

InService Testing Owners' Group

Membership Agreement

PURPOSE

The purpose of this agreement is to establish membership in the InService Testing Owners' Group (ISTOG).

Utilities Service Alliance, Inc. is a Kansas non-for-profit, membership corporation that represents the collective interests of multiple utilities for the purposes of cost reduction, primarily through purchasing collaboration that results in an improvement of volume purchasing power. Initiatives that benefit Members through improved performance, knowledge and expertise resources are another area USA seeks to provide benefit for its members. The ISTOG falls into a category of the USA's activities known as "Network Teaming" to enhance the collective knowledge, expertise and/or resources above and beyond what a single entity could accomplish alone. The Utilities Services Alliance, Inc. (USA) will support the business aspect of the ISTOG.

ISTOG Members that are also USA Members will follow the rules identified in the USA Membership Memorandum of Understanding. Membership in the ISTOG for non-USA Member utilities shall be governed under this agreement.

CODE OF CONDUCT

All Members of the Inservice Testing Owners' Group will comply with the USA Code of Conduct. All laws applicable to their activities, including utility, nuclear, antitrust, trade regulation, and environmental laws will be complied with.

1. Price-fixing is a crime. Members shall not exchange or discuss information concerning the prices that Members charge customers for any service or product Members provide customers, including the price charged for electrical power to an Member's customer.
2. Members shall not discuss or exchange information regarding their plans for future competitive activities, including plans for marketing electrical power and plans for expanding or altering the supply of power to their customers.
3. Joint purchasing activities are limited to 35% of the total sales of the product or service purchased in the relevant market. Based on the nature of the product or service, the relevant market will be national or global.
 - a. USA will consult council prior to any joint purchasing activity that approaches 35% of the total sales of products or services purchased in the relevant market.
 - b. USA joint purchasing and collaborative activity (which encompasses ISTOG collaboration) may be suspended in purchasing of a product or service that exceeds 35% of the total sales of the product or service. In such a case, the USA and Members will not discuss or exchange information concerning the purchasing of the product or service.

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4. The joint purchasing activities of the Members through the USA are limited to those sponsored by the USA. Beyond activities formally sponsored by the USA, the USA will not serve as a forum for its Members to discuss other joint purchasing activities, the process prevailing in the industry, or other exchanges of information regarding price. Outside of joint purchasing activity conducted through the auspices of USA, a Member shall not discuss with another Member the prices which it would be willing to pay for goods or services.
5. Joint purchasing activities of the USA are entirely voluntary for its Members. No Member is obliged to make any purchase of a good or service through the USA. Each Member at all times shall retain the right to deal with whomever it chooses, on whatever terms and conditions the Member desires. Members may be requested to commit to purchase voluntarily a minimum requirement so that volume discount or other favorable terms can be negotiated; such requests may be rejected by the Member. No Member shall coerce or threaten another Member to participate in a joint purchasing activity for the USA.
6. No Member shall be required to purchase one product or service as the condition for purchasing or obtaining a second, distinct product or service.
7. Member-specific competitive information shall be protected by the ISTOG and will not be disseminated or exchanged with other Members of the ISTOG. The ISTOG will undertake specific steps to ensure that competitive data are safeguarded, including where appropriate the use of independent third parties.
8. USA shall observe prudent business practice in the conduct of its purchasing activities. For example, the USA shall solicit proposals from the relevant supplier community at large for major procurements of goods and services from third parties.
9. The ISTOG shall not endorse or condemn the products or services of Members or third parties.
10. The ISTOG and its Members will not discuss or otherwise exchange information intended to further an agreement to avoid doing business with any Member, firm, or other third party. The ISTOG and its Members shall not discuss any refusal to do business with a particular firm.
11. The ISTOG is not designed to function as a standard-setting organization for the nuclear power industry. Beyond those common standards that may be required to further the USA's joint purchasing efforts, standard-setting activities of its Members will be conducted outside the auspices of the ISTOG through other appropriate industry organizations.

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PROPRIETARY INFORMATION

From time to time, in furtherance of the objectives of the group, it may be necessary for the ISTOG to obtain otherwise confidential or proprietary information from one or more of its Members. The ISTOG will maintain the confidentiality of each Member's information. In the event that the ISTOG receives a demand from a third party for such information, the ISTOG will provide advance notice to the supplying Member.

Any inventions, ideas, discoveries, improvements, information, analyses, conclusions, reports, drawings and work products developed by the participating Members in connection with ISTOG Activities shall be the sole property of the participating Members, to the extent that such Members have any rights therein, to share and share alike as tenants in common without the right of partition, and to exploit commercially as they see fit.

