

Erection Terms and Conditions

for SKF Marine GmbH (as of 10/2013)

Attachment to:

Any legal relationship between the Customer and us comprising erection services shall be – unless otherwise explicitly agreed upon in writing – exclusively governed by our General Terms and Conditions for Sales and Deliveries in their latest version as well as by these Erection Terms and Conditions. In case of contradictions between the General Terms and Conditions for Sales and Deliveries and these Erection Terms and Conditions, these Erection Terms and Conditions shall prevail.

A. GENERAL

I. Preparation of Erection

1. The Customer shall take care of all preparations and Customer-furnished material at his own cost in such way that the erection may start immediately upon arrival of our erection staff and may be carried out smoothly until Acceptance (*Abnahme*) without endangering any persons and/or property. We shall – if necessary – provide the Customer in time with any particular plans or instructions required.
2. The Customer shall take any measures necessary for the protection of persons and/or property at the place of erection. He shall advise our site supervisor of any existing special safety regulations as far as such regulations apply to the erection staff. He shall notify us of any violations of such safety regulations by the erection staff.
3. In case any delay in erection or commissioning occurs which is not our fault, the Customer shall bear any time extensions and additional costs incurred by such delay, in particular costs for waiting time, repeated travels, storage and refreshment costs.

II. Technical Support of the Customer

1. The Customer shall support our erection personnel at his own cost in carrying out the erection and shall render technical assistance. In particular, the Customer shall carry out the following measures:
 - a) Supply of necessary, eligible support staff for the necessary period of time and in the necessary number. Our specialists may ask for replacement of non-eligible support staff. In the course of erection, the support staff shall follow the instructions of our personnel. We shall not be liable for the support staff. In case of any damage or defect being caused by support staff upon instruction of our site supervisor, nos. IX. and X. of our General Terms and Conditions for Sales and Deliveries shall apply.
 - b) Supply of necessary, eligible, heated and locked accommodation for our erection staff (including light, washing facilities, sanitary installations) as well as for keeping the erection tools and delivered parts.
 - c) Supply of heating, light, electrical energy, water including the necessary connections.
 - d) Supply of necessary installations and heavy tools (e. g. scaffolding and lifting gear and other devices), supply items, fuels and lubricants as well as other materials, and the supply of all other acts and devices which are necessary to perform as contractually agreed as well as to carry out the erection including commissioning and test run – if such is contractually agreed.
 - e) Transport of the items to the erection site, unloading and loading of our items – such as our tools on the

premises of the Customer and retransport, the transport of staff to the erection site if necessary. Protection of the erection site and the materials against detrimental influences of any kind. Cleaning of the erection site.

2. In case the Customer fails to comply with his obligation to cooperate or with his obligation to bear the costs in this respect, we shall, after notification of the Customer, be entitled but not obliged to take the measures being the obligation of the Customer or have them taken by third parties instead of the Customer and at his cost. Apart from that, our statutory rights and claims remain unaffected.

III. Liability of the Customer

In case of damage or loss of any installations or tools provided by us at the erection site without our fault, the Customer shall be liable to compensate us for such damage or loss. This shall not apply to damages which are the result of ordinary wear and tear.

IV. Period of Erection, Transfer of Risks

1. An agreed period of erection shall commence with the date of our written order confirmation with regard to all order/contract elements as well as after entire fulfillment of any of the Customer's obligations to cooperate and after the supply of, and confirmation of the Customer, that the necessary inland and foreign official permissions and/or certificates have been obtained. Apart from that, the provisions as per no. IV. of our General Terms and Conditions for Sales and Deliveries shall apply.
2. In case the object of erection has perished or deteriorated without our fault before Acceptance, we shall be entitled to claim the contract price deducted by saved expenses. The same applies if the performance of erection becomes impossible without our fault. The Customer may claim for repeated erection only if and as far as such claim is reasonable – in particular with regard to our other contractual obligations. Another remuneration based upon the contract prices shall be paid for such repeated erection.

V. Liability for Defects

1. After Acceptance issued by the Customer, we shall be liable for defects of the erection, all other claims of the Customer being included - notwithstanding no. V.5. of these Terms and Conditions and no. X. of our General Terms and Conditions for Sales and Deliveries - in such manner that we have to remedy the defects. The Customer shall notify us of any determined defect without undue delay.
2. We shall not be liable if the defect does not materially affect the interests of the Customer or results from circumstances attributable to the Customer.
3. In case of e. g. inappropriate changes or maintenance repairs being carried out by the Customer or third parties without our prior approval, we shall be released from liability for any consequences resulting from such changes or maintenance repairs. Only in case of urgent danger to the safety of operation and for the purpose of avoiding unreasonably high damages – which shall be reported to us immediately – or if we have failed to meet a period set to us to remedy a defect, the Customer shall be entitled to remedy the defect himself or have it remedied by a third party and to claim the necessary costs for that from us.
4. We shall bear such proportion of the direct costs incurred by the remedy of the defect – if the notification

of the defect turns out to be justified – as to the costs of the replacement part including shipment. In addition, we shall bear the costs for assembling and disassembling as well as the costs, if necessary, for the supply of erection personnel and support staff including travel costs – as far as not an unreasonable burden on us is created.

