US Persons (as hereafter defined), or to non-US countries, in a manner inconsistent with applicable export control or economic sanctions regulations. A "US Person" is a citizen of the United States, a lawful permanent resident alien of the United States, (a "Green Card" holder), a refugee or someone in the United States as a protected political asylee or under amnesty. A “Non-US Person” is anyone who is not a US Person.
- 3.3. Export Control Limitations on Site Access. Supplier shall not assign any Non-US Person employees, consultants, contractors or subcontractors to work at or visit Company’s facilities, or access to Company computers or networks.

- 3.4. Deliveries to Company. Prior to providing Company any goods, software, services and/or technical data that is (a) subject to export controls controlled at a level other than EAR99/AT or (b) subject to the Department of Energy, Department of State or NRC export control regulations, Supplier shall provide written notice to Company specifying the nature of the controls and any relevant export control classification numbers.

4. SITE & NANTeL TRAINING

- 4.1. Supplier Personnel performing Services at PVGS are required by Company to undergo and successfully complete Site training or pre-hire testing, including but not limited to drug screening. If any rejection is due to the Supplier Personnel's failure to successfully complete the required Site training or pre-hire testing, including drug screening, Company shall not be responsible to compensate Supplier's Personnel for:
 - 4.1.1. Time spent in Site training, pre-hire testing, drug screening.
 - 4.1.2. Travel and other direct expenses in connection with such rejected Supplier Personnel.
- 4.2. Supplier shall process a Supplier Personnel/Visitor Exit Checklist to remove Supplier Personnel from Site.
- 4.3. Should Supplier Personnel be required to perform any occupational skill testing, Company shall not be responsible for the following:
 - 4.3.1. Any Supplier Personnel that do not arrive on Site by the expected arrival date, or who leave site, are Termed Voluntary ("TVO"), are Termed Mutual Understanding ("TMU"), or are Termed for Cause ("TFC").
 - 4.3.2. Any Supplier Personnel that could not successfully pass the occupational skill tests.
- 4.4. Supplier Personnel may be allowed to retake Site training they have not passed. Company will not be responsible for compensation of the wages and per diem of Supplier Personnel for the time spent to perform retakes of Site training.
- 4.5. Supplier Personnel should not be assigned to perform Work at the Site, until results of eligibility are completed. If any such rejection of assigned Supplier Personnel occurs within the first five (5) days of actual performance of Work at the Site, Company shall be responsible for compensation only for time spent in actual performance of the Work. Travel and other direct expenses in connection with such rejected Supplier Personnel shall be at the expense of the Supplier.
- 4.6. Company participates in the National Academy for Nuclear Training e-Learning ("NANTeL") program. This program is designed to allow Supplier personnel to complete and pass Generic Plant training before Supplier's personnel report to PVGS for their work assignment. Supplier shall provide NANTeL training to its personnel prior to arrival at PVGS. NANTeL is the preferred training provider for all on-site supplemental workers. The Company will accept training delivered through NANTeL. All on-site supplemental workers will be required to complete and pass certain Generic Plant NANTeL courses prior to reporting to PVGS for their work assignments.
- 4.7. The expectation is that supplemental workers will report to PVGS with their Generic Plant training qualifications completed. However, the Company may, at its sole discretion, grant exceptions to Suppliers that: (i) provide no more than ten (10) on-site supplemental workers to PVGS per calendar year; (ii) do not have a facility within 150 miles of PVGS; or (iii) receive a request from PVGS less than thirty (30) days in advance of worker's start date to provide on-site supplemental workers. For Generic Plant training courses requiring a proctor, Company will consider requests for an exemption provided that Supplier notifies Company in writing not less than thirty (30) days in advance of a worker's scheduled assignment. For Hard Hat Ready training courses not requiring a proctor, no additional exemption will be made by the Company. Any and all exemption requests are subject to Company's review and approval. Exemption requests shall be submitted to Company's Project Manager and approved by management. If the Company grants a Supplier's exemption request, Company will provide

Supplier's supplemental workers with the required Generic Plant training to meet qualifications. However, under no circumstances, will Company make payment to Supplier for Generic Plant training provided by Company. Supplier shall not invoice PVGS for time, expense or costs associated with Supplier personnel that receive any on-site training by PVGS for which training content and evaluation tools are available on NANTeL. If Company denies a Supplier's exemption request, supplemental workers without the required Generic Plant training qualifications will NOT receive work assignments at PVGS. Completion of the Nantel training courses does not guarantee Supplier personnel entry at PVGS or a right to a work. Additional Site Requirement Training including but not limited to fitness for duty, security, training or task evaluations may be required prior to Supplier's personnel obtaining an access badge. Company retains the sole right to determine training and qualification requirements for supplemental workers working at PVGS.

- 4.8. Supplier shall provide verification and prior to deployment on site of satisfactory completed NANTel training courses for each personnel assigned to PVGS. Supplier is responsible for record keeping and maintaining training records of all Supplier personnel assigned to PVGS. Supplier agrees to provide access and reasonable assistance to the training program, content, documents and facilities relevant to the type of work covered under this Agreement. Neither party shall invoice the other for any time, expense, or costs associated with providing such access and reasonable assistance.
- 4.9. Supplier agrees to allow PVGS to review Supplier's training records to allow PVGS to make a determination concerning credit that may be awarded towards personnel training and qualification requirements. PVGS has the sole right to determine training and qualification requirements for Supplier's personnel working at PVGS.

