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Scope of Revision:

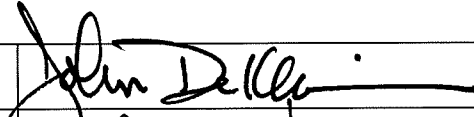

- 1) Revised paragraph 2.1.1; added new rule that Lead Auditors examinations shall be by written method only.


- 2) Added par. 2.1.3 (c)(iii) membership requires payment of dues.

All changes identified by ***bold, italic*** font type and right hand margin line.

Approval Signatures

Revision 7

Prepared by:	John DeKleine, Secretary		Date: 11/6/08
Reviewed/ Approved by:	Rosalie Nava, Chairman		Date: 11/6/08

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1.0 GENERAL

- 1.1 This Charter establishes the Nuclear Industry Assessment Committee (NIAC). NIAC is an unincorporated association organized to establish and maintain a system that will enable its members to share quality assurance assessments of suppliers to the nuclear industry. NIAC's goals are to reduce the number of external "Source Assessments" (as hereinafter defined) of suppliers, reduce the audit-related costs and increase the efficiency in NIAC members' external audit process. To these ends, NIAC will perform the functions described in Section 3.0 (OPERATIONS). "Source Assessments" are audits or surveys performed at a supplier's facility to determine its qualification as a supplier of material, equipment or services under NRC regulations and/or to verify its implementation of its program.
- 1.2 NIAC and its members, in the course of NIAC activities, shall not agree with, participate in or give consideration to any activity, plan understanding, agreement or arrangement that would constitute a violation of any federal, state or local law, including laws proscribing conduct intended or tending to restrain trade, including, but not limited to, actions that would (a) fix, raise or stabilize prices or fees, (b) boycott or refuse to do business with any third parties, or (c) restrict or interfere with the exercise of free and independent judgment by the members in the management or operation of their respective businesses. Nothing contained in this Charter shall authorize or empower NIAC or its members to perform or engage in any acts or practices prohibited by law.

To ensure compliance with all federal, state and local antitrust and unfair competition laws, NIAC and its members, in the course of NIAC activities, shall not exchange among themselves or with any group with which NIAC interfaces pursuant to Section 3.1.3 information regarding, or engage in any of the following activities, but such list shall not be deemed exhaustive:

Pricing: Discuss, exchange information regarding or enter into agreements with respect to past, present or future prices of members' or others' services or products.

Commercial Terms and Conditions: Discuss, exchange information regarding or enter into agreements with respect to past, present or future commercial terms and conditions, plans or policies of sale of any member or any other party.

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Customers and Suppliers: Discuss, exchange information regarding, or enter into agreements about the commercial relationship with or treatment of any customer or supplier, except that this provision does not preclude the overall purpose of NIAC to establish a system to share quality assurance source assessments of suppliers to the nuclear industry.

Business Strategies and Marketing Plans: Discuss, exchange information regarding or enter into agreements with respect to past, present or future business strategies and marketing plans.

Boycotts and Refusals to Deal: Discuss, exchange information regarding or enter into agreements with respect to refusing to deal with any customers, competitors or suppliers of NIAC or any other entity or group of their members.


- 1.3 Neither NIAC nor any individual NIAC member, in connection with NIAC activities, will provide to NIAC or any other NIAC member information, which is treated by the owner of such information as proprietary or confidential information.
- 1.4 NIAC members shall conduct all activities in connection with NIAC in compliance with this Charter and the statement of policy on compliance with laws set forth in Section 1.2. This Charter may only be amended, repealed or modified in the manner set forth in Section 2.4. NIAC members shall also abide by other operating guidelines, procedures and checklists adopted by NIAC from time to time.

2.0 ORGANIZATION

2.1 Membership

2.1.1 Membership in NIAC shall be open to all suppliers of goods and services for the nuclear industry who maintain a 10 CFR 50 Appendix B Quality System or equivalent DOE Quality System and whose Lead Auditors are qualified to the requirements of ANSI N45.2.23 – 1978 or ASME NQA-1 latest edition endorsed by the NRC. ***Additionally, a written examination is the only accepted method for Lead Auditor certification within NIAC.*** Membership is not transferable or assignable.

2.1.2 To become a member of NIAC, a company shall complete a membership agreement as shown in Exhibit 1 to this Charter and shall designate a representative to NIAC. Any member may resign at any time by written

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notice to the Chairperson of the Steering Committee. Failure to comply with the responsibilities identified in this Charter shall be the only ground for termination of membership by NIAC. Prior to any such termination, the member shall be offered a reasonable opportunity to respond to the allegations of failure.

