

Conditions for the Service of Technicians

for SKF Marine Shanghai Ltd

1. Scope of Application

These conditions for the service of technicians apply to the transaction of contracts for the carrying out of assembly and/or fitting work by our technicians, so far as in any individual case no agreements have been concluded that differ from these conditions. Between the customer and ourselves our conditions for the service of technicians apply exclusively as well as our conditions of sale and supply. Conditions of customers are not applicable.

2. Coast of Assembly and/ or Fitting Work

2.1. The cost of the assembly and/or fitting work will be calculated according to the time required. Plus additional points with a surcharge of 10% handling. Provided that no lump sum price has been expressly agreed upon.

2.2. The sums agreed upon do not include value added tax, which must be paid to us in addition in the amount provided for by law.

3. Statements of Technicians

Statement of our technicians is binding on us only after they have been confirmed by us in writing. This requirement is not altered through our having within the scope of the same contract occasionally treated oral statements of our technicians as binding.

4. General Work and services, Discharge of Technicians

4.1. The payment for general work and services carried out by us (preparation of assembly and/or fitting work making of drawings, supervision of assembly and/or fitting work) us to be made on the basis of a special agreement.

4.2. If it should become necessary to discharge our technicians on account of a reason that we do not have to answer for, than the costs arising therefore will be charged to the customer.

5. Travelling Expenses

5.1. The travelling costs (including transport, transport insurance and personal luggage as well as tools taken along and also those dispatched separately) will be charged to the customer in accordance with the financial outlay that we have incurred in connection therewith.

5.2. As a rule for engineers first class railway travels is charged and for the remaining personnel second class railway travel is charged (including supplementary charges).

5.3. If motorcars are used a lump sum amount per kilometre will be charged.

5.4. In the case of journeys by air the price for tourist class will be charged.

6. Working Hours and Payment

6.1. Our technicians adapt themselves as far as possible to the times of working hours established by the customer.

6.2. The customer has to certify on the form presented to him the hours of work of our technicians and work carried out by them.

6.3. In cases of assembly and/or fitting work at distant

locations the necessary travelling time (including the time required for actually arriving at and leaving the work) will be charged as working time. Waiting time, time for searching for accommodation and time that may be required for reporting to the authorities will also be charged as working time, so far as working time is lost thereby.

6.4. In cases of assembly and/or work at distant locations the full daily working time will be charged, but at least weekly the working hours laid down in the agreement with the trade union, even when our technicians are prevented through no fault of their own from working for the full working time.

7. Safety Regulations

7.1. The customer has to take necessary measures for the protection of persons and property at the place of work. He must instruct our technicians regarding existing safety regulations, so far as these are of importance for our technicians. He has to notify us of violations of such safety regulations by our technicians. In the case of serious violations the customer can in agreement with us refuse the offender admittance to the place of work.

7.2. The technicians of SKF Marine Shanghai are instructed to comply with the safety regulations in force with the loyal workers' protection rules and with the customer's local rules for worker's protection that go beyond these.

8. Technical Assistance of the Customer

8.1. The customer is under the obligation to give technical assistance at his own cost and in compliance with all official regulations in particular

a) to provide the necessary suitable assistant workers (carpenters, fitters, staging builders and other skilled worker, helpers) in the number required for the assembly and/or fitting work and for the necessary time. The assistant workers have to follow the instructions of our technicians. We accept no liability for the assistant workers.

b) to undertake staging work including the procurement of the necessary constructional materials.

c) to provide according to our data a suitable working platform or pontoon, as the case maybe, for outboard work. A motor boat must stay in constant readiness in the immediate vicinity of the place of work.

d) to provide the necessary heavy appliances and equipment and tools (for example. lifting appliances), as well as the necessary requisites and materials (for example. wood for staging, sealing materials and lubricants).

e) to provide heating, lighting, power current and compressed air, including the necessary connections.

f) to provide the rooms needed for the safekeeping of our technicians' tools. These rooms must be dry and must be capable of being locked.

g) to transport to the place of work parts required for the assembly and/or fitting work that have been delivered beforehand, to protect the parts required for the work against injurious influences of all kinds, to clean the parts required for the work.

- h) to provide suitable theftproof rest rooms (with heating, lighting, washing facility, sanitary equipment) and first aid for our technicians.
- i) to provide the materials and to take all other actions that are necessary for the correct adjustment of the object of supply and for the carrying out of a test as provided for in the contract.

8.2. The technical assistance of the customer must also be such as to ensure that the assembly and/or fitting work can be started immediately after the arrival of our technicians. So far as special drawings or instructions are required from us, we shall make these available to the customer in good time.

8.3. If the customer does not fulfill his obligations, then we have the right, but we are not under the obligation, to carry out the actions that are incumbent on the customer in place of him and at his cost.

9. Extent of Assembly and/ or Fitting Work

In the determination of the extent of the assembly and/or fitting work we shall advise the customer to the best of our knowledge. It is agreed that we can rely on the opinion of a classification society or of its authorized representative. The customer must, however, himself make the decision on the extent and practically of the assembly and/or fitting work and to this extent carries the risk also.

10. Time Limit for Assembly and/ or Fitting Work

10.1. All statements on a time for assembly and/or fitting work are approximate only.

10.2. If as an exception a time limit for assembly and/or fitting work is designated as binding, then such a time limit is considered as having been kept when by the time that it expires the assembly and/or fitting work is ready either for acceptance by the customer or for carrying out a test as provided for in the contract.

10.3. If the assembly and/or fitting working is delayed on account of circumstances arising for which we are not responsible, then the time limit is to be suitable extended; this applies also when such circumstances arises after we have fallen into arrears with the work. The costs incurred through the delay are to be borne by the customer.

11. Acceptance

11.1. The customer is under the obligation to accept the assembly and/or fitting work as soon as he has been notified that the work has been completed and that any test that may have been provided for in the contract of the assembled and/or fitted object of supply has been carried out. If the assembly and/or fitting work turns out to be not in accordance with the contract then we are under the obligation to remove the defect at our own costs. This does not apply when the defect is insignificant for the interests of the customer or when the defect that is due to a circumstance that is to be attributed to the customer. If there is a defect that is not important, then the customer cannot refuse acceptance after we have expressly admitted our obligation to remove the defect.

11.2. If the acceptance is delayed through no fault of ours then the acceptance will be considered as having taken place at the end of a week after the customer has been notified that the work has been completed.

11.3. On and from the time of acceptance our liability for perceptible defects ceases, in so far as the customer has not reserved the right to enforce the removal of some specified defect.

12. Warranty

12.1. We guarantee to remove defects that arise within a period of 12 months after acceptance. A subsequent improvement on some part must not exceed the extent and value of the contractual work on this part. The customer must notify us immediately of any defect that is ascertained. Claims for conversion reduction or damages, whether in respect of direct or indirect damages are excluded.

12.2. Our guarantee does not apply when the customer has without our consent made changes or carried out reconditioning work.

13. Other Conditions

13.1. The foregoing conditions are supplemented by the relevant legal regulations and workers' tariff agreements. These conditions change when changes occur in the regulations and agreements mentioned.

13.2. The cost of assembly and/or fitting work is to be paid immediately on receipt of the bill without deduction of any kind. Detention and set off are excluded. The accounts for the cost of the assembly and/or fitting work will be worked out and presented after the work has been completed.