5. BACKGROUND SCREENING AND ACCESS REQUIREMENTS

- 5.1. Company Access. If Supplier Personnel will require unescorted access to Company's facilities or access to Company's computer systems, Supplier shall conduct background checks and drug screening, at Supplier's expense, and complete and submit a Company Access Request ("CAR") form attesting that the background checks and drug screening have been satisfactorily completed in accordance with Section 5. Supplier acknowledges that Company reserves the right to revoke the Supplier Personnel's access to Company's facilities or computer systems for any reason at any time. If access is revoked by Company, Supplier will promptly obtain and return Supplier Personnel's Company badge and any other property of Company in Supplier Personnel's possession and inform Supplier Personnel that access to Company has been revoked.
- 5.2. Drug Screening and Background Checks. Supplier agrees that it will be responsible for any costs incurred in conducting drug screenings and background checks, and that only Supplier Personnel who successfully pass its drug screening and background checks will be assigned to Company. Supplier shall use a U.S. Department of Health and Human Services approved laboratory to complete a minimum 5-panel specimen drug screening. The Supplier Personnel must test negative on the drug screening.
- 5.3. The background check shall include a criminal history and employment history screening. For Supplier Personnel who will be required to drive Company vehicles, the background check must also include a driving record screening. To complete each part of the background check, Supplier shall comply with the guidelines and requirements set forth in the then-current CAR form at:
<https://www.aps.com/en/ourcompany/doingbusinesswithus/suppliers/Pages/supplier-program.aspx>
- 5.4. Additional Background Checks. In addition to the background checks listed above, Company may perform, at its expense, background checks on Supplier Personnel at any time for any reason.
- 5.5. Supplier Notification to Company of Changes to Supplier Personnel's Background Checks. Supplier shall immediately notify the Designated Company Representative if: a) there are any changes to any Supplier Personnel's background history, including, without limitation, any information not previously known or in his or her background report or record, or b) the Supplier Personnel fails to maintain conduct in accordance with the

qualification criteria set forth in this Section, or c) the Supplier Personnel loses his or her U.S. work authorization.

- 5.6. Each Supplier must submit a CAR form for each of its Supplier Personnel assigned to work at PVGS.
- 5.7. Suppliers are not required to complete a CAR form for their employees who a) require Unescorted Access at PVGS and b) have provided Company with their employees Personal History Questionnaire ("PHQ") within the timeframes as outlined in Procedures 20DP-0SK39, PVGS Badging Procedure, and 20DP-0SK40, Access Authorization.
- 5.8. Supplier acknowledges that Company reserves the right to revoke the Supplier Personnel's access to Company's facilities or computer systems for any reason and at any time. If access is revoked by Company, Supplier will promptly return the Supplier Personnel's Company badge and any other property of Company in the Supplier Personnel's possession and inform the Supplier Personnel that access to the Company has been revoked.
- 5.9. Supplier should ensure a Supplier Personnel/Visitor Exit Checklist has been completed by each Supplier's Personnel upon completion of their assignment or release.

6. PROTECTED AREA AND/OR SAFEGUARDS ACCESS

- 6.1. The Company Access Authorization Department ("Access Department") is responsible for the performance of Background Screening and Criminal History Checks for Supplier Personnel requiring access to the PVGS Protected Area and Safeguards Information. The Access Department or its designee shall perform the following additional screenings, checks and tests of all Supplier Personnel requiring unescorted access for Work to be performed within the Protected Area: i) a background screening in compliance with 10 CFR §73.56, Reg. Guide 5.66, 10 CFR Part 26, and applicable Company/PVGS procedures; ii) a criminal history check, in accordance with 10 CFR 73.57, and iii) drug and alcohol testing, as required by 10 CFR Part 26 and described in Section 7, DRUG AND ALCOHOL ABUSE. Supplier Personnel requiring escort capabilities will be required to take additional training in accordance with Company policies and procedures.
- 6.2. In order for any Supplier Personnel to have access to any Safeguards Information, as defined in 10 CFR Part 73, all such personnel shall undergo a criminal history check by the Access Department or its designee, in accordance with 10 CFR §73.57, and shall comply with applicable Company/PVGS procedures.
- 6.3. The background screening shall include, but is not necessarily limited to, psychological testing and a check of the employee's background for the immediate previous five (5) years. The background check shall minimally consist of i) a check for any overt or associative criminal activity, to the extent such information is legally accessible, and any credit problems; ii) a verification of employee-supplied credentials, addresses, and employment history; iii) an investigation and verification of the personnel's character and reputation, by contacting at least two (2) references supplied by such personnel and at least two (2) additional references developed during the investigation; iv) a complete investigation of any breaks in employment exceeding thirty (30) days, including the location and investigation of two (2) additional references; v) verification of the highest claimed post high school attendances or degree, regardless of time, and any claimed enrollment at any educational institution during the previous five (5) years. (If there is no claimed post high school education, verification shall be made of the highest claimed education); and vi) verification of any military service within the last five (5) years, through the National Personnel Records Center.
- 6.4. Currently, the criminal history check includes, but is not necessarily limited to, fingerprinting and evaluation of information from the Federal Bureau of Investigation ("FBI"). In connection with such criminal history checks, all affected Supplier Personnel shall, in order to be granted unescorted access to the Protected Areas, submit to such fingerprinting and sign a written acknowledgment of related notifications and authorization form, as required by Company.
- 6.5. Records of psychological testing, background investigation, verification of continuous employment, criminal

history checks, and all other matters required by this section shall be kept on file by Company and shall be available for NRC and/or internal Company review and/or audit for a minimum period of five (5) years after the termination of such personnel's access authorization.

- 6.6. To the extent Supplier is aware of information of the type discussed in Sections 6.1 to 6.5 that could have impact on whether a Supplier employee is granted access to the facility or safeguards information, Supplier agrees to promptly notify Company of such information and not allow employee to work at PVGS in any capacity until the appropriate Company personnel review such information and make a determination as to the employee's suitability to work at the facility.

