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**URENCO USA ONLINE GENERAL CONDITIONS FOR PURCHASES OF MATERIAL AND EQUIPMENT NOT  
SPECIALLY ENGINEERED AND QUALITY LEVEL 3, REV. 1 EFFECTIVE 11/08/2017**

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The General Conditions enumerated herein supplement the terms and conditions of the Purchase Order and, with the specifications, drawings(s) and other documents noted in the Purchase Order, are a part of the purchase agreement between the parties.

**I. DEFINITIONS**

Wherever the term "Supplier," "Vendor," "Manufacturer" or "Fabricator" appears in the Purchase Order or accompanying documents, it shall be understood to refer to the Seller.

The term "Owner" shall be understood to refer the owner of the project to or for which the subject materials and equipment are being delivered, its successors and assigns.

The term "Buyer" shall be understood to refer to Louisiana Energy Services, LLC (LES) dba URENCO USA, a Delaware Limited Liability Company with an office located in New Mexico, its successors and assigns.

The term "Project" shall be understood to refer to the project to or for which the subject materials and equipment are being delivered.

**II. DRAWINGS AND DATA FURNISHED BY SELLER**

**A. Identification**

All drawings submitted by Seller and its suppliers shall bear the following identifications in or near the title block:

- P.O. No.
- Owner
- Explanatory Title
- Owner's Item Number

Where possible, a space six inches (6") wide by four inches (4") high shall be reserved above the title block for Buyer's foreign print label.

**B. Review**

Buyer will examine drawings, schedules or details for design, controlling dimensions and apparent suitability and shall return one (1) copy either released for manufacture or marked showing changes desired. When changes are required, drawings shall be resubmitted promptly, with revision clearly marked, until finally released for manufacture. All drawings and test and inspection reports will be reviewed by Buyer prior to shipment of the equipment. All data submitted for review shall follow the above procedures. Review of drawings and data by Buyer will be only for conformance with the drawings and specifications and for confirmation of physical interface of items shown with related systems and does not constitute acceptance of any design, material, component or equipment not fulfilling all contract specification and drawing requirements. Such review shall not relieve Seller from his responsibility for any deviations from the requirements of the purchase agreement unless Seller has called Buyer's attention in writing to such deviation at the time of submission and Buyer has given written approval to the specific deviation, nor shall such review by Buyer relieve Seller from responsibility for errors or omissions in the Seller's drawings or for the sufficiency of the material and equipment to accomplish the result required as set forth in the purchase agreement.

**C. Discrepancies Between Documents**

Any discrepancies in the drawings and/or specifications shall be referred to Buyer for interpretation and decision, which shall be binding; otherwise, Seller shall furnish everything called for by either drawings or specifications even though not called for by both.

Figured dimensions shall take precedence over scaled dimensions; detailed drawings over general drawings.

**III. DRAWINGS AND SPECIFICATIONS FURNISHED BY BUYER**

Drawings and specifications shall not be used on any other work. Such drawings and specifications are the property of Buyer and shall be returned to Buyer on completion of work if requested.

**IV. MATERIALS AND WORKMANSHIP**

**A. Quality**

Materials shall be new, unused, and of the latest design and the Seller shall, if required, furnish satisfactory evidence as to the kind and quality of materials.

Seller shall furnish all of the Goods and/or Services and shall perform all effort necessary to complete the delivery of such Goods and Services and shall do everything required by the Purchase Order to complete fully, protect and deliver the Goods and Services to the satisfaction of the Buyer in full compliance with the requirements of this Purchase Order.

**B. Compliance**

The Seller shall comply with all laws, ordinances, rules and regulations applicable to the work. If the Seller observes that the specifications or drawings are at variance therewith, Seller shall give Buyer prompt written notice thereof and any necessary change shall be adjusted by appropriate modification. If the Seller performed any work which it knew or reasonably should have known was contrary to such laws, ordinances, rules or regulations, Seller shall bear all costs arising there from.