2.1.3 For purposes of this Charter, a NIAC member company, known as “member” shall be defined as:

- (a) A company that has completed and submitted a membership agreement according to Section 2.1.2, and
- (b) A company, shall be defined as any member company, including business or operating units within such company, that maintains and operates under a common 10 CFR 50 Appendix B Quality System or equivalent DOE Quality System, and
- (c) A company for which:
 - (i) Verification of their acceptable Audit Program and Lead Auditor certification process is completed during the NIAC Internal Audit process, and
 - (ii) Required initial training and indoctrination in the NIAC process has been completed.
 - (iii) All required membership dues have been paid.***


Until the above conditions have been acceptably satisfied, a company shall not be considered a member nor have access to member services and benefits.

2.2 Membership Groups (Pods) – This section deleted in its entirety.

2.3 Steering Committee

2.3.1 The NIAC Steering Committee will be responsible for administering NIAC activities.

2.3.2 (a) The Steering Committee will consist of up to twelve representatives, which shall be elected by the general membership on a biennial basis.

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(b) The representatives who comprise the Steering Committee shall elect, on a biennial basis, individuals from the Steering Committee membership to serve as Chairperson, Vice Chairperson, Secretary, and Treasurer of the Steering Committee. Vacancies in Steering Committee offices shall be filled as soon as reasonably practicable to serve for the remainder of the existing term.

2.3.3. As necessary, the Steering Committee may establish standing or ad hoc (hereafter, "Other Committees") to assist in the performance of NIAC activities, which may include committees to recommend annual budgets and dues structures for approval by the membership. Such committees will be comprised of members' NIAC representatives or other representatives designated by members and appointed by the Steering Committee. The Steering Committee shall appoint a chairperson of each Other Committee.


2.4 Voting

2.4.1 (a) Except for changes in this Charter and termination of a NIAC member, all matters to be decided by the general membership, by the Steering Committee or by any Other Committee shall be decided by a majority vote of the members of the group present at the meeting at which the vote is held. Each member of a group shall have one vote on all issues brought before the group. An abstention shall not be considered a vote for purposes of determining a majority vote.

(b) Any change in this Charter or termination of any NIAC member, pursuant to Section 2.1.2, shall require the majority vote of the total membership. Such vote may be made at a general meeting of the membership for which a notice of the meeting that includes notice of such proposed change or termination has been sent, or in accordance with Section 2.5.4.

2.4.2 Any action required to be taken or which may be taken at a meeting of the general membership or the Steering Committee may be taken without such a meeting if a consent in writing (which may be in any number of counterparts) setting forth the action to be so taken is signed as follows:

(a) Prior to any such action by the general membership, by a majority of the total membership, or

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- (b) Before or after any such action by the Steering Committee, by all members of the Steering Committee.


Such consent shall have the same force and effect as an action taken at a meeting.

2.4.3 The following matters must be decided by the general membership:

- (a) Changes in this Charter
- (b) Adoption of Operating Guidelines, Procedures and Checklists (hereinafter referred to collectively as "NIAC Procedures")
- (c) Termination of any membership
- (d) Any assessment of costs or fees against members
- (e) NIAC positions presented to government or industry groups.

2.5 Meetings


- 2.5.1 General membership meetings shall be held at least annually. The time and place shall be decided by the Steering Committee. The Secretary shall issue written notice to all members at least sixty days in advance of the meeting.
- 2.5.2 The time and place for meetings of Other Committees shall be decided by the membership at the immediately preceding meeting and the Chairperson of the group in question shall issue written notice to all members at least thirty days in advance of the meeting.
- 2.5.3 Steering Committee meetings shall be held at least annually. The time and place shall be decided by the Steering Committee. The Secretary of the Steering Committee shall issue written notice to all Steering Committee members at least thirty days in advance of the meeting.
- 2.5.4 The Steering Committee may call additional ad hoc meetings of the membership by written notice to all members of the membership at least fifteen days in advance of the meeting.