7. DRUG AND ALCOHOL ABUSE

- 7.1. It is the policy of Company that any individual involved in any illegal drug activity or in the excessive use or abuse of alcohol or prescription drugs shall not be employed at a Company facility, in any capacity. This is a federally mandated program and cannot be superseded by State and Local Statutes, such as the use of marijuana for medicinal purposes. Accordingly, Company reserves the right to deny access to and to remove from any Company facility, any Supplier Personnel believed, in Company's sole judgment, to be in violation of this policy, without recourse by Supplier or any Supplier Personnel.
- 7.2. Supplier and its subcontractors shall make Supplier Personnel available for training in connection with the PVGS Fitness for Duty Program/Policy when requested by Company.
- 7.3. Supplier and its subcontractors shall not provide any Supplier Personnel for performance of the Work who is known to use or suspected of using any illegal drugs or to engage in the excessive use or abuse of alcohol or prescription drugs, or who has been denied access or removed from any nuclear facility for violation of any Fitness for Duty program. Supplier shall ensure that Supplier Personnel do not possess, use, or sell any illegal drugs or alcohol while at Company facilities. No Supplier Personnel employed by Supplier or its subcontractors may consume alcohol during the five hours preceding any scheduled work at a Company facility.
- 7.4. All Supplier Personnel shall have successfully passed the Company drug and alcohol tests, prior to being allowed unescorted access to the PVGS Site protected and/or vital areas to perform any Work. Drug and alcohol tests will be performed thereafter by Company on a random basis or for cause, as identified in PVGS Fitness for Duty Program/Policy. The cost for any verification of a drug or alcohol test by an independent laboratory, which verifies a positive reading, shall be for the account of Supplier. The ingestion of Hemp Oil shall not be a valid excuse for a positive marijuana test.
- 7.5. All Supplier Personnel and all of their property, when entering, leaving, and while at Company facilities, including all vehicles, equipment, storage and locker areas, tool and lunch boxes, desks, computer networks, email, and other possessions, shall be subject to search by Company at any time. Any suspected illegal substances or alcohol found shall be confiscated and forfeited, and any suspected illegal substances found shall be turned over to the appropriate law enforcement authorities.
- 7.6. Supplier shall be responsible for the continual behavior observation of the Supplier Personnel under its supervision at all times. Supplier and its subcontractors shall cooperate fully, as requested by Company, at Supplier's own expense, in investigating any reported or suspected illegal drug activity or alcohol/prescription drug abuse by any of their Supplier Personnel.
- 7.7. Supplier's on Site supervisor(s) shall observe Supplier Personnel for continued trustworthiness and shall immediately report to Company's Site security any indication of aberrant behavior or emotional instability.
- 7.8. Supplier Personnel at PVGS or related facilities who have supervisory responsibility for the Supplier Personnel who have access to the protected area of PVGS shall, prior to acting in a supervisory capacity, attend Company's Behavioral Reliability Training Program (approximately four (4) hours in duration), unless he or she received the

training at PVGS within the previous twelve (12) months. Supplier shall notify the PVGS Contracts Department immediately so that Supplier's Personnel who have or may assume supervisory responsibility can be scheduled for and attend Behavioral Reliability Training ("BRT") prior to acting in a supervisory capacity. This notification requirement is applicable at initial execution and at any time during the term of this Agreement.

- 7.9. All records of Supplier pertaining to any drug and alcohol tests shall be retained and available for examination and audit by Company or a designated representative for a minimum of five (5) years after completion of the Work, and copies of all such records shall be promptly furnished to Company at any time, upon request.

8. FIRST AID FACILITIES

- 8.1. First aid facilities and medical-related services, including a medical dispensary, nurse or other qualified attendant, and ambulance services, are being operated and maintained by Company at PVGS. Supplier may use such services for the emergency treatment of Supplier Personnel who are injured or become ill while engaged in the performance of the Work at PVGS. Transportation to off-Site medical facilities must be provided by Supplier, including cost of any ambulance or air transport.
- 8.2. In consideration of the availability of these services to Supplier Personnel:
- 8.2.1. Supplier hereby releases and shall save harmless, indemnify and defend Company and the Participants, and all of their directors, officers, employees, agents, representatives, and insurers from and against any and all claims, losses, damages or liabilities in connection with or incidental to the furnishing of such services to the Supplier Personnel, including but not limited to claims, losses, damages or liability for any injury to or death of any person or persons, and loss of or damage to any property regardless of where located, except for claims and demands arising out of the sole active negligence of Company and/or Participants.
 - 8.2.2. Supplier shall undertake the defense of such claims upon receipt of notice from Company of any such claims being pursued against Company, the Participants or their directors, officers, employees, agents, representatives, and insurers, and, upon entry of any judgment, shall make any and all payments necessary thereunder.
 - 8.2.3. Should any of Supplier Personnel require the services of a physician, hospital, or medical transportation, Supplier shall promptly pay all charges therefore directly to the physician or hospital rendering such service.
 - 8.2.4. Supplier shall comply with and require Supplier Personnel to comply with all procedures required by Company for the use of such services.
- 8.3. Notwithstanding Section 8.1, it is understood that Supplier shall remain solely responsible for providing first aid facilities and medical-related services for the emergency treatment of Supplier Personnel who may be injured or become ill while engaged in performance of the Work at PVGS and that Company does not ensure the continued availability or sufficiency of such first aid facilities and medical-related services at PVGS. Should Company's first aid facilities and medical-related services be unavailable or insufficient, Supplier shall provide such services, as necessary, at Supplier's expense.

9. ENVIRONMENTAL

- 9.1. Supplier and the Supplier Personnel shall at all times comply with all applicable federal, state, county, and local laws, ordinances, statues, standards, rules, orders, and regulations, and facility permits. Existing facility permits are available from the Company Environmental Section Leader. Supplier shall prior to commencement of the Work procure licenses, certificates, or permits necessary to perform and complete the Work. Copies of such licenses, certificates, and permits relating to Work and equipment to perform the Work will be provided to Company two (2) weeks prior to the start of Work. If in the performance of Work additional licenses, certificates,

or permits are required, Supplier shall immediately notify Company, and shall await a decision by Company before proceeding with any portion of the Work that requires the additional license, certificate, or permit.

