

March 5, 2018



DE-SOL-0011530 and N00024-18-R-2130

Contract No. 89233018CNR000004

Fluor Corporation
6700 Las Colinas Boulevard
Irving, Texas 75039
USA

David Seaton
Chairman and Chief Executive Officer

469.398.7672 tel
469.398.7713 fax
David.Seaton@Fluor.com

March 5, 2018

Admiral James F. Caldwell, Jr.
Director, Naval Nuclear Propulsion Program
Naval Sea Systems Command (SEA 08)
1333 Isaac Hull Ave., S.E.
Washington Navy Yard, DC 20376-2020

Dear Admiral Caldwell:

In light of the new contract award to operate the Naval Nuclear Laboratory (NNL), I am sending this letter to reassert the arrangement between Fluor and the Naval Nuclear Propulsion Program concerning operation of the NNL.

I recognize that much of the Program's success derives from the central Program direction and control, and from the fact that the Laboratory is devoted exclusively to the Naval Nuclear Propulsion Program. Fluor Marine Propulsion, LLC (FMP) and its parent company Fluor Corporation endorse this concept and will preserve it.

Technical excellence and performance, not profit, will remain our primary goal in the operation of the NNL. We recognize that the NNL is a Government institution and that we have a special responsibility to place the Government interest foremost in our actions and recommendations.

FMP recognizes the Program as the Government point of contact concerning the Laboratory. Any arrangements for interaction with Fluor-managed Government Owned Contractor Operated facilities, subsidiaries, affiliates, or projects will not apply to the Laboratory unless otherwise agreed by the Program.

The NNL will deal with other Divisions of Fluor only "at arm's length" as they would with any other supplier. We will seek to avoid situations that would create even the appearance of impropriety.

The General Manager of the NNL will report organizationally to Mr. Tom D'Agostino, Chairman of the FMP Board of Directors and President of Fluor Government Group.

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Management responsibility for the work at the Laboratory, however, will remain with the General Manager, subject to Program overview.

FMP will continue to ensure that the Laboratory is staffed with only the most qualified and motivated personnel. We will continue to obtain your agreement in key personnel and organizational changes before commitments are made. In addition, Fluor, its subsidiaries and affiliates will not recruit from the Laboratory or other segments of the Naval Nuclear Propulsion Program without the Program's agreement.

Sincerely,



David Seaton

CMST