

**DUKE ENERGY STANDARD TERMS AND CONDITIONS
FOR PROFESSIONAL SERVICES**

Under these Standard Terms and Conditions, the word "Duke Energy" shall mean the Duke Energy legal entity listed on the face of the Agreement, Purchase Order or Contract Order to which these Standard Terms and Conditions are attached, or one of Duke Energy's authorized assigns.

1. **Definitions.** "Services" means all services and related obligations to be performed by Consultant under the Agreement. "Deliverables" means: (a) all drawings (stamped or certified as required by Law), all charts, graphs, studies, reports, computer programs, software and other related documents; (b) all supporting documentation for such drawings, charts, graphs, studies, programs, and all training documentation related thereto; and (c) all tangible media upon which the information is recorded, including disks, tapes, chips, all of which are specified for delivery by Consultant to Duke Energy in the Agreement. "Specifications" means any specifications or standards relating to the Services which are set forth in the Agreement.
2. **Order of Precedence.** The "Agreement" shall mean and shall consist of the following documents, listed in their order of priority in the event of a conflict: (a) either the signed written contract between Duke Energy and Consultant or the Duke Energy Purchase Order issued to Consultant, as applicable, to which these terms and conditions are attached; (b) these Duke Energy Standard Terms and Conditions; and (c) any exhibit(s), schedule(s), or other proposal(s) incorporated into the contract or Purchase Order, as applicable. Additional or different terms contained in Consultant's proposal or acceptance shall not become a part of this Agreement unless expressly agreed to in writing and signed by Duke Energy.
3. **Schedule.** Consultant shall meet the scheduled completion dates set forth in the Agreement. Consultant shall notify Duke Energy within 24 hours of the first knowledge that any completion date(s) will not be met. Consultant shall be liable for all direct damages and agreed upon liquidated damages incurred by Duke Energy arising out of Consultant's failure to meet the scheduled completion dates.
4. **Inspection and Acceptance.** Duke Energy shall have free access to the Services for inspection purposes. Duke Energy's inspection or acceptance of the Services shall not relieve Consultant of its obligation to comply with the terms of the Agreement. Duke Energy may reject non-conforming Services and Consultant shall correct such non-conformity at Consultant's expense. Duke Energy shall have ninety (90) days from the successful completion of the Services under the Agreement to confirm that the Services were performed substantially in accordance with the Specifications. Any Services not rejected by Duke Energy shall be deemed accepted. If Duke Energy determines that the Services were not performed substantially in accordance with the Specifications, Duke Energy must notify Consultant in writing, during such acceptance period, of the discrepancies. Duke Energy and Consultant agree to work together for a period not to exceed thirty (30) days to resolve these discrepancies. If these discrepancies are not resolved to Duke Energy's reasonable satisfaction within the thirty (30) days, Duke Energy has the option of terminating the Agreement and recovering all damages at equity or at law.
5. **Assigned Personnel.** Consultant shall assign qualified and competent supervision and personnel to perform the Services. Key personnel shall not be removed or replaced without prior consent of Duke Energy, which consent shall not be unreasonably withheld. Consultant shall reasonably cooperate and coordinate with Duke Energy and others who are performing work at or near the area of the Services. Consultant shall promptly report to Duke Energy any defects in the work of others which affects the Services. Failure to report such defects constitutes acceptance of the conditions by Consultant. Consultant shall secure and protect its own materials, tools, equipment and the Services, including Duke Energy provided materials and equipment. Consultant shall provide Duke Energy with periodic progress reports as requested by Duke Energy. The price shall include, and the Consultant shall be responsible for the payment to its employees of all compensation, taxes, assessments for unemployment insurance, social security and disability benefits, and other fees, benefits (including health and retirement) and taxes which are based upon the compensation paid to persons employed by Consultant or its subcontractors for the performance of any Services. Consultant agrees to indemnify, defend and hold Duke Energy and its directors, officers, employees and administrators of Duke Energy's benefit and health plans harmless from all claims, liabilities or expenses related to such compensation.