Designs, materials, construction, workmanship, and testing, including shop and field work of all equipment furnished and all work performed under this purchase agreement, shall in all respects comply with the latest ASME, AIEE, NEMA, ASA, and other applicable national, state, local and recognized institutional Codes.

**C. Defective Material**

Defective material shall not be repaired and used in the construction of the equipment without the prior written approval of Buyer. No peening, caulking or filling shall be permitted in repairing cracks, pinholes or blowholes. For defects, the method of repair shall be as mutually agreed by both the Seller and Buyer.

Should Seller find errors or discrepancies in, or omissions from, the Specifications, or be in doubt as to their meaning, the Seller shall immediately notify Buyer in writing and request a written interpretation. However, if Seller recognizes any such error, inconsistency, omission or difference in the Specifications and knowingly fails to report it to Buyer, then Seller shall be liable for all damages resulting therefrom.

"Defective material" is defined as any material not meeting the requirements of the specification or Seller's drawings.

**V. SHOP ASSEMBLY AND INSPECTION**

**A. Access**

The Owner, Buyer and their representatives shall at all times have access to the work wherever it is in preparation, and the Seller shall provide proper facilities for such access and for inspection. These inspections will include, but not be limited to, the verification and implementation of the Seller's standard material control and in-house inspection procedures.

**B. Inspection**

Shop surveillance, if required by the specification, will be performed by representatives from Buyer quality assurance; however, these surveillance efforts by Buyer will not relieve the Seller of any responsibility for the stated conditions of the specification and shall not be considered as a waiver of warranty or other rights.

Buyer surveillance personnel will not accept equipment or material in the Seller's plant. Lack of rejection by Buyer surveillance personnel shall not constitute acceptance of the work, equipment or material.

All equipment or material produced by the Seller will undergo final inspection during site receiving inspection.

### **C. Shop Assembly**

The basic equipment shall be shop assembled, fitted, match-marked and then dismantled to the extent necessary for shipping in largest practical sections. Complete assemblies requiring the least possible field assembly are required. Sufficient notice shall be given to Buyer prior to the time of dismantling and shipping so that Owner and Buyer or their representatives may inspect the completed shop work.

### **D. Responsibility**

Neither inspection, partial or final payment, nor approval by the Owner, Buyer or their representatives, shall lessen the responsibility of the Seller to make the work and/or equipment comply with the requirements of the purchase agreement.

### **E. Testing**

If the specifications, laws, ordinances, or any public authority require any work to be specially tested or approved, the Seller shall assume the cost thereof, unless stated otherwise in the Purchase Order, and shall give Buyer a seven (7) days' notice of its readiness for inspection or testing.

If the results of the tests conducted indicate that the equipment does not comply with the performance requirements set forth in the drawings or specifications, the Seller shall, at its expense, make all necessary adjustments, repairs, replacements or changes in order to attain the required performance. Until the required performance is achieved, all subsequent tests by Buyer or the Owner shall be made at Seller's expense.

## **VI. PREPARATION FOR SHIPMENT**

### **A. Packing**

Shipments from Seller or any tier sub vendor must contain a packing list on which all items can be cross-referenced to the master bill of material, along with copies of bills of lading, shipping manifests, and all other papers showing shipment of materials. Documents shall be written in the English language. All dimensions and quantities shall be expressed in U.S. Units. Copies of these documents shall also be distributed in accordance with Paragraph VII. SHIPMENT. The "outside" of all packaging must contain the Purchase Order number and Item Name/Numbers and Quantity written in clear view.

### **B. Hazardous Materials**

Seller's design for the Goods shall not require or allow the incorporation of any Hazardous Materials into the Goods without the written permission of Buyer. Seller shall be fully responsible and liable for any non-conformance. In the event the use of Hazardous Materials are a component of any materials delivered to site, Seller agrees to comply with Federal OSHA Hazard Communication Standards, 29 CFR 1926.59 and 29 CFR 1910.1200, which require that manufacturers, importers and distributors properly label all containers of Hazardous Materials or components and furnish a Material Safety Data Sheet ("MSDS") for each Hazardous Material supplied. One (1) copy of the related MSDS must be provided with each shipment of any Hazardous Material. Failure to provide the MSDS or proper labeling on the container(s) is a violation of Federal regulations and may result in the rejection of the shipment. Seller shall be responsible for all shipping charges related thereto. Revised MSDSs must be submitted to Buyer when there is a change in composition or when significant new information concerning hazards or ways to protect against hazards become known.