DUES

Annual Dues payments for ISTOG Members are \$1000 payable in January of each calendar year. USA will invoice ISTOG Members for their dues in November of the preceding year. This amount is based upon the projected annual operating costs for development of ISTOG deliverables such as the Member's website, database creation and administration, meeting facilitation services and hotel fees associated with our group meetings. There are also certain business expenses, such as credit card processing fees and administration expenses that are funded from Members base annual dues.

The financial records of the USA shall be examined annually by an audit team, under the direction of the Vice Chairman of the Board of Directors. The audit team will conduct the audit in compliance with generally accepted audit standards. The audit team will prepare an Audit Report for submission to the Board of Directors. The audit will be considered closed following approval by the Board of Directors. Any Member shall have the right to examine the financial records of the ISTOG at any time during normal business hours, upon reasonable notice to the USA Headquarters.

PROJECT COSTS

It is anticipated that certain ISTOG Members may decide to embark on projects that are of a benefit to specific sites or groups. The cost of these projects will be limited to those Members who are willing to share the cost burden associated with the research, development and implementation of such a project. Such special efforts will be provided financial oversight by the USA Management Council to ensure fair and equitable treatment of all ISTOG Members who elect to participate.

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Costs of each ISTOG Project will be shared by all Members participating in such project either on a pro-rata basis or on an amount-of-use basis, depending upon the nature of the project as approved by the USA Management Council and subject to any and all limitations specified by the USA Management Council.

Each participating Member will be invoiced for its individual share of the project costs. Payment is due within thirty (30) days after receipt of an invoice including a breakdown of the costs. Back-up documentation, such as timesheets and expense receipts, shall not be provided with invoices, but shall be provided upon request and made available for audits.

Each participating Member shall be responsible for its share of the costs associated with vendor work performed in connection with jointly undertaken projects.

If a previously non-participating Member decides to become a participant in a project after commencement of the project, such Member shall join the project on terms set by the Management Council and at a cost the Member would have paid had the Member been an original participant in the project. Other participating Member's costs shall be adjusted accordingly.

Except as stated in this Section, or as the Management Council may otherwise agree, each Member shall be responsible for its own expenditures in connection with projects contemplated by this Agreement.

If a Member, who has previously voted to participate in an ISTOG project, wished to terminate its participation, written notification must be provided to Alliance Headquarters. The Member will be responsible for its pro-rata share of the project through the date the notification is received by Headquarters. The Member so terminating shall be entitled to the result of the project through the date of notification.

In the event a Member terminates its participation in a contract with a vendor in connection with joint work, and the other participating Members proceed with the Work, the parties shall make good faith efforts to allocate fairly responsibility for shared costs. The terminating Member(s) shall bear all cost increases imposed by the vendor related solely to the reduction in participants in the project.

INSURANCE

Each Member shall maintain All Risk Property insurance sufficient to cover any equipment, materials, or parts within each Member's possession that are owned by other Members, on a replacement cost basis and the other Members shall be loss payees (whether or not individually named) as their interests may appear,

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subject to such deductibles, self-insurance retentions, and exclusions as apply to the Members' own equipment, materials and parts. Each Member shall share any uninsured losses according to each Member's percentage ownership of the losses. Any loss adjustment will be handled by the Member with the loss, with final adjustment to be agreed to by all affected Members.

INDEMNITY

In connection with ISTOG Activities, participating Member(s) shall, jointly but not severally, indemnify, defend and save harmless other non-participating Members, their trustees, owners, directors, officers, employees, and agents, from and against any liability or expense as a result of a claim made or threatened by any third party of any kind whatsoever arising out of or in connection with such Activities.

The Receiving Member shall indemnify and hold the Supplying Member, its trustees, owners, directors, officers, employees and agents, harmless from and against any and all liability for loss, damage, cost or expense which the Supplying Member, its trustees, owners, directors, officers, employees and agents may incur by reason of bodily injury, including death, to any person or persons or by reason of damage to or destruction of any property, including the loss of use thereof, which result from furnishing Shared Resources and whether or not due in whole or in part to any act, omission, or negligence of the Supplying Member, its trustees, owners, directors, officers, employees or agents. Where payments are made to the Supplying Member's employees under a workers' compensation or disability benefits law or any similar law for bodily injury or death resulting from furnishing Shared Resources, the Receiving Member shall make reimbursement to the Supplying Member to the extent such payment increases the Supplying Member's workers' compensation or disability benefit costs, whether such increase in costs occur in the form of an increase in premiums or contributions or in the form of reduction in dividends or premium refunds, or otherwise, including self-insurance costs.