6. **Changes in Services.** Duke Energy may change the scope of Services from time to time. If Consultant's price or schedule will be affected by the change, Consultant must submit a request for an amendment to the Agreement prior to starting the change.
7. **Payment.** Consultant shall invoice Duke Energy, with proper documentation, for all Services performed during the prior month. Duke Energy shall pay Consultant, upon submission of proper invoices, the price for Services performed within forty five (45) days after receipt of the invoice. Duke Energy may withhold and offset payment if Duke Energy disputes Consultant's compliance with the terms of the Agreement. Duke Energy's payment does not constitute acceptance of the Services. The Agreement number must appear on all invoices and notices.
8. **Taxes.** The price for the Services shall include all applicable foreign, federal, state and local taxes payable with respect to this Agreement. However, if Duke Energy specifies additional services or tangible personal property to be furnished by Consultant which qualify for exemption from sales or use taxes, Consultant shall, at the direction of Duke Energy, not include sales or use taxes in its price. Duke Energy shall provide Consultant with Duke Energy's direct pay permit or exemption certificate where applicable. Consultant agrees to cooperate in obtaining exemption certificates necessary to claim such exemptions.
9. **Warranty.** Consultant warrants that the Services provided: (i) will be performed in accordance with the highest applicable professional standards, (ii) will be performed in a timely manner as required by the Agreement and performed and supervised by qualified personnel, and (iii) will conform in all material respects for one year after acceptance to the Specifications. Consultant further warrants that all application software developed or implemented by Consultant under this Agreement, when used in accordance with its associated documentation, shall not infringe upon the rights or marks of a third party. Consultant further represents and warrants that it is not a party to nor subject to any agreement or order which would limit, prevent or restrict its performance of any Services. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, CONSULTANT MAKES NO OTHER WARRANTIES, EXPRESSED OR IMPLIED, OR ARISING BY OPERATION OF THE LAW OR COURSE OF PERFORMANCE, CUSTOM, USAGE IN THE TRADE OR PROFESSION, INCLUDING WITHOUT LIMITATION THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.
10. **Insurance.** Commencing with the performance of the Services hereunder, and continuing until the termination of the Services, Consultant shall maintain or cause to be maintained standard insurance policies as follows: (a) Worker's Compensation in accordance with the statutory requirements of the state, and Employer's Liability Insurance of not less than \$1,000,000 each accident for bodily injury by accident, and \$1,000,000 each employee and policy limit for bodily injury by disease; (b) Commercial General Liability Insurance in a combined single limit of \$2,000,000 each occurrence for bodily injury and property damage liability and \$2,000,000 in the aggregate, including Contractual Liability coverage, bodily injury to or death of persons, and/or loss of or damage to property; (c) Automobile Insurance (owned, non-owned or hired) in a combined single limit of \$1,000,000 per accident for bodily injury and property damage liability; (d) Errors & Omissions Insurance in the amount of \$2,000,000. Unless otherwise specified in the applicable Agreement, all insurance policies provided and maintained by Consultant and each subcontractors shall: (i) be underwritten by

