

General terms of supply for ON SITE/ ON SHORE work Valve-Service Pein (VSP)

1. General

1.1 Scope

These Conditions are valid for work undertaken in connection with ON SITE maintenance, repair, modifications and commissioning, as well as for similar services of the contractor (VSP) as agreed upon in each individual case (hereafter referred to as "Work").

1.2 General Customers (Client) responsibilities

The client has to instruct the contractor (VSP) in the events of shortcomings, damages or deficiencies which has an influence on the work and which were observed prior to start of the work.

In the case the client provides assisting worker (skilled personnel, helpers etc.) these workers must comply with VSP working instructions, but will nevertheless remain the customers employees, subordinated and responsible to him. In the event of serious shortcomings etc. the contractor can demand the change of these workers.

The client/end-customer is responsible to have a safe working procedure in place (i.e. accident prevention).

Unless otherwise agreed the client/end-customer is responsible for obtaining the necessary spare parts in due time and to place them at the disposal of the seller's serviceman. Delay in carrying out the work due to missing spare parts, which were not caused by VSP, are charged as waiting time according to the agreed rates.

1.3 Contractor (VSP) responsibilities

VSP guaranties to carry out the Work in a professional manner utilizing qualified personnel. For any subcontracting serviceman provide by VSP the same guarantee applies.

The contractor's personnel are responsible to follow the Health, Safety and Environment procedures relevant to site. The VSP personnel are entitled to refuse/stop work if potential hazards of the personnel (unsafe practices) are apparent.

2 Daily and hourly rates

2.1 General

Unless otherwise agreed, invoicing is based on the currently valid rate sheet and will occur after the service is rendered.

Days and hours are calculated from the day of departure of the VSP serviceman (leaving his base) until his return to his base.

The invoice location for field service is Valve Service Pein, 8457 Humlikon, Switzerland (VSP).

2.2 Personal preparation time (prior to travel)

- a) Europe: 1 working hour
- b) Rest of the World: 2 working hours

2.3 Organization time (to provide the documents and tools etc.)

- a) Home country: 2 working hours
- b) Inside Europe: 4 working hours
- c) Outside Europe: 8 working hours

2.4 Working and travelling time 100%

- a) The normal weekly working time is in general, to be distributed over the working days indicated in the rate sheet (customer or local requirements). If, due to reasons beyond the control of the contractor, a shorter working time than 40 hours/week has to be maintained, the standard 40 hours working time will be invoiced.
- b) The time limits for the standard rates are 06:00 am to 08:00 pm and applies for the 1st 8 hours working time in this period.
- c) Travelling time weekdays will only be charged to a maximum of 12 hours per day (without overtime)
- d) Waiting time weekdays not caused by VSP up to a maximum of 8 hours per day
- e) Per calendar day for a field service trip a minimum of 8 hours will be accounted (exception is i.e. completion of project)

2.5 Overtime 125%

- a) Working time that exceed 8 hours within the normal daily or weekly working time between 06:00 am and 08:00 pm
- b) Working time between 08:00 pm and 06:00 am during normal working days (night work).
- c) Working-, travelling- and waiting-time on Saturday (travelling time max. 12 hours)

2.6 Overtime 150%

- a) Working-, travelling-, and waiting-time on Sundays or day equal to Sunday in the western world, (travelling time max. 12 hours)
- b) Night overtime: Overtime worked between 08:00 pm and 06:00 am
- c) Public holidays: Days are listed in the rate sheet

2.7 Surcharges (nuclear power plants)

When the work is carried out under difficult conditions in nuclear power plants i.e. protective clothing or breathing equipment must be worn, a surcharge per working hour will be invoiced.

Class 3: Total hours worked in protective clothing, gloves and mask

Class 4: Total hours worked in protective clothing, gloves and breathing equipment

3 Work at fixed price

This price is based on the proviso that all prior works are carried out and completed by the client/end-customer and that VSP can proceed all work smoothly and with no hindrance.

Furthermore, a normal wear and tear of the equipment is considered.

Additional work which has to be carried out by the contractor due to reasons beyond his control, such as subsequent changes to the content or scope of the agreed work, waiting times, surplus work due to the unexpected condition of the equipment, additional travelling etc. will be invoice at the agreed base.

4 Expenses

4.1 Travelling cost

The costs for the journey to and from the client/end-customer, as well as for travelling within the country using a means of transport as chosen by the contractor, are invoiced to the client. Flight and rental car will be invoiced with actual costs plus a 10% handling fee. All other items will be invoiced with actual cost and receipts. Invoicing include also associated costs as insurance, freight, customs duties, charges for luggage, passports and visas, provision of the entry, residence and work permits, medical examination on arrival and departure, as well as "home leave" of the contractor's personnel.

4.2 Use of motor vehicle per km

The use of motor vehicles will be charged according the amount indicated in the actual valid rate sheet.

4.3 Daily travelling workplace - hotel

Up to 20 km/day will be invoiced as a flat rate which covers the daily travel hotel to site. If due to the circumstances a suitable accommodation can't be found nearby (i.e. all hotels fully booked) the distance hotel to site will be charged upon effective km driven.

Exceeds the driving time to the workplace 60 minutes per day this additional time will be invoiced as travelling time.

4.4 Accommodation costs

The standard rates for accommodation are listed on the rate sheet. If the standard rates are applied no receipts are necessary.

If no suitable accommodation can be obtained with the standard rate the effective effort for the accommodation will be invoiced (including receipt).

If the customer provides the accommodation on his expense no charge for accommodation will be invoiced. The accommodation must be clean, heat able, air conditioned and have good sanitary facilities.