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- 2.5.5 All notices of any meeting shall be assumed to have been given to each member of the group in question if mailed to such member, or delivered by facsimile transmission to such member.
- 2.5.6 All meetings, including meetings of the general membership, the Steering Committee and any Other Committee, shall be conducted in accordance with a written agenda, which shall be strictly adhered to. The agenda shall include the date, time and place of each meeting and a brief description of each topic to be discussed at the meeting, and shall have had review by legal counsel for at least one of the members, as provided in Section 2.5.8, prior to being issued. There will be no discussion of topics that are not on the agenda. The agenda will be issued to all members of the group in question at the time the notice of meeting is sent. The first item on each agenda will be a review of the meeting requirements set forth in this Section 2.5.6. The Secretary will issue the agenda and obtain its review by counsel for the general membership and Steering Committee meetings and the Chairperson of an Other Committee shall perform these functions for meetings of the Other Committee.
- 2.5.7 All business and related activities associated with NIAC shall be transacted or discussed only at formal meetings held in accordance with the Charter or by means of written contents in accordance with Section 2.4.2, and not in conversations before or after meetings, except that individual members may request information on Source Assessments which such member has obtained consistent with the provisions of this Charter and NIAC Procedures, and may engage in discussions as may be necessary to establish meeting schedules and agendas.
- 2.5.8 Within a reasonable period of time after any meeting, a formal record of the meeting (minutes) that shall include the date, time and place of the meeting, the names of those in attendance and members they represent, and a summary of the discussions and actions taken, shall be circulated. Meeting agendas and minutes shall be reviewed by counsel prior to circulation, with individual NIAC members sharing responsibility on a rotating basis for providing counsel for this review function. The Secretary will issue the minutes and obtain their review from counsel for general membership and Steering Committee meetings, and the Chairperson of an Other Committee shall perform these functions for meetings of the Other Committee.

3.0

OPERATIONS

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3.1 NIAC will perform the following functions:

3.1.1 Develop and maintain NIAC procedures, which shall be proposed by the Steering Committee and approved by the membership and shall provide for:

- (a) Performance of Source Assessments by NIAC members in accordance with nuclear industry standardized methods, using qualified auditors as specified in Section 2.1.1.
- (b) Subject to the requirements of Section 3.3, a system by which NIAC members may share the results of such Source Assessments.

3.1.2 Maintain a database of Source Assessment schedules and completion Information, in accordance with NIAC Procedures.

3.1.3 Maintain appropriate interfaces with the following groups for the purposes indicated:


- (a) Recognized industry organizations involved in quality assurance matters, in order to exchange pertinent NIAC-related quality and other cost saving or efficiency improvement information.
- (b) The Nuclear Procurement Issues Committee (NUPIC) in order to coordinate communication with the NRC regarding quality assurance matters.

3.2 Source Assessments will be conducted as follows:


3.2.1 Each NIAC member will perform Source Assessment, as finalized and assigned at the annual NIAC membership meeting, in accordance with NIAC Procedures and using its own qualified quality assurance auditors as specified in Section 2.1.1. There will be no joint conduct of Source Assessments.

3.3 Exchange of Source Assessments and other NIAC-related information will be handled as follows:

3.3.1 All Source Assessments and other information exchanged by members pursuant to this Charter and NIAC Procedures shall be non-proprietary and non-confidential.

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- 3.3.2 (a) A Source Assessment report on a specific supplier will be distributed only to NIAC members who utilize the supplier that is the subject of the Source Assessment and who are specifically designated to receive such Source Assessment at the same annual NIAC meeting at which responsibility for performing the Source Assessment is finalized and assigned. If, subsequent to the conduct of any Source Assessment, a NIAC member who utilizes the supplier that is the subject of the Source Assessment, but which is not originally designated to receive a copy of the Source Assessment report, desires to obtain a copy of that report, that NIAC member shall contact the supplier that is the subject of the Source Assessment directly; and if the supplier agrees to the distribution of the report to the requesting NIAC member, the supplier shall instruct in writing the NIAC member who conducted the Source Assessment to forward a copy of the report to the requesting NIAC member.
- (b) The NIAC Procedures shall include provisions requiring any supplier that is the subject of a NIAC-performed Source Assessment to approve the release of individual Source Assessment reports to designated NIAC members prior to the start of such Source Assessments and to permit the designated NIAC members to use such Source Assessment reports for the purpose of evaluating the supplier's acceptability to support the designated NIAC members' specific procurement activities. The NIAC Procedures shall also contain provisions providing for supplier's agreement to release individual Source Assessment reports to NIAC members who utilize the supplier, but which are not originally designated to receive a copy of the supplier's individual Source Assessment reports.
- (c) No NIAC member will supply a Source Assessment report to any NIAC member that is not designated or later approved in writing by a supplier to receive such report, or to any other party that is not a NIAC member except as may be required to be disclosed to the NRC. Notwithstanding the foregoing, a NIAC member who rightfully obtains a Source Assessment report may make such report available for inspection by its customer(s) during regularly scheduled quality assurance audits of the NIAC member by such customer(s).