- 9.2. Supplier shall not release or discharge hazardous substance, pollutants, or contaminants onto, into or otherwise pollute any soils, surface water, groundwater, or discharge into the atmosphere, any smoke, dust, or other hazardous substances, pollutants, or contaminants in violation of the laws, rules, and regulations of the governmental entities having jurisdiction. Supplier shall not take any action or fail to take any action which would result in the spread, migration or exacerbation of any existing contaminants, pollutants, or hazardous substances. If such release or discharge occurs, Supplier shall immediately notify Company and upon approval from Company, Supplier shall or the Company shall at the Supplier's expense, abate, remove or remediate such release or discharge as required by law including, but not limited to decontamination, removal, and disposal of the hazardous substance, contaminant, or pollutant and any contaminated soil, replacement of contaminated soil so removed and repair of any damage, all at Supplier's sole expense.
- 9.3. In the event that any Indian relics or items with archaeological or historical value are discovered, Supplier shall immediately notify Company, and shall await a decision by Company before proceeding with any portion of the Work that might disturb or endanger the discovery. Neither Supplier, nor any Supplier Personnel shall have property rights in such relics or items.
- 9.4. In that event that any animal or plant is encountered that is endangered or protected, including their habitat, Supplier shall immediately notify Company and shall await a decision by Company before proceeding with any portion of the Work that might disturb the animal, plant, or habitat.
- 9.5. Supplier shall notify Company immediately of any contacts or communication with or by governmental regulators, agencies or other officials with respect to the Work provided under the Agreement or any aspect of Company's business or properties.
- 9.6. Emergency Planning and Community Right To Know & OSHA Right To Know
 - 9.6.1. The use of all hazardous materials and chemical substances at PVGS shall be in accordance with the PVGS Chemical Control Program unless specifically exempt by the PVGS Chemical Use Review Board ("CURB"). Exempted chemicals shall require the Supplier to comply with all applicable OSHA Right-to-Know regulations and specific use restrictions identified by the CURB.
 - 9.6.2. All such hazardous materials and chemical substances shall be properly labeled before being brought onto the Site, in accordance with OSHA, the PVGS Chemical Control Program, and any other applicable labeling requirements, including but not limited to, those requiring the preserving of labels from manufacturer's containers and the labeling of secondary containers.
 - 9.6.3. At least once a calendar quarter and upon completion of the job, the Supplier will provide a written report of the total amount of each hazardous material or chemical stored and used at the Site. The report is to include the maximum amounts stored onsite at any one time as well as the total amount used during the reporting period. Chemicals that are purchased or used from Company inventory or specifically exempted from the PVGS Chemical Control Program are excluded from this reporting requirement.
 - 9.6.4. Supplier will provide licensed drivers and equipment for performance of Work on public roads. The Supplier will also perform inspections, maintain vehicles, and keep records as required by regulations. Hazardous materials that are "materials of trade" shall be properly transported. Hazardous materials generated as part of Work shall not be shipped without review by the Company.
 - 9.6.5. Laboratories will ensure they are certified with the Arizona Department of Health Services ("ADHS") for each analytical method requested by the Company.

10. FITNESS FOR DUTY

- 10.1. Supplier shall ensure that all Supplier Personnel performing the Work shall be physically and mentally fit to perform the Work, so as to provide a safe working environment for all personnel at the Site. Supplier and any subcontractors shall continuously monitor the Supplier Personnel during the performance of the Work or while at the Site and shall remove from active duty any Supplier Personnel who become unfit to perform the Work, whether because of stress, fatigue, injury, illness, substance abuse, or other factors.
- 10.2. Supplier Personnel who perform supervisory responsibilities within the protected area of PVGS shall, prior to acting in a supervisory capacity, attend Company's Behavioral Reliability Training Program (approximately four (4) hours in duration), unless he or she received the training at PVGS within the previous twelve (12) months. Supplier shall notify the PVGS Contract Services Department immediately so that those Supplier Personnel who have or may assume supervisory responsibility can be scheduled for and attend BRT prior to acting in a supervisory capacity. This notification requirement is applicable at initial execution and at any time during the term of this Agreement.
- 10.3. **FATIGUE RULE** - Supplier is obligated to comply with the most current revision of the Fatigue Rule, Title 10 Code of Federal Regulation Part 26 (10CFR26) – NRC's Fitness for Duty Rules. The Fatigue Rule shall become effective on 10/01/2009. The following link will take you to the NRC's website, which contains detailed information pertaining to the Fatigue Rule.

<http://www.nrc.gov/reading-rm/doc-collections/cfr/part026/>

This paragraph 10.3 is intended to focus Supplier's attention on the Fatigue Rule, and is not intended to modify or supersede the Fatigue Rule's requirements. Supplier is expected to review and comply with the Fatigue Rule as it may apply to Supplier's performance of work at PVGS. Supplier should direct any questions regarding the Fatigue Rule to the Company designated representative under Supplier's Agreement with Company.

- 10.4. **Application of the Fatigue Rule Clause** - Supplier Personnel may be considered "covered individuals" for purposes of the Fatigue Rule. If any Supplier Personnel are covered individuals, then the Supplier must submit daily timesheets for such Supplier Personnel to Company's designated representative. It is Supplier's responsibility to regularly coordinate with Company's designated representative to ensure daily timesheets are accurately prepared, submitted on a timely basis, and properly maintained to support applicable record keeping requirements. Suppliers must comply with current revision of Procedure 01DP-0AP17, Managing Personnel Fatigue. The Fatigue Rule applies to all personnel who have been granted unescorted access to the Site's protected area. However, there is a subset of workers who perform "covered work" who must comply with additional work-hour restrictions. According to 10CFR26.4 (FFD Program Applicability to Categories of Individuals), personnel generally covered by these requirements include individuals assigned to the following work tasks:

- Security
- Operations, including Fire Team Advisors
- Maintenance
- Radiation Protection and Chemistry (those who have on-shift Emergency Preparedness responsibilities)

Refer to the Fatigue Rule for complete Information.