5. In case we fail to meet a reasonable period for remedy of defects set to us – taking the statutory exceptions into account – the Customer shall be entitled to reduce the price within the scope of the statutory provisions. The Customer's right to reduction of the price shall also exist in other cases of failure to perform the remedy of defects. Only if the erection is, despite reduction of the price, evidently not of interest for the Customer anymore, the Customer shall be entitled to rescind from the contract.
6. If commissioning of the object of erection is carried out without consultation of our erection personnel, we shall be released from any warranty or liability for any defects or accidents resulting from such commissioning.
7. The Customer's claims for defects shall become time-barred after expiry of 12 months as from the Acceptance of the erection work or, if an acceptance does not take place, after expiry of 12 months as from our notice of readiness.
8. Apart from that, the provisions of nos. IX. and X. of our General Terms and Conditions of Sales and Deliveries shall apply.

III. Declarations of the Erection Personnel

Any kind of declaration rendered by the erection personnel shall only be binding if it is confirmed in writing.

IV. Liability

1. As far as our personnel does not carry out the erection works themselves but, as instructed, merely supervises works carried out by personnel supplied by the Customer or third parties, our liability shall be limited to the supervision activities. In this respect, we shall only be liable for exercising customary duty of care and such liability shall be limited to the amount of the contract price, any further liability shall be excluded. The aforesaid shall not apply in case of intention or gross negligence of our organs or executive staff.
2. Apart from that, the provisions as per no. X. of our General Terms and Conditions for Sales and Deliveries shall apply.

B. PRICES, INVOICING, PAYMENT

I. Erection Price, Calculation of Erection Costs

The erection services shall be invoiced, if nothing else is agreed in writing, as per actual efforts taken. The calculation comprises the work hours certified on the service records submitted to the Customer, in addition any extra charges, travel and waiting times, travel expenses, daily allowances, hotel/accommodation costs as well as freight and luggage costs, postage, phone and fax costs as well as any costs for consular documentation, visa, medical examinations and insurances, as well as preparation times, calculation and reporting times of the staff. Any additional costs incurred by unexpected official requirements shall be borne by the Customer.

II. Accounting Documentation

The erection personnel shall present the service records (*Montagescheine*) to the Customer for verification and shall hand him out a copy each weekend and after completion of works. The Customer shall confirm by his signature the correctness thereof as basis for the final invoicing.

If the signature is missing, any claim for correction may only be accepted by us if such claim is notified to us immediately after departure of our staff.

III. Due Date

As long as nothing else is agreed, our invoice shall be due for payment upon receipt.

IV. Taxes, Charges

The agreed prices are without Value Added Tax (VAT). The VAT shall be invoiced additionally at the statutory rate.

Any amounts which have to be paid for the erection staff during their employment in the course of the order to health insurance, professional bodies or other public institutions, shall be paid by the party who pays the wages of the staff.

In case of new freights, taxes, customs tariffs or other charges being introduced after the offer has been made, we shall be entitled to claim reimbursement of additional expenses incurred.

V. Erection Tariffs, Surcharges, Work Time

1. Regular Hourly Tariff

The following hourly tariffs shall apply to any regular work or waiting hour:

Erection Engineer	€
Erection Foreman	€
Chief Erector	€
Erector	€

Travel time shall be counted as work time.

If any changes in wages occur until beginning or during erection, we reserve the right to adjust the erection tariffs.

2. Overtime Surcharges

The following surcharges shall apply to overtimes, to night work and to work on Sundays and holidays (hourly tariff as shown above plus percentage surcharge as follows):

Any overtime hour before 08.00 pm:	25 %
Any night overtime hour (08.00 pm – 06.00 am)	50 %
Work on Sundays	50 %
Work during night shift	12,5 %
Work on statutory holidays on Sundays	100 %
Work on statutory holidays on working days	150 %

3. Tool Charges (plus shipment)

Tool box		
Initial lump-sum	€	Rent/day €
Big tool box		
Initial lump-sum	€	Rent/day €
Tool container		
Initial lump-sum	€	Rent/day €

Special Surcharges

Any work in particular dirt, extraordinary heat, cold or noise, in gas-endangered environments or under any other aggravated circumstances shall be subject to a surcharge of 10-25 %. In case of travels into particular countries an additional equipment and aggravation surcharge will be charged.

5. Travel Costs

The travels to and from the place of erection will be invoiced according to the actual disbursements incurred. For car travels € per km will be charged.

6. Allowances as per Federal German Erection Tariff Agreement (Bundesmontagetarifvertrag)

Notwithstanding the particular qualification we shall invoice € per person per day of absence of our staff from our company. Hotel accommodation will be charged as per actual disbursements incurred.

7. Working Time

Regular working time is 35 hours per week, from Monday to Friday, 7 hours per day. The erection personnel will adapt themselves to the customary working times at the Customer. For the calculation of holiday surcharges the holidays under the law applicable at the place of erection shall apply. Any business day which are holiday at the place of erection but not at the home place shall be deemed as waiting times and calculated as regular work times.

VI. Miscellaneous Costs

1. In case of erections which last longer than 6 weeks and which are more than 180 km away from Hamburg, our erection personnel shall be entitled upon request to one family home trip every 4 weeks. The costs shall be borne by the Customer. One home trip shall take place on Christmas, one on Easter and one on the beginning of annual leave. In case of erections in foreign countries, we reserve the right to special agreements concerning hometrips.
2. In case of erections in foreign countries, the Customer shall bear any costs for medical treatments, pharmacy and for other means of recovery of health and hospital treatment of our erection personnel. In case the home return of an erector being unable to work becomes necessary, the travel costs of the replacement erector shall be borne by the Customer.