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3.3.3 There will be no joint evaluation of Source Assessment results. Each NIAC member shall have the obligation to review independently the results of Source Assessments conducted by other members' audit teams and related information to determine independently if an individual Source Assessment and related information are acceptable in all respects, including procedure and contents, for use by its respective organization. Each NIAC member shall be responsible for independently evaluating or confirming the results of Source Assessments and related information to support its specific procurement activities.

4.0 RESPONSIBILITIES

4.1 The NIAC Steering Committee is responsible for:

- 4.1.1 Considering any reports that any member is not complying with the responsibilities defined in this Charter, notifying members of any report of noncompliance, and placing any proposed termination of membership on the agenda for vote of the membership.
- 4.1.2 Providing to all members a Source Assessment schedule as finalized and agreed upon at the annual membership meeting.
- 4.1.3 Maintaining control and issuance of all NIAC documents including changes thereto, except that the Chairpersons of Other Committees will control all meeting agendas and minutes for the group in question. Documents include meeting agendas and minutes, NIAC Procedures and Source Assessment plans, including schedules.
- 4.1.4 Ensuring that all agendas and minutes for general membership meetings and Steering Committee meetings are reviewed by counsel as provided for in Sections 2.5.6 and 2.5.8.
- 4.1.5 Deleted in its entirety.
- 4.1.6 Subject to the approval of the general membership, determine the membership fee and/or dues structure to be applied to NIAC members. Such function may be delegated to a committee established for such purpose pursuant to Section 2.3.3. The membership fees and/or dues collected from each NIAC member shall be allocated to services and activities of NIAC.

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4.1.7 Maintain custody of the funds of NIAC, keep full and accurate accounts of receipts and disbursements of such funds, deposit all funds in the name and to the credit of NIAC and establish a commercial banking account for and in the name of NIAC at a location to be determined. The Steering Committee Chairperson and Treasurer, who shall be fully bonded, shall be authorized to endorse for collection all checks, notes or other financial instruments payable to NIAC or to its order on behalf of NIAC and, from time to time, to deposit, withdraw or transfer all or any part of the funds on deposit in the name of NIAC in order to carry on the business of NIAC. The Treasurer of the Steering Committee shall make an annual accounting of the status of NIAC funds at the annual NIAC membership meeting. In the event of a dissolution of NIAC, any assets remaining after all debts and other liabilities of NIAC have been paid or otherwise provided for shall be distributed to the then members pro rata in accordance with the total amount of all fees and/or dues theretofore paid by each of them, respectively, during the existence of NIAC. NIAC shall be a tax-exempt organization.

4.1.8 Administration of all required NIAC activities in accordance with applicable law, this Charter and NIAC Procedures.

4.2 This section deleted in its entirety.

4.3 Each Other Committee is responsible for:

4.3.1 Conducting such activities as are assigned to it by the Steering Committee.


4.3.2 Maintaining control and issuance of its meeting agendas and minutes.

4.3.3 Ensuring that all its agendas and minutes are reviewed by counsel as provided for in Sections 2.5.6 and 2.5.8.


4.4 Each NIAC member is responsible for:

4.4.1 Designating as its primary interface for NIAC activities a NIAC representative who will have sufficient authority to vote on matters brought before the membership and to commit appropriate resources to support NIAC activities.

4.4.2 Assuring that its representative, or an alternate:

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- (a) Attends NIAC meetings.
 - (b) Maintains cognizance of those Source Assessments for which the member is responsible.
 - (c) Provides the status of the Source Assessments for which such member is responsible to the NIAC Steering Committee.
 - (d) Is indoctrinated and trained on this Charter and NIAC Procedures.
- 4.4.3 Conducting a number of Source Assessments per year, in accordance with NIAC Procedures, as determined and scheduled by the membership at the annual meeting. The schedule may be adjusted by mutual agreement of sharing members. Source Assessments shall be conducted as a safety-related service with 10CFR Part 21 applicable.
- 4.4.4 Providing a Lead Auditor as specified in Section 2.1.1 for each Source Assessment conducted by the member.
- 4.4.5 Maintaining within its quality assurance organization current revisions of NIAC Procedures.
- 4.4.6 Providing updates to the NIAC database utilized for NIAC program administration, as provided by NIAC Procedures.
- 4.4.7 Evaluating any Source Assessment and any other information, which it obtains through the NIAC system to determine if it is acceptable in all respects for use by the member for its purposes.
- 4.4.8 (a) No member who participates in any NIAC activities, including but not limited to conducting Source Assessments on behalf of NIAC, furnishing such Source Assessments (or any other information which is made available through the NIAC organization) to other NIAC members in accordance with this Charter or NIAC Procedures, or serving as an officer of NIAC or on any NIAC committee, (hereafter referred to collectively as "NIAC Activities") shall have any liability whatsoever to any other NIAC member (whether based on contract, tort including negligence, or otherwise, to the full extent permitted by law) arising out of its participation in NIAC Activities. No representations are made, and no warranties of any kind, express or implied, are given, by any NIAC member in connection with such member's participation in NIAC Activities.