- 10.5. **Pandemic Related Testing** – At Company's discretion, testing for pandemic related conditions of Supplier or Subcontractor personnel assigned to provide Work at the Site may be requested in order to ensure a safe environment for all personnel at the Site. Supplier will provide Company access to the testing results pursuant to any required waivers from Supplier personnel.

If testing is performed at Company's request during Supplier or Subcontractor personnel's normally assigned work hours, Supplier will be authorized to invoice Company for time committed to performance of the testing

procedure. Supplier is also authorized to invoice Company for reimbursement of the cost of a test but such cost shall not exceed Two Hundred (\$200) Dollars per test.

Company reserves the right to deny access to and to remove from the Site, any Supplier or Subcontractor Personnel that fails to get tested for the pandemic related conditions pursuant to Company's request to Supplier.

Company also reserves the right to deny access to and to remove from the Site, any Supplier or Subcontractor Personnel that tests positive for pandemic related conditions.

11. HEAT STRESS

11.1. Supplier's Personnel shall adhere to Heat Stress Prevention Program, Procedure 01DP-0IS17.

12. FOREIGN MATERIAL EXCLUSION

12.1. To prevent foreign material intrusion into plant systems and components, Supplier shall perform a pre-service and post-service inspection of equipment in accordance with Procedure 30DP-9MP03, Mechanical System Cleanliness, and Procedure 30DP-9MP23, Foreign Material Exclusion Controls.

13. FIRE CONTROL

13.1. Supplier shall not ignite or maintain any unauthorized fire within or adjacent to the limits of the Work area unless authorized by Company. Supplier shall furnish Company's designated representative with a copy of each required permit to burn prior to any scheduled burn.

14. EXPLOSIVES

14.1. Explosives shall not be used in the performance of the Work unless specifically authorized in writing by Company. In case such authorization is granted, Supplier shall be responsible for the proper handling, transporting, storage, and use of explosives, and shall give Company's designated representative at least two (2) days advance notice of any intended use of explosives and shall coordinate and receive written approval from Company as to actual time and place of said usage.

15. CLEANUP

15.1. Upon completion of any portion of the Work, Supplier shall promptly remove all of its equipment and surplus material not to be used at or near the same location during later stages of Work. Supplier shall maintain and leave the Site in a neat, clean, and safe condition; and shall restore the Site, including but not limited to roadways, utilities, and painted surfaces, to pre-construction condition. Supplier shall dispose of all rubbish, unusable material, and other debris in accordance with Site waste management procedures. In the event of Supplier's failure to comply with the foregoing, the same may be accomplished by Company at Supplier's expense.

16. DELIVERY, UNLOADING, AND STORAGE

16.1. Unless specified otherwise in writing by Company, Supplier shall deliver to the Site, unload, store, and handle all Supplier-furnished material and shall unload, store and handle all other material and equipment in accordance with any specifications supplied by the manufacturer or by Company, for the Work, which arrives at the Site after Supplier has begun the Work.

16.2. The storage facilities and methods of storing shall be subject to the approval of Company. Material and equipment subject to degradation by outside exposure shall be stored in weather tight enclosures to be provided by Supplier.

16.3. Supplier shall keep complete and accurate records for Company's inspection of all material and equipment received, stored, and issued for use in the performance of the Work.

17. EQUIPMENT OR FACILITIES SUPPLIED BY COMPANY

- 17.1. Company may make available to Supplier certain equipment or facilities for the performance of the Work on an as-available basis. Such equipment or facilities shall be charged to Supplier at agreed rates. If said equipment is made available to Supplier, Company may have the right to recall the equipment at any time without notice to Supplier and in said event, Company shall not be liable to Supplier for any costs of delay.
- 17.2. Such equipment, facilities, and maintenance records shall be maintained by Supplier during the period of Supplier's use.
- 17.3. Supplier shall assure itself of the conditions and the safety of such equipment or facilities before use and shall assume all risks and responsibilities during said use. Supplier shall save Company and the Participants harmless from any damages or claims that may arise from said use. Company and Supplier shall jointly inspect such equipment or facilities upon its return to Company to establish its condition and substantiate whether or not any part of the equipment or facilities used by Supplier has been overstressed or damaged in any way as a result of such use. The cost of repairs or replacement to correct such overstress or damage resulting from said use shall be at Supplier's expense.
- 17.4. In the event such equipment is furnished by Company with an operator, such operator will perform under the complete direction and control of Supplier except for termination of employment, payment of wages, Workmen's Compensation, or other benefits.

18. TESTS

- 18.1. Supplier shall perform all testing specified in this Agreement and shall, at Company's request, do so in the presence of a Company representative.
- 18.2. Should any additional tests be desired by Company, such tests shall be performed at Company's expense, except the expense of Supplier's representatives for field tests, if any, shall be borne by Supplier.