insurers which are rated "A- VII" or higher; (ii) be endorsed to specifically name Duke Energy and its affiliates as additional insured, excluding, however, Worker's Compensation and Errors and Omissions; (iii) be endorsed to provide that each underwriter waives its rights of subrogation against Duke Energy and its affiliates; (iv) provide that such policies are without right of contribution from any other insurance available to Duke Energy and its affiliates; and (v) contain cross liability and severability of interest provisions. Evidence of such specific endorsements shall be provided with Consultant's certificate of insurance furnished to Duke Energy prior to the start of Services. Such certificates and policy endorsements shall provide that the insurer will provide thirty (30) days' written notice to Duke Energy prior to cancellation of any policy. Consultant's compliance with this provision and the limits of insurance specified herein shall not constitute a limitation of Consultant's liability or otherwise affect Consultant's indemnification obligations pursuant to this Agreement. Any failure to comply with all of these provisions shall permit Duke Energy to suspend all Services until compliance is achieved. At the option of Duke Energy, Duke Energy may pay any insurance premiums for Consultant in order to achieve compliance for Consultant and may deduct the amount of the premiums and all other costs incurred by Duke Energy in achieving compliance from amounts to be paid to Consultant

11. **Force Majeure.** The performance by Duke Energy or Consultant pursuant to this Agreement shall be excused to the extent the performance is delayed or prevented by reason of an event of Force Majeure, which is an event that (a) adversely and directly affects, prevents or delays either Party (including such Party's subcontractors) in the performance of its obligations in accordance with the terms of this Agreement; (b) is beyond the reasonable control of the affected Party; and (c) is not the result of the willful misconduct, negligent act or omission or unlawful conduct of, or the breach of this Agreement by, such Party. If a Party is reasonably prevented from performing its obligations under this Agreement by an event of Force Majeure, such party shall use all commercially reasonable efforts to remove the cause affecting such non-performance. If a Force Majeure occurs, the Parties shall negotiate an equitable adjustment to the date of delivery or time for performance under the Agreement by a period of time reasonably necessary to overcome the effect of the delay. If a Party claims there is an event of Force Majeure, such Party shall notify the other Party of the nature and cause of the event in writing within five (5) business days after such Party becomes aware, or should have become aware with the exercise of reasonable diligence, of the Force Majeure event. If any condition of Force Majeure delays Consultant's performance for a time period greater than 180 Days in the aggregate under the Agreement, Duke Energy in its discretion shall have the right to terminate this Agreement and such termination shall be deemed to be a termination for convenience.
12. **Compliance with Laws.** Unless Consultant is exempted by the applicable rules, regulations or orders, Consultant shall comply, and shall require its authorized subcontractors to comply, at all times relevant to this Agreement with all applicable laws, rules, regulations and court orders and all amendments of the foregoing that may be made from time to time.
13. **Safety.** Consultant and its personnel involved in performance of the Services including, but not limited to, employees, subcontractors and agents shall comply with all Duke Energy safety and security procedures (including Duke Energy's Safe Services Practices Manual) while on Duke Energy's premises to achieve an injury-free work place, provided that such rules and procedures do not conflict with OSHA or other safety laws, rules and regulations. Written alternative work practices that provide equivalent safety may be submitted to Duke Energy and used by Consultant in the performance of Services upon Duke Energy's written approval. In addition, Consultant must follow detailed technical safety specifications when they are provided. Consultant shall comply with and enforce all laws, rules and regulations applicable to safety and health standards, including but not limited to the Occupational Safety and Health Act of 1970 (OSHA), and any revisions to OSHA or successor legislation. Consultant shall provide Duke Energy with Material Safety Data Sheets for all hazardous materials prior to

delivery to the site.