## **VII. SHIPMENT**

### **A. Hours of Delivery**

Deliveries are accepted at the Buyer's site 8:30 AM to 2:30 PM, Monday to Friday only, local holidays excepted, unless otherwise provided in writing by Buyer.

### **B. Submittals**

One (1) copy of Bill of Material and all shipping documents are to be provided at the address shown on the Purchase Order.

### **C. Expediting**

Buyer and its representatives shall have the right to expedite this purchase agreement and any suborders by in-plant visits and by telephone. The Seller shall include this requirement in all suborders. Un-priced copies of all major suborders are to be submitted to Buyer.

## **VIII. WARRANTY**

Seller warrants that:

- i) all equipment, materials and components shall be new, unused, and free from defects in design, workmanship, and material
- ii) all work shall be performed in a good and workmanlike manner and shall strictly conform to requirements of the Purchase Order
- iii) the work, material and/or equipment, when completed, will meet or exceed the performance and other requirements set forth in the Purchase Order

The Seller guarantees to repair, replace or otherwise correct any defect in design, workmanship and/or material appearing in the work, material, and/or equipment, and further guarantees to correct any further defects appearing in such repaired, replaced or otherwise corrected work, material and/or equipment.

## **IX. SERVICES OF SELLER'S PERSONNEL**

Upon written request, Seller shall furnish services of qualified personnel to supervise installation and start-up and to instruct Owner's personnel in the operation and maintenance of any work, material and/or equipment at the rates set forth in the Purchase Order.

If extended service is necessary due to faulty design or malfunction of the Seller's work, material and/or equipment, the Seller shall furnish such extended services of the qualified personnel free-of-charge, as required, until work, material and/or equipment meets purchase agreement requirements and/or all Purchase Order requirements.

Seller shall determine the extent of licensing requirements in the State of New Mexico and hereby agrees that it will comply with all applicable State and Federal laws pertaining to the performance of services.

## **X. LABOR HARMONY/WORK RULES**

Seller shall not interfere with the work of any other entities on the jobsite, without prior specific written authorization from Buyer, but Seller shall immediately notify Buyer if Seller foresees risk of such interference. Any labor provided by Seller at the jobsite shall be compatible with all other labor at the jobsite. Seller will use all reasonable means to ensure labor harmony and continued progress of work at the job site, and shall observe all jobsite work rules and security requirements.

## **XI. INSURANCE**

Unless otherwise specified in the Purchase Order, Seller agrees that it shall obtain and maintain during the performance of any Services at the Facility Site and until the acceptance thereof, the insurance described below, and it shall be carried with insurance companies with at least a Best's "A" rating. Seller will furnish to Buyer three (3) copies of the certificate(s) evidencing such insurance prior to commencing performance or physical presence on the Facility site under the Purchase Order.

The required insurance coverage is as follows:

(a) Worker's Compensation Insurance and Employer's Liability Insurance (including occupational disease) to cover statutory benefits and limits of the Worker's Compensation laws of any applicable jurisdiction in which Seller conducts any of its business related to the Purchase Order, and Employers' Liability Insurance with limits of five hundred thousand dollars (\$500,000) for trauma by accident (each accident), five hundred thousand dollars (\$500,000) for bodily injury by disease (each employee); and five hundred thousand dollars (\$500,000) for bodily injury by disease (policy limit).

(b) Commercial General Liability Insurance written on the latest ISO occurrence form and including coverage for Contractual Liability and Products and Completed Operations (to remain in force for two (2) years following acceptance of the Goods and Services). The insurance required by this clause (b) shall have the following limits of liability:

Third Party Bodily Injury and Property Damage Liability:  
\$1,000,000 combined single limit per occurrence and \$2,000,000 combined single limit general aggregate, with such limits available to the Project.