19. BONDS

- 19.1. If requested by Company, Supplier shall furnish the following surety bonds (substantially in the form of the Standard AIA Performance and Payment Bonds form) with sureties acceptable to Company. Company will reimburse Supplier for the price of the bonds so requested.
 - 19.1.1. "Performance" bond in the amount of one hundred percent (100%) of the anticipated price of this Supplier in form satisfactory to Company, covering the faithful performance of the Work under this Agreement.
 - 19.1.2. "Payment" bond in the amount of one hundred percent (100%) of the anticipated price of this Agreement in form satisfactory to Company. This bond is in addition to the "Performance" bond and is to cover payment of all obligations arising from this Agreement, including the payment to all persons supplying labor and material in the performance of the Work and discharge of all liens arising therefrom. This bond shall give labor and material suppliers direct right of action against the surety.
 - 19.1.3. Any other bond(s) as requested by Company at any time until all obligations and rights created by this Agreement have terminated.
- 19.2. Should any surety upon any bond furnished in connection with this Agreement become unacceptable to Company, or should any such surety fail to furnish reports as to its financial condition as may be requested by Company at any time while the bond is in force, Supplier shall promptly furnish such additional surety or alternate bond at Supplier's expense as may be required by Company to protect the interests of Company and/or of persons supplying labor or material in the performance of this Agreement.
- 19.3. Supplier shall keep the sureties informed as to all material matters affecting this Agreement.

20. SUPPLIER'S WORK AREA

- 20.1. Supplier shall confine its work areas at the Site to the locations assigned by Company. Supplier shall confine its office, shops, storage, assembly, and equipment and vehicle parking to the areas so assigned. Should Supplier find it necessary or advantageous to use additional locations outside of the project Site for any purpose whatever, Supplier shall, at its sole expense, provide and make its own arrangements for the use of such additional locations.

21. SUPPLIER'S PLANT, EQUIPMENT, AND FACILITIES

- 21.1. Before bringing any Supplier equipment or facilities on Site, proceeding with any Work, or with erection of any facilities including but not limited to temporary structures, machinery, equipment, offices, warehouses, and camps, Supplier shall furnish Company with such information and drawings relative to such equipment, plant, and facilities as Company may request. Upon written order of Company, Supplier shall discontinue operation of unsatisfactory plant and equipment or facilities and shall either modify the unsatisfactory items to meet Company approval or remove the unsatisfactory items from the Site. Construction and demolition of any facilities must have the proper permits.
- 21.2. Supplier shall confirm in writing to Company that all Supplier supplied equipment or facilities delivered to Site has current annual (or other interval, as required) inspections, certifications, dedications, licenses, etc., and that all inspections, certifications, dedications, licenses, etc., shall remain current for the duration of the use on Site or such equipment shall be immediately removed from Site. Supplier is responsible to conduct all inspections, certifications, dedications, licenses, etc., off-Site, inspect their equipment and facilities with their own resources, and not interfere with Site Work. Any exceptions to off-site inspections, certifications, dedications, licenses, etc., requirement shall require pre-approval by the responsible Department Leader or his designee for the particular project. (CRAI 4544022).
- 21.3. Supplier shall not remove construction equipment, tools, or facilities from the Site before the Work is finally accepted without Company written approval or final acceptance of the Work. Such approval shall not be unreasonably withheld.

22. QUALITY ASSURANCE PROGRAM

- 22.1. Supplier performing Work or providing Subcontractors, under their approved Quality-Assurance Program, must have all revisions of the Suppliers Quality Assurance Manual reviewed and approved by the Palo Verde Generating Station, Nuclear Assurance Department, Vendor Audit Section Leader, Mail Station 7996, prior to use.

23. CORRECTIVE ACTION PROGRAM

- 23.1. Supplier shall be responsible for adherence by Supplier Personnel to the PVGS Corrective Action Program, Procedure 01PR-0AP04.

24. SOFTWARE ERROR NOTIFICATION AND DOCUMENTATION

- 24.1. Should the Supplier be providing Software, the Supplier shall deliver Software Error Notices and Documentation to Company within thirty (30) working days from the Supplier's formal documentation of the error. Software Error Notices shall be delivered to the following address:

Arizona Public Service Company
Palo Verde Generating Station
Attention: Palo Verde Information System
Mail Station 7804
5801 South Wintersburg Road
Tonopah, Arizona 85354

25. SITE EMERGENCY PLAN AND PERSONNEL ACCOUNTABILITY

- 25.1. Supplier shall become thoroughly familiar with the provisions of the PVGS Site Emergency Plan, develop the necessary program for its work area and Supplier personnel, and inform its personnel of their responsibilities, should the PVGS Site Emergency Plan be activated. Supplier's Site superintendent may be required to attend a Site Access Training session.
- 25.2. Supplier shall be responsible to account for all Supplier Personnel under its jurisdiction, including any non-project visitor personnel, should the PVGS Site Emergency Plan be activated.
- 25.3. Company will provide assistance in development of Supplier's implementation plan. The Company field representative will coordinate Supplier's response to any PVGS Site Emergency Plan implementation requirements.

26. CYBER SECURITY REQUIREMENTS

- 26.1. Supplier Personnel working on-site and/or who are authorized access to PVGS computers are required to take CSA10, "Cyber Security Awareness Training." Supplier shall coordinate with the PVGS Training Department to take and successfully complete this required training.
- 26.2. Supplier shall ensure that Supplier Personnel are familiar with and comply with the requirements of 22DP-0SK01, "Removable Media and Removable / Portable Device Management," to minimize the probability of infection and spread of known malicious software to plant equipment through the use of removable media (or removable / portable device).

27. STARS OPT OUT

- 27.1. Company and Supplier agree that Supplier will support Company's objective of integrating and aligning Work performed pursuant to this Agreement with Supplier's work performed for members of STARS Alliance LLC ("STARS") in order to optimize the collective operational and cost performance of STARS plants. If the Supplier enters into an agreement for services with STARS, and Company purchases such services under the STARS agreement with Supplier, then Company may terminate this Agreement for convenience.