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- (b) A NIAC member shall not bring any suit or other legal action of any kind against any other NIAC member arising out of NIAC Activities, and each NIAC member releases and forever discharges each other NIAC member from any and all causes of action and liabilities of any kind whatsoever (whether based on contract, tort including negligence or otherwise, to the full extent permitted by law) which such NIAC member may have at any time against any other NIAC member for or because of any matter or thing done, omitted or suffered to be done by any NIAC member, to the extent the cause of action or liability arises out of the participation by any other NIAC member in NIAC Activities.
- (c) Solely as used in Section 4.4.8(b), the term “NIAC member” shall be deemed to include all affiliates and partners of each NIAC member and all assigns, agents, representatives, employees, officers, and directors of each NIAC member and its affiliates and partners, both individually and collectively.

4.4.9 Each Source Assessment report and checklist shall include an appropriate statement, which shall be included on the cover page of all such Source Assessments and checklists, indicating the Source Assessment or checklist and any use thereof shall be governed by this Charter and providing for waiver of all liabilities by any recipient of the document. The text of the required statement will be as set forth in NIAC Procedures.

5.0 ATTACHMENTS

5.1 Exhibit 1 to this Charter is the form of NIAC Membership Agreement.


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Exhibit 1

NUCLEAR INDUSTRY ASSESSMENT COMMITTEE

MEMBERSHIP AGREEMENT

BY THE SIGNATURE BELOW OF A DULY AUTHORIZED REPRESENTATIVE, THE UNDERSIGNED COMPANY AGREES TO BECOME A MEMBER OF THE NUCLEAR INDUSTRY ASSESSMENT COMMITTEE (NIAC) AND TO COMPLY WITH THE REQUIREMENTS OF MEMBERSHIP UNTIL SUCH TIME AS A RESIGNATION IS SUBMITTED OR ITS MEMBERSHIP TERMINATED.

IN ADDITION, THE UNDERSIGNED COMPANY, BY SIGNATURE OF A DULY AUTHORIZED REPRESENTATIVE, ACKNOWLEDGES THAT IT HAS READ AND UNDERSTANDS EACH PROVISION OF THE NIAC CHARTER TO WHICH THIS MEMBERSHIP AGREEMENT IS ATTACHED, AND HEREBY AGREES THAT THE UNDERSIGNED COMPANY WILL ABIDE BY SUCH CHARTER IN ITS ENTIRETY, AND THAT ITS AFFILIATES AND PARTNERS WILL BE BOUND BY THE PROVISIONS OF SECTION 4.4.8, AS SUCH CHARTER MAY BE AMENDED IN THE FUTURE IN ACCORDANCE WITH ITS TERMS AS A LEGALLY BINDING OBLIGATION. THE PROVISIONS OF THE NIAC CHARTER CONTAINED IN SECTIONS 3.3, 4.4.8 AND OTHER SECTIONS, AS APPLICABLE, SHALL SURVIVE TERMINATION OF NIAC OR TERMINATION OR RESIGNATION OF THE UNDERSIGNED COMPANY'S MEMBERSHIP.

IN ADDITION, THE UNDERSIGNED COMPANY, BY SIGNATURE OF A DULY AUTHORIZED REPRESENTATIVE, ACKNOWLEDGES THAT AUDITING SERVICES ARE CONSIDERED SAFETY-RELATED AND THAT THE PROVISIONS OF 10CFR PART 21 ARE APPLICABLE. FURTHERMORE, THE QUALITY ASSURANCE PROGRAM OF THE UNDERSIGNED COMPANY, WHICH IS APPLICABLE TO ACTIVITIES PERFORMED IN ACCORDANCE WITH THE NIAC CHARTER, IS _____ COMPLIANCE TO THIS PROGRAM (CURRENT MANUAL REVISION IS REVISION _____, DATED _____). FUTURE PROGRAM REVISIONS OR SUCCESSORS ARE HEREBY AGREED TO.

COMPANY NAME: _____

BY: _____
Signature of Duly Authorized Representative

Date

NAME: _____
Print

Title

e-mail _____

Street Address

City, State, Zip Code, Country

Telephone Number

Fax Number

ACKNOWLEDGMENT: _____
NIAC Secretary

Date