(c) Business Automobile Liability insurance covering all owned, leased and non-owned vehicles used in connection with the Services, with no less than \$1,000,000 combined single limit per occurrence for bodily injury and property damage.

(d) If professional services are involved, Professional Liability Insurance with no less than \$1,000,000 per occurrence with a 24 months discovery period after completion of the work.

The following endorsements shall be included in the above insurance coverages:

- i) Thirty (30) days advance written notice in the event of cancellation, non-renewal or material change of any policy. Language referring to "endeavor to" and "but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives" shall be stricken from the certificate of insurance.
- ii) Buyer and principal named as additional insureds (except on workers' compensation and professional liability)
- iii) A waiver of subrogation in favor of Buyer and principal
- iv) Severability of Interest or Separation of Insureds
- v) Seller's insurance is primary and any insurance maintained by Owner or Buyer is considered excess and non-contributory.

## **XII. INDEMNIFICATION-HOLD HARMLESS**

A. Seller shall indemnify and hold harmless Owner and Buyer, their respective parents, customers, subsidiaries and other affiliates and the directors, officers, agents, employees, successors and assigns of each of the foregoing ("Indemnified Parties") from and against all claims, damages, losses and expenses including attorneys' fees arising out of or resulting from any performance of work and/or supplying of any materials and/or equipment by Seller provided that any such claim, damages, loss or expense (1) is attributable to bodily injury, sickness, or death, or to injury to or destruction of tangible property including the loss of use resulting therefrom, and (2) is caused in whole or in part by any act or omission, negligence or fault of the Seller and/or anyone directly or indirectly employed by the Seller.

B. In any and all claims against one or more of the Indemnified Parties by any employee of Seller, the indemnification obligation under this Article shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for the Seller under Workers' Compensation acts, disability benefit acts or other employee benefit acts.

## **XIII. ROYALTIES AND PATENTS**

The Seller shall pay all royalties and license fees and shall defend all suits or claims whatsoever for infringement of any patent rights or other intellectual property rights and shall defend, save harmless and indemnify Owner and Buyer, their parents, subsidiaries and other affiliates and the directors, officers, agents, employees, successors and assigns of each of the foregoing from and against any and all claim(s) or loss(es) of any kind on account thereof.

## **XV. INVOICING AND ITEMIZED COSTS**

### **A. Invoices**

Invoices will be paid as set forth in the Purchase Order if they meet the invoicing requirements set forth in the Purchase Order and this Article, show applicable discounts, and are accompanied by the bills of lading or transportation receipts. Applicable freight charges and gross receipts, sales or use taxes shall be shown separately on the invoices. Freight charges shall be supported by copy of the paid freight bill. Seller's invoices and packing lists must clearly identify Purchase Order number as listed in the Purchase Order.

Time in conjunction with payment and any applicable payment discounts will be computed from the date the Buyer receives Seller's proper invoice, unless Seller's entitlement to payment is conditioned on delivery of Goods, in which event time for payment and any applicable discounts will be computed from either a) the date the Buyer receives Seller's proper invoice; or b) the date Goods are received and accepted, whichever date comes later.

Any invoice deviating from the requirements of this Article will be returned to Seller for correction and/or submission of acceptable supporting documentation. Terms of payment contained in the Purchase Order shall take precedence over the term of payment shown on any Seller invoice or elsewhere.

### **B. Payments**

Payments for materials will not be processed until appropriate documentation, as required by the provisions of the Purchase Order, has been submitted to and accepted by Buyer.

## **XVI. CONFIDENTIALITY**

### **A. Confidential Information**

This document and all documents included in the Purchase Order Documents and any other associated information whether written or oral are considered and are to be treated in accordance with the following confidentiality requirements; Inasmuch as the Confidential Information will provide Seller with matters and information not in the public domain, Seller agrees to hold and treat all of the Confidential Information in a confidential manner and shall not release or divulge Confidential Information to third parties, without Buyer's prior written consent; and Seller agrees that neither it nor its employees, officers, agents, assigns or affiliates will use or use in manner, without the Buyer's prior written consent.