28. NUCLEAR LIABILITY AND INDEMNITY

- 28.1. Company has secured and shall maintain in effect: (i) nuclear liability insurance from American Nuclear Insurers ("ANI") in the amount and form as shall meet the financial protection requirements of the NRC under the Act; and (ii) a government indemnity agreement with the NRC under subsection 170c of the AEA. The nuclear liability insurance and government indemnity agreement shall be in effect throughout the term of this Agreement and any Order and shall remain in effect until the decommissioning of the Site. Supplier and its subcontractors of any tier shall be covered entities under the nuclear liability insurance and indemnified parties under the government indemnity agreement. If Company transfers its interest in the Site, such as through a transfer of its NRC operating license if one were to occur, the transfer must require the transferee to maintain the nuclear liability insurance and government indemnity agreement described herein.
- 28.2. Company shall obtain a waiver by the insurers of subrogation rights against Supplier and its subcontractors of any tier. If the combined amount of insurance and indemnity protection required by the NRC becomes unavailable for any reason, or is reduced from that which is required by the NRC at any time during the term of the Agreement, or if the limitation of liability of Section 170e of the Act becomes unavailable for any reason, Company shall, if commercially available, provide and maintain nuclear liability protection in an amount and form then consistent with generally accepted industry practice for nuclear plants in the United States.

29. NUCLEAR AND NON-NUCLEAR PROPERTY DAMAGE INSURANCE

- 29.1. Company has secured and shall maintain in effect nuclear property damage insurance in an amount and form

consistent with 10 CFR §50.54(w) and generally accepted industry practice in the U.S. Such insurance policy shall provide for waiver by the insurer of any rights of subrogation against Supplier and its subcontractors. Company waives all right of recovery whether based on warranty, agreement, negligence, strict liability or otherwise, including any rights of subrogation available to Company insurers or affiliates, against Supplier and its subcontractors as a result of damage to, or loss of use of any property on the Site arising from i) losses arising from a “nuclear energy hazard,” as defined in Company’s nuclear property damage insurance; or ii) losses arising from a non-nuclear accident, which losses are covered by Company’s nuclear property damage insurance, caused by or attributed to the negligence of Supplier or its subcontractors except for the applicable deductible amount under Company’s nuclear property damage insurance, for each such action. This waiver shall not relieve Supplier of its obligations under any warranty provisions of this Agreement.

ADDITIONAL REQUIREMENTS FOR CONSTRUCTION RELATED CONTRACTS

30. HEAVY EQUIPMENT AND OPERATOR

- 30.1. Prior to the bringing on Site of any type of heavy equipment, including but not limited to cranes, cherry pickers, man lifts, back hoes, loaders, trenchers, boom trucks, etc., Supplier shall notify the Company Department Leader in charge of the project or his designee. Supplier shall ensure that all of its equipment operators performing Work for Company are trained, skilled and proficient in the operation of the equipment, and that all such operators understand and comply with the PVGS Site safety requirements as well as any additional requirements as may be imposed, verbally or in writing, by the Company Department Leader or his designee for the particular project.
- 30.2. Supplier equipment shall be delivered with annual (or other interval, as required) inspections, certifications, dedications, licenses, etc., current and Supplier shall confirm in writing to Company that all inspections, certifications, dedications, licenses, etc., shall remain current for the duration of the use on Site or such equipment shall be immediately removed from Site. Supplier is responsible to conduct inspections, certifications, dedications, licenses, etc., off-Site, inspect their equipment with their own resources, and not interfere with Site Work. Any exceptions to off-site inspections, certifications, dedications, licenses, etc., requirement shall require pre-approval by Department Leader or his designee for the particular project. (CRAI 4544022)
 - 30.2.1. All Supplier crane equipment shall be pre-approved by Company crane Team Leader or his designee.

31. SUPPLIER–SUPPLIED LIFTING ASSEMBLIES, shall comply with ASME NQA-1-2008/NQA-1a-2009 Addenda SUBPART 2.15, *Hoisting, Rigging, and Transporting of Items for Nuclear Power Plants* (CRAI 4560789 - INPO IER Level 2 14-26)

- 31.1. Temporary Lifting Assemblies are specialty designed and engineered temporary lifting systems. The lifting system contains structural components, mechanical components and electrical components that are used in combination for handling the load. The designed lifting equipment components are not available from a commercial source as a catalog or standard designed item. Temporary lifting assemblies are Supplier designed load handling systems such as towers, columns, girders, trolleys, bridge systems and hoist systems.
- 31.2. Supplier-supplied designs and calculations for engineered temporary lift assemblies shall have an independent third party review performed to ensure that the design is adequate to lift and transport the required component, and that all code requirements are met. The independent third party review shall be performed by a registered Professional Engineer who is not associated with the Supplier supplying the temporary lift assembly design. The results of the review performed shall be submitted to Company as a Deliverable under an Order. *Note:* Reference 70DP-0AC01, Conduct of Engineering, and associated EDG-01 and EDG-02, for third party evaluation guidance and criteria.
- 31.3. Inspections and load testing. In the event load testing of an engineered temporary lift assembly cannot be

performed, the independent third party reviewer shall verify that the design capacity meets all applicable codes and regulations. Any decision to not conduct a load test for a temporary lift assembly shall be approved by the Director, Nuclear Engineering Design.

- 31.4. All Supplier-supplied temporary lifting assemblies and documentation will be subject to a final Company review and acceptance by Project Management and Engineering.

32. LINES AND GRADES

- 32.1. Supplier shall maintain all established lines and grades unless otherwise specified in this Agreement.

33. TITLE TO SITE MATERIAL FOUND

- 33.1. The title and interest in the right to the use or disposal of all water, soil, stone, gravel, sand, minerals, timber, and all other material developed or obtained in the excavation or other operations by Supplier, its subcontractors, or their representatives or employees, are hereby expressly reserved by Participants.