14. **Infringement.** Consultant warrants that its performance of the Services will not infringe upon or violate any trademarks, patents, copyrights, trade secrets or other third party property rights, if the performance of Services is held in any action to constitute infringement, or the use of the Services is enjoined, Consultant, at its expense, shall procure for Duke Energy the right to continue use of the Services, or replace the Services with non-infringing materials or methods satisfactory to Duke Energy, or modify the Services in a manner satisfactory to Duke Energy so that the Services become non-infringing. Consultant agrees to indemnify, defend and save Duke Energy harmless from and against any liability or damages, including attorneys' fees, arising out of any alleged infringement or violation.
15. **Intellectual Property.** During the performance of the Services, Duke Energy may provide Consultant with technical data, web content, customer lists, and other data. All right and interest in the Duke Energy data will remain with Duke Energy. Duke Energy will own the Deliverables set forth in the Agreement and any and all intellectual property, including trademarks, patents, copyrights and trade secrets, related to the Deliverables. Services performed hereunder shall be deemed "work made for hire". Consultant will execute documents, including agreements with its employees and agents, necessary to effectuate Duke Energy's ownership of such intellectual property. In the event the Deliverables do not qualify as "work for hire" or if a third-party retains any interest in the Deliverables, Consultant hereby agrees to grant Duke Energy a world-wide, fully paid, perpetual and transferable license to run, repair, copy and otherwise use such Deliverables.
16. **Confidentiality.** Each party agrees (a) to protect the Confidential Information of the other with at least the same degree of care used to protect its own most confidential information; (b) not to use (except for the purpose described herein), publish or disclose to third parties such Confidential Information; and (c) upon the request of the other party, to promptly deliver to the other party all written copies of its Confidential Information. "Confidential Information" shall include, but not be limited to, business plans and methods; customer information; engineering, operating and technical data; and the dates of Duke Energy's outage schedule(s). Consultant shall not use Duke Energy's name or the fact that Consultant is performing Services for Duke Energy in any press releases, media statements or public communications or otherwise publicize this Agreement. Consultant shall not use Duke Energy's (including its subsidiaries and affiliates) name, logos, trademarks, service marks, trade names or trade secrets in any way, and Duke Energy shall not be deemed to have granted Consultant a license of, or granted Consultant any rights in, any of the foregoing by entering into this Agreement. Notwithstanding any limitation of liability which would otherwise apply to a breach of this Article, a party shall be entitled to all damages, whether or not considered consequential or incidental, that arise out of a breach of this Article.
17. **Termination.** Duke Energy may terminate, for its convenience or for cause, all or any part of the Agreement upon written notice to Consultant. Upon termination for convenience, Consultant shall immediately stop work on the terminated portion of the Agreement and shall submit to Duke Energy an invoice with supporting information setting forth the Fees for the Services performed prior to the notice of termination, plus Consultant's actual, direct, unavoidable costs resulting from the termination, less salvage value, in no event to exceed the Agreement price. Upon termination for cause, Duke Energy may pursue all rights and remedies available under the law. Upon termination for convenience or cause, Duke Energy shall not be liable to Consultant for Consultant's lost profits on the terminated portion of the Agreement.
18. **Indemnification.** TO THE FULLEST EXTENT PERMITTED BY LAW, CONSULTANT SHALL INDEMNIFY, DEFEND AT ITS EXPENSE, AND SAVE DUKE ENERGY HARMLESS, FROM ANY LIABILITIES, COST AND CLAIMS, INCLUDING JUDGMENT RENDERED AGAINST, AND FINES AND PENALTIES IMPOSED UPON, DUKE ENERGY, INCLUDING ALL COSTS OF LITIGATION, ARISING OUT OF THE SERVICES UNDER THIS

AGREEMENT, INCLUDING INJURIES OR DEATH TO PERSONS, OR DAMAGE TO PROPERTY, CAUSED BY CONSULTANT, ITS EMPLOYEES, AGENTS OR SUBCONTRACTORS, EXCEPT THAT CONSULTANT'S OBLIGATION TO INDEMNIFY DUKE ENERGY SHALL NOT APPLY TO ANY LIABILITIES TO THE EXTENT CAUSED BY DUKE ENERGY'S NEGLIGENCE.