### **B. News Releases**

Information for publicity of any nature with respect to any facet of Owner's or Buyer's business operations or the Project shall not be released or disclosed without prior consent of Owner and Buyer.

### **C. Use of Technical Information**

All data relating to the material and equipment in the purchase agreement, when indicated in writing or stamped by Buyer to be proprietary, shall be retained in confidence by the Seller and his suppliers of all tiers and shall not be disclosed to others without the express written approval of Buyer.

## **XVII. CHANGES**

The Purchase Order price shall be firm through delivery except as provided for in this Article XVII. At any time during the progress of the work and/or supplying of any materials and/or equipment hereunder Buyer reserves the right to:

- i) order the Seller to perform extra work
- ii) order the Seller to furnish extra material or equipment
- iii) make changes altering, adding to, or deducting from the work and/or supplying of any materials and/or equipment hereunder
- iv) change scheduled delivery dates
- v) suspend work and/or supplying of any materials and/or equipment hereunder without invalidating the purchase agreement

Changes shall not be binding upon either Buyer or the Seller unless made in writing by the same level of authority as executed the Purchase Order.

Changes shall originate with Buyer who will transmit to the Seller a written request for a proposal covering the requested change, setting forth the work in detail, and including any required supplemental plans or specifications. The Seller, upon receipt of such request from Buyer, shall submit a proposal in writing for performing such change, which shall include any required adjustment of time caused by such change and any adjustment of other pertinent provisions of purchase agreement. Upon receipt of an acceptable proposal from the Seller, a written change order will be issued by Buyer stating that the extra work or change is authorized and granting any required adjustment of price and schedule. No extra work shall be performed or change made unless pursuant to a written change order issued by Buyer, and no claim for an addition to the purchase agreement price shall be valid unless documented by change order issued by Buyer.

The Buyer's Representative, identified on Page 1 of the Purchase Order, is the only authorized representative to provide direction or make monetary changes to the original Purchase Order Form. The taking of directions from other than the Buyer's Representative will be at Seller's sole risk and may delay or invalidate changes made by the Seller.

In the event of any conflict, variation or inconsistency between any provisions of the Purchase Order Documents, Seller shall promptly notify Buyer of such conflict and the following order of precedence shall apply:

- a) Change orders
- b) The documents entitled "Purchase Order" issued by Buyer
- c) General Conditions
- d) Drawings, Specifications and other Purchase Order Documents

In the event of any conflict, variation or inconsistency between any provisions of the Purchase Order Documents within d) above, Buyer shall be notified, but the provision imposing the more or most stringent requirement as the case may be shall govern, unless otherwise stipulated by the Buyer in writing.

#### **XVIII. ASSIGNMENT**

Neither this order nor any rights or obligations herein may be assigned by Seller nor may Seller delegate the performance of any of its duties hereunder without, in either case, Buyer's prior written consent, and any such assignment shall be null and void and of no effect.

#### **XIX. TERMINATION**

Buyer may, for any reason, terminate the purchase agreement upon written notice to the Seller. In the event of such termination, Buyer shall be liable to Seller only for the value of the work performed prior to cancellation, less any salvage value, plus costs reasonably incurred by Seller in terminating his operations plus a reasonable profit on work done prior to termination. Seller shall not be entitled to any payments for anticipated profits on uncompleted portions of the work and/or supplying of any materials and/or equipment hereunder.

If termination by Buyer is caused in whole or in part by any of Seller's actions, including but not limited to breach, which give rise to

a right in Buyer to cancellation, no termination charges shall be payable.

#### **XX. INTEGRATION**

The terms set forth in the Purchase Order represent the final expression of agreement with respect to such terms between the parties hereto and the Purchase Order supersedes all prior negotiations, representations or agreements either written or oral, including but not limited to the bidding documents. This Purchase Order may be amended or modified only by a subsequent written amendment or Change Order signed by both parties.