34. SUBSURFACE CONDITIONS

- 34.1. Where Company has made investigations of subsurface conditions in areas where the Work is to be performed and makes such information available to Supplier, it is understood that such investigations were only for the purpose of study and design and that there is no warranty, either express or implied, that these investigations or records thereof are representative of the conditions existing throughout the area. It is expressly understood and agreed that Company shall have no responsibility with respect to the sufficiency or accuracy of such investigations, the records thereof, or the interpretations set forth therein. Nothing in this section shall require Company to make such investigations or to make available to Supplier any information from investigations actually made.
- 34.2. Supplier shall promptly notify Company in writing of: i) subsurface or latent physical conditions at the Site differing materially from those indicated in the specifications, or ii) unknown physical conditions at the Site of any unusual nature, differing materially from those ordinarily encountered and generally recognized as inherent in work of the character provided for in the Agreement before such conditions are disturbed. Company shall, as promptly as practical, investigate the conditions. If it is determined that such conditions do materially differ and thereby cause an increase or decrease in Supplier's cost, or the time required for performance of any part of the Work, an equitable adjustment will be made in the compensation and schedule, and the Agreement shall be modified accordingly in writing by Company.

35. UNDERGROUND INSTALLATIONS

- 35.1. Supplier shall be responsible for ascertaining the location and existence of all underground installations, including cable, gas, water pipes, telephone lines, and other underground obstacles, whether the location of the excavation, digging, or trenching required for performance of the Work is fixed by Company or by Supplier. Supplier shall be liable for all damage to any underground installations due to performance of the Work, and shall indemnify and save harmless Company and its insurers from all claims and expenses arising from such damage. Supplier shall promptly notify Company of underground installations or obstacles at the Site that differ materially from those indicated on Company supplied drawings. Company shall, as promptly as practical, investigate the conditions. If it is determined that such conditions do materially differ and thereby cause an increase or decrease in Supplier's cost, or the time required for performance of any part of the Work, an equitable adjustment will be made in the compensation and schedule, and the Agreement shall be modified accordingly in writing by Company.

36. ENVIRONMENTAL PROTECTION

- 36.1. The impact of Site clearing and grading activities shall be minimized by careful planning and supervision, including considerations of soil stability, protection of adjacent vegetation, selectivity in the choice of access and

construction road routes, and the protection of stream banks.

- 36.2. Supplier shall instruct all Supplier Personnel in methods of avoiding damage to the natural environment.
- 36.3. Soil that has been excavated during construction shall be removed from the area, placed in a designated Site soil area, and stabilized. All excavations shall be backfilled per applicable Company specifications. Backfill material shall meet such specification requirements and be obtained from approved Site storage areas, with Company's approval.
- 36.4. Growth retardants, chemicals, and biocides shall not be permitted during construction, except where specified in the technical specification and drawing and approved by the PVGS Environmental Section Leader.
- 36.5. Supplier shall maintain a clean construction Site. All debris will be disposed of in accordance with Site waste management procedures.
- 36.6. Supplier's Site supervisor may be required to attend a thirty (30) minute Environmental Seminar. The PVGS Environmental Section Leader will schedule the seminar appropriate to Company and Supplier.
- 36.7. If any dewatering is necessary, the resulting wastewater shall be discharged to or deposited in the Site evaporation pond or to other areas as directed by the PVGS Environmental Section Leader.
- 36.8. All excess concrete and concrete truck wash waste shall be disposed of off the Site or in a designated on-Site landfill, as directed by Company.
- 36.9. If portable equipment driven by a diesel engine (compressor, generator, welder, pump, light standard, etc.) is used, the fuel usage and/or the equipment runtime must be reported to the PVGS Environmental Section Leader.

37. SANITARY FACILITIES

- 37.1. Unless specified otherwise in writing by Company, Supplier shall furnish, install, and maintain temporary but adequate and ample drinking water facilities and portable chemical toilets on the Site at all times for all personnel engaged in and during performance of Work. Supplier shall furnish a copy of any permits required for use of such chemical toilets to the PVGS Environmental Section Leader.
- 37.2. Supplier shall at all times keep such temporary facilities in clean and sanitary condition and shall furnish all supplies for it. Disposition of waste and wastewater from such temporary facilities shall be subject to approval of Company.
- 37.3. Upon completion of the Work, Supplier shall remove all temporary sanitary facilities from the Site.

38. COMPRESSED AIR, WATER, AND ELECTRICITY

- 38.1. Unless specified otherwise in writing by Company, Supplier shall provide all compressed air, water, electricity, and other utilities necessary for performance of the Work.
- 38.2. If Company furnishes service water and/or potable water to Supplier as necessary at Company designated locations on or near the Site, Supplier shall furnish, install, maintain and remove any necessary temporary water distribution facilities, heaters, coolers, filters, etc.
- 38.3. If Company furnishes electricity to Supplier, Company shall designate location(s) at which Supplier may connect to the source. Supplier shall furnish, install, maintain, and remove all temporary disconnects, breakers, ground fault interrupters, panels, transformers, and wiring required for construction tools and equipment, construction offices, change rooms, temporary washrooms, temporary heat and lights, etc.

39. SUPPLIER TOOLS AND EQUIPMENT IDENTIFICATION

- 39.1. Supplier shall, to the satisfaction of Company, establish and administer an identification issuance system for its

tools and equipment. Company will authorize removal from the Site only those items with Supplier's identifying mark. Company assumes no liability for loss of tools and equipment.

40. ILLUMINATION

40.1. Unless specified otherwise in writing by Company, when any Work is performed at night or where daylight is obstructed or obscured, Supplier shall, at Supplier's sole expense, provide artificial light sufficient to permit the Work to be performed efficiently, satisfactorily, and safely, and to permit thorough inspection. During such time periods, the access to the place of work shall also be clearly illuminated. All wiring for electric light and power shall be properly installed and maintained and in locations acceptable to Company.

41. ELECTRICAL SAFE WORK PRACTICES

41.1. Supplier shall be responsible for adherence by Supplier Personnel to the PVGS Electrical Safe Work Practices, Procedure 01DP-0IS13.

(END SITE REQUIREMENTS)