19. **Limitation of Liability.** Except as otherwise expressly provided in this Agreement, neither party shall be liable to the other for any special, punitive, exemplary or consequential damages.
20. **Liens.** Consultant shall not file or permit to be filed any lien with respect to the Services, and to the extent permitted by law, expressly waives any right to file or cause to be filed a lien. Consultant, in its subcontracts, shall require all subcontractors, to the extent permitted by law, to expressly waive the right to file any liens against Duke Energy's property and, if requested, provide Duke Energy with copies of such waivers. Consultant shall immediately bond off any lien against Duke Energy and shall indemnify Duke Energy for any costs or expenses resulting from a breach of this paragraph. In the event that rights to a mechanic's lien are claimed upon Duke Energy's property by a subcontractor of Consultant, Consultant shall expeditiously obtain a bond or release of said mechanic's lien. Upon Consultant's failure to expeditiously obtain said bond or release, Duke Energy may proceed to obtain the bond or release of the mechanic's lien and Consultant shall be liable to Duke Energy for any costs and expenses including attorneys' fees, which are incurred by Duke Energy in obtaining said bond or release.
21. **Assignment and Subcontracting.** Consultant may not subcontract, assign, or otherwise transfer this Agreement without the prior written consent of Duke Energy.
22. **Records.** Duke Energy reserves the right to audit records necessary to permit evaluation and verification of claims submitted, and Consultant's compliance with (a) the Contract requirements; and (b) Duke Energy's Corporate Code of Conduct governing business ethics, and (c) the Screening Measures. Consultant shall retain for a period of four (4) years following final payment all information and records relating to the Services performed under the Agreement. Duke Energy may examine and copy such information and records at Consultant's premises during regular business hours.
23. **Screening Measures.** Consultant shall comply, and shall require its authorized subcontractors to comply, in all respects with all applicable immigration laws that may impact Consultant's obligations under this Agreement, including the Immigration Reform and Control Act of 1986 and Form I-9 requirements. Without limiting the foregoing, Consultant shall perform, and shall require its authorized subcontractors to perform, all required employment eligibility and verification checks and maintain all required employment records. Consultant acknowledges and agrees that it is responsible for conducting adequate screening of its employees and agents prior to starting the Services. Duke Energy has an Alcohol/Drug Abuse Procedure included in its Fitness for Duty Policy. Consultant shall implement and administer an alcohol/drug abuse policy acceptable to Duke Energy and at least as stringent as that of Duke Energy in its Fitness for Duty Policy. By providing an employee under this Agreement, Consultant warrants and represents that it has completed the Screening Measures (as defined below) with respect to such employee and that such Screening Measures did not reveal any information that could adversely affect such employee's suitability for employment by Consultant or competence or ability to perform duties under this Agreement. If in doubt whether a suitability, competence or ability concern exists, Consultant shall discuss with Duke Energy the relevant facts and Duke Energy will determine, in its sole discretion, whether such person should be allowed to perform the Services. As used in this Section, the term "Screening Measures" means reference checks, terrorist watch database check, social security trace, criminal background check (including but not limited to checks for any felony convictions within the last seven years) and such other screening measures as a reasonably prudent employer would deem appropriate; provided, however, that nothing in this Section shall be interpreted as authorizing or requiring Consultant to perform any screening activities that violate the federal Fair Credit Reporting Act, Title VII of the Civil Rights Act of 1964 or any other applicable law. Duke Energy, in its sole discretion, shall have the option of barring from the Site any person whom Duke Energy determines does not meet the qualification requirements set forth above.
24. **Cooperation.** The Parties shall reasonably cooperate in the performance of the Services, including without limitation, Duke Energy providing Consultant with reasonable facilities and timely access to data and information of Duke Energy. If so requested by Duke Energy, Consultant shall provide, in a format acceptable to Duke Energy, monthly status reports containing detailed information related to the Services performed for Duke Energy during the previous calendar month. Each monthly report shall be submitted by the tenth (10th) of the month following the month in which the Services were performed. Consultant shall cooperate with Duke Energy by ensuring the continuity of its personnel assigned to perform the Services for Duke Energy by (i) obtaining fifteen (15) day prior written consent of Duke Energy before removal or reassignment of any personnel, (ii) replacing personnel with other personnel that have substantially the same or superior qualifications as those being replaced or reassigned, and (iii) providing a minimum of ten (10) days transition period, at no additional cost to Duke Energy, during which time the replacement will work with the incumbent.
25. **Compliance with Regulatory Code of Conduct.** Consultant acknowledges that Consultant may be given access to or otherwise become aware of certain operational information of Duke Energy, the disclosure of which to other departments or affiliates of Duke Energy is prohibited by federal law. Such confidential information includes, but is not limited to (a) planned outage schedules, (b) events of forced outages and generator derating, (c) construction schedules, (d) operational practices at the Duke Energy's generating stations, and (e) transmission system operation and planning data. Consultant shall, and shall require its subcontractors to (i) maintain the strict confidentiality of such operational information, and (ii) not share such operational and planning information with any third parties, including any other departments or affiliated entities of Duke Energy, without prior written consent.
26. **Fraud and Ethics.** Consultant shall be familiar with and shall adhere to the principles of Duke Energy's Supplier Code of Conduct located at <http://www.duke-energy.com/suppliers/code-of-conduct.asp>. Consultant shall promptly report any fraud, illegal activity, fiscal waste or abuse, or other violations of Duke Energy's Code of Conduct by any party, including Consultant's suppliers and service providers. Such activity may be reported by contacting: (a) your Duke Energy Contract Administrator, (b) Duke Energy's Ethics-Line managed by an independent third party at 800-525-3783, which may be called anonymously, or by web submittal at www.dukeenergy-ethicsline.com, (c) or by sending an e-mail to Duke Energy's Ethics and Compliance Office at ethicsofficer@duke-energy.com.
27. **Diverse Suppliers.** For any Agreement in which the total compensation to Consultant will equal or exceed \$550,000, Consultant shall adopt and utilize a subcontracting plan that complies with 48 C.F.R. 52-219-9 for Small Diverse Suppliers ("SDS"). Consultant shall: (i) use all commercially reasonable efforts to utilize SDS (and Large Diverse Suppliers) as required by law; and (ii) provide Duke Energy a quarterly status report in a format reasonably acceptable to Duke Energy. Such report shall be entered on Duke Energy's website at <http://www.duke-energy.com/suppliers/supplier-diversity.asp>. Duke Energy, its designated auditors and any applicable government agency shall have the right of access during normal business hours to inspect Consultant's records related to SDS and compliance with this section.
28. **Cyber Security.** Should Consultant or any of its employees, subcontractors, representatives, or any other similarly authorized third parties under the control of Consultant who will be providing services hereunder on behalf of such Consultant require or be permitted unescorted access to Duke Energy's electronic or