In the event any claim or demand is made or suit or action is filed against the Supplying Member, its trustees, owners, directors, officers, employees or agents, alleging liability for which the Receiving Member shall provide indemnification under this Section 10, the Supplying Member shall promptly notify the Receiving Member thereof, and the Receiving Member, at its sole cost and expense, shall settle, compromise or defend the same in such manner as it in its sole discretion deems necessary or prudent.

Nothing in this Section shall require a Member to defend or indemnify another Member against any third-party claim or threatened claim based upon the sole negligence of the Member, its trustees, owners, directors, officers, employees or agents, seeking indemnification.

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The provisions of this Section shall apply to the full extent permitted by law, whether a claim is based on contract, tort (including fault or negligence of whatever degree), strict liability or otherwise and shall survive termination, expiration or cancellation of this Agreement.

DISCLAIMER OF LIABILITIES

Except as otherwise provided in this Agreement, each Member bears all its own losses and costs associated with ISTOG Projects and Shared Resources.

Except as otherwise provided in this Agreement, no Member, or any of its trustees, owners, directors, officers, employees, or agents, shall have any liability whatsoever to another Member, whether for damages or otherwise, in connection with this Agreement, ISTOG Projects, and Shared Resources. In no event, whether as a result of a breach of contract, tort liability (including negligence), strict liability or otherwise, shall a Member or its trustees, owners, directors, officers, employees or agents be liable to any other Member for consequential, special, incidental, indirect, or punitive damages of any nature (including, but not limited to, damage, loss, liability, costs and expenses resulting from loss of use of facilities, plant shutdown costs, lost profits or revenue, inventory or use charges, cost of purchased replacement power, interest charges or cost of capital, regulatory fines or penalties, or claims of customers) arising from or related to participation in this Agreement or the performance of activities or the sharing of resources hereunder.

Each party to this Agreement, by its execution hereof, acknowledges and agrees that a Supplying Member's responsibility to a Receiving Member under this Agreement in connection with Shared Resources is to deliver, or cause to be delivered, such Resources once mutual agreement has been reached on appropriate terms. In the event a Supplying Member breaches this duty, the sole and exclusive remedy of the Receiving Member shall either (1) to demand and receive the subject Resources or appropriate substitutes therefore; or (2) to receive reimbursement of any moneys paid, or full adjustment for any credits and debits allocated. The Supplying Member makes no warranty, express or implied, as to the quality of services such Member's employees will provide to the Receiving Member.

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TERMINATION

This Agreement and the USA can be terminated by its Board of Directors. Any Member may terminate its membership in the ISTOG, and its status as a party to this Agreement by giving the Alliance headquarters written notice thereof at least ninety (90) days in advance of the effective date of termination.

Annual dues paid by a terminating Member are non-refundable for the year in which the termination takes place. The terminating Member shall also be responsible for its pro-rata share of costs associated with applicable ISTOG Projects, as provided in the Projects Costs section of this Agreement.

MISCELLANEOUS

This Agreement shall become effective as of the date first above written, and shall continue in full force and effect so long as the ISTOG exists, unless sooner terminated.

The parties hereto are independent parties and none is a representative or agent for the other. This Agreement does not create a partnership or business entity of any kind between the parties, with respect to any matter.

Except as provided in the Indemnity section, the responsibilities of the members are several and not joint, and no Member shall be liable for the failure of any other Member to perform any of its duties under this Agreement.

Any legal relationship between members and vendors will be established by, and limited to, specific agreements between the Members and vendors.

Nothing in this Agreement is intended to prevent any Members from entering into any kind of agreement with each other, or from conducting any kind of activities together which are outside of and not covered by this Agreement.

No announcements or advertising for dissemination to the general public may be made by any Member regarding any aspect of this Agreement, the ISTOG, the USA, or any projects undertaken by members or vendors hereunder, without the prior written approval of the USA President. Media inquiries should be referred to the President for response or referral to other Members as appropriate.

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No amendment, modification or waiver of any provision hereof shall be valid unless in writing and signed by the duly authorized representative of all parties.

This Agreement shall bind and inure to the benefit of the parties to this Agreement and their successors.

If any term or provision of this Agreement, or the interpretation or application of any term of provision to any person or circumstance, is held to be unenforceable, illegal, or invalid by a court of competent jurisdiction, the parties shall negotiate an equitable adjustment in the provisions of this Agreement with a view toward effectuating the purpose of this Agreement, and the validity and enforceability of the remaining provisions, or portions or applications thereof, shall not be affected thereby.

This Agreement constitutes the entire understanding and agreement among the parties, whether oral or written.

Name of Site/Company Represented

Name

Address

City, State Zip or Country if outside of USA

Phone

/
Email

Member Signature and Date