#### **A. Communication**

All routine correspondence shall be submitted to Buyer's Representative, identified on Page 1 of the Purchase Order.

#### **B. Notices**

All notices required to be given in writing under the Purchase Order, including but not limited to those regarding breach, consent to settlement of claims, termination and/or indemnification, shall be delivered personally to the respective representatives of the Buyer and Seller set forth, or shall be mailed by registered mail with a return receipt requested, postage prepaid, or shall be sent by facsimile, or sent by a national overnight courier service, and shall be effective upon receipt at the Buyer's address when sent by Seller, and upon receipt at the Seller's address when sent by Buyer. All notices shall be addressed to Buyer's or Seller's Representative at the respective address identified on Purchase Order.

#### **XXI. CONSEQUENTIAL DAMAGES**

In no event shall Owner, Buyer, or any of their respective parents, affiliates, subsidiaries of any tier, representatives or any directors, officers, or employees of any of the foregoing be liable to Seller or any of its sub-suppliers, whether based on delay, contract, tort, negligence, warranty, indemnity, strict liability, error or omission or otherwise, for any consequential, special, incidental, indirect, exemplary, multiple or punitive damages or damages arising from or in connection with loss of use or loss of revenue or profit, actual or anticipated, or otherwise. Seller hereby releases Owner, Buyer and each of their respective parents, affiliates, subsidiaries, representatives or any directors, officers and employees from any such liability.

#### **XXII. TAXES**

Seller shall pay all sales and use taxes on equipment, materials, and personal property used or purchased for use in connection with the work, and shall pay all gross receipts, privilege, occupational, business, excise or other taxes levied or imposed upon Seller, Seller's business, or the performance of any work.

An updated W-9 tax document is required if there have been any changes in tax status during the course of the Purchase Order execution.

In the event the order is exempt from New Mexico Gross Receipts Taxes, Buyer will issue a New Mexico Non-Taxable Transaction Certificate to the Seller.

#### **XXIII. PROPRIETARY RIGHTS**

Refer to Exhibit C-Intellectual Property Revisions.

#### **XXIV. LIENS**

Seller shall promptly pay for all labor, services, equipment, materials, supplies, documentation or other items used or employed by it or on its behalf in its performance under the Purchase Order and shall keep and maintain all equipment, materials, supplies, and other items and the Project site and Project free from all mechanic's liens and other liens. If any lien or claim of lien is filed upon or against the Project site and/or Project by a supplier to Seller, Seller shall promptly furnish to Buyer (or appropriate government authority) a

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bond or other collateral necessary to discharge such lien or claim of lien and shall, to the fullest extent permitted by law, indemnify, defend and hold harmless the Indemnified Parties against and from such lien, claim of lien and/or claim for payment, as applicable. If required by Buyer, Seller will be required to, and will cause its sub-suppliers and lower tier subcontractors to, submit a release and waiver of claims and certification and proof of payment as to all labor and materials, with each invoice in the form prescribed by the Buyer.

**XXV. GOVERNING LAW**

This contract shall be entirely governed by the laws of the State of New Mexico, excluding any provisions or principles thereof which would require the application of the laws of a different jurisdiction.

The Article Headings used herein are for convenience of reference only and shall not in any manner affect the construction, meaning, or effect of anything herein contained nor govern the rights and liabilities of the Parties.

**XXVI. COMPLETE AGREEMENT**

The Purchase Order constitutes the complete agreement between the Parties with respect to the subject matter hereof, and supersedes all prior written or oral contracts, agreements, representations and/or understandings of any kind or nature that the Parties may have entered into or had prior to the date hereof with respect to the subject matter hereof.

Seller shall have accepted these Conditions provided Seller has received the Purchase Order with reference to these Conditions, and either a) received payment; or b) started performance under the Purchase Order.

**END OF GENERAL CONDITIONS**