physical assets, which are classified as "critical" under Duke Energy's Standard 6000 for Cyber Security or the regulatory requirements of the North American Electric Reliability Corporation (NERC), all such persons shall be required to meet certain pre-requisites prior to access to any such critical assets. Therefore, when any secured electronic or physical access is needed or permitted, all persons identified above in this provision shall: (a) successfully complete the Duke Energy-administered background screening requirement; (b) take the Duke Energy-administered Cyber Security training; and (c) be given a company identification number in the Duke Energy Human Resources Management System (HRMS) for tracking purposes.

29. **Permits.** Consultant will obtain, at its expense, all permits and licenses required to perform the Services.
30. **Notices.** Each party shall designate a representative for the receipt of notices, which may be changed from time to time. All notices required to be given under the Agreement shall be in writing and delivered by fax, personal delivery, email or U.S. mail. Notices shall be effective upon receipt. or such later date specified in the notice.
31. **Governing Law.** The laws of the State of North Carolina shall govern the Agreement. Consultant agrees that all actions and proceedings brought by Duke Energy against Consultant may be

litigated in either the courts located in the State of North Carolina or in the state where the Duke Energy is located. Consultant agrees that such courts are convenient forms and irrevocably submits to the personal jurisdiction of such courts.

32. **Miscellaneous.** Consultant shall be an independent contractor in the performance of the Agreement. No waiver by either party of any default shall be deemed a waiver of any subsequent default. The Agreement, including all exhibits and applicable POs, constitutes the entire agreement of the parties and supersedes any oral or written understandings, proposals or other communications by the parties prior to this Agreement. If any provision of the Agreement is held to be invalid, such invalidity shall not affect the remaining provisions of the Agreement. Amendments to the Agreement must be in writing and signed by both parties. Headings are provided for the convenience of the parties, and shall not affect the interpretation of any provision.
33. **Nuclear Station Services.** If any of the Services will be performed by Consultant at or for a Duke Energy nuclear station, the terms and conditions of Duke Energy Nuclear Supplement NS0001 shall apply to this Agreement, and such terms are hereby incorporated by reference as if set forth herein in full.