4.5 Boarding and secondary charges

The standard rates for boarding/secondary charges are listed on the rate sheet. These rates are used for food, entertainment and other living expenses while the serviceman is working. If these standard rates for invoicing are applied no receipts are necessary.

Assuming the customer provides serviceman with wholesome and adequate food, 20% of this rate will still be applied (various small expenses)

4.6 Other expenses

Other expenses linked directly to the job as for example taxi costs, road tax, business fax and telephone etc. will be charged with 15% surcharge on the costs (receipt will be provided)

5 Home leave

If the contractor's personnel must spend a long period of time away from home, they shall be entitled to home leave. The period of absence for such an entitlement is specified in the rate sheet. The cost of the return journey, i.e. from the Work location to the contractor's registered office and back, shall be covered by the client under the condition listed under "Travelling".

6 Tools and Equipment

6.1 Hand carried, standard tools

Unless otherwise agreed the contractor is responsible for equipping his serviceman with a normal, Hand carried(standard) set of tools. Big tooling as torque wrenches, spanners bigger than 32 mm must be supplied by the customer. Supervision of work (Supervisor) is always without tools. For nuclear facilities NO Hand carried (normal, standard) set of tools are supplied.

6.2 Special and big tooling

Special tools (i.e. seat cutting device etc.), Big tooling, measurement and testing devices are supplied on a rental base. The duration of hire is to be calculated from the day the items are dispatched from VSP premises until their return.

Transport and insurance costs, as well as further expenses, dues and charges in connection with the delivery to and return of tools and equipment from the work location will be invoiced "at cost" base.

6.3 Scaffolding, lifting equipment and site supplies

Unless otherwise agreed the client/end-customer is responsible for:

- a) Access to the valves (i.e. appropriate Scaffolding, insulation)
- b) Suitable craneage and other lifting devices, in good condition, with attendant personnel
- c) Electrical energy and suitable lighting, Compressed air supply, water and other supplies as necessary for the work.

6.4 Civil work

Unless otherwise agreed the contractor is not responsible for any kind of civil work (i.e. concrete base for placing equipment, protection cabinet delivery/assembly etc.).

6.5 Consumables (standard)

Necessary consumable and installation materials, cleaning materials, lubricants and miscellaneous small items are to be provide by the client/end-customer.

7 Acceptance of work

As soon as the client/end-customer is notified that the work is ready for inspection/completed, he must inspect the workmanship in the presence of the VSP serviceman.

Any deficiencies must be reported immediately and if possible, solved on site priory to the departure of the serviceman. If the customer fails to do this, the work shall be deemed to have been accepted. On presentation of the time sheets, the client/end-customer shall verify the work performed by the VSP serviceman with his signature. If this verification is not undertaken by the customer in due time, the entries of the VSP serviceman shall serve as a basis for calculation.

8 Warranty of work

VSP guarantees for a period of twelve months (after the completion of the work) for the service work which had been carried out.

The contractor shall repair or replace at his own discretion and within a reasonable period of time the object on which work has been performed, any parts thereof or spare parts delivered and fitted within the terms of the contract, provided they have become defective or unserviceable during the period of warranty. If after VSP serviceman inspection it is proved a result of poor workmanship or faulty material supplied by the contractor, than it is provided that these deficiencies are notified to VSP in writing immediately upon their discovery.

If the Buyer operates the equipment outside the specification (design parameters) no warranty is given.

9 Liability

The contractor shall be liable for personal injury and/or property damage which may occur during the execution of the work consigned to him, within the scope of legal liability and customary insurance coverage for third party liability. However, he should not be liable for damages the object concerned and/or any other objects unless the client/end-customer can prove that the seller has acted with gross misconduct.

The contractor's liability including that of his agents, personal or subcontractors, shall be limited to the amount of the actual service carried out by VSP.

Any further claims of the client/end-customer, in particular for compensation of damages of any sort are, from whatever cause arising, excluded. The client/end-customer shall be responsible for any damage caused by his personal. This applies also if the VSP personal are directing or supervising has caused the damage. The buyer shall also be responsible for any damage caused through deficiency in the tools, equipment and materials provided by him. This applies also when the VSP personal has used them without lodging a complaint.

10 Insurance

The contractor maintains adequate insurance for his serviceman and for the equipment they are working on. Information concerning the types of insurance and their amount will be furnished by VSP upon request.

11 Emergency call out

In case the field service technician must be on site within 72 hours, there will be charged an extra fee of 25% per hour (72 hours between phone call to field service VSP and field service technician available on the plant).

12 Cancellation / Modification of Scheduled Field Service Visits

- a) If the client or the end-customer cancelled/rescheduled a field service assignment within a period between 1 week and 48 hours before the scheduled start of the field service assignment, a fee of 1000 euro must be paid by the client.
- b) If the client or the end-customer cancelled/rescheduled a field service assignment within a period between 1 week and 48 hours before the scheduled start of the field service assignment, the client must pay 10% of the from the contractor budgeted order volume or fixed price.
- c) If the client or the end-customer cancelled/rescheduled a field service assignment within a period less than 24 hours before the scheduled start of the field service assignment, the client must pay 20% of the from the contractor budgeted order volume or fixed price.
- d) In all cases VSP will charge all expenses and costs incurred due to the cancellation/rescheduling of the field service assignment to the client.

13 Availability of Field Service Personal

VSP must receive the P.O. with the exact schedule of field service minimum 6 weeks before the field service starts. Otherwise it cannot be guaranteed to have a Field Service Technician available for the requested dates of the service.

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