

**GENERAL CONDITIONS FOR
COMMISSIONING
AND SEA TRIALS**

Passion for Clean Water

TABLE OF CONTENTS

1	Commissioning and sea trials	3
1.1	Introduction	3
1.2	Scope and performance	3
2	Travel, accommodation and working time	4
2.1	Travel and accommodation.....	4
2.2	Working hours.....	4
2.3	Overtime.....	5
2.4	Waiting time	5
3	Planning etc.	5
3.1	Supplier's responsibility	5
3.2	Buyer's responsibility.....	5
3.3	Preparatory work	6
3.4	Sea trails	6
3.5	Working reports / time sheets	7
3.6	Third-party equipment.....	7
3.7	Health, Safety and Environment (HSE)	7
3.8	Limitation of Liability	8
	Appendices	8

1 Commissioning and sea trials

1.1 Introduction

The terms and conditions set out herein shall apply for all commissioning work and participation on sea trials by personnel of Norwegian Electric Systems AS (the "**Supplier**"), subject to delivery of equipment by the Supplier under a separate sales contract between the Supplier and the buyer (the "**Buyer**" and the "**Contract**", respectively).

The number of hours and days included in the Contract for commissioning and sea trials is based on an assessment of what is normally considered necessary for commissioning and participation on sea trials for similar projects, however always provided that:

- a) the equipment is correctly installed by the Buyer and that the equipment is in no way damaged since the delivery of the equipment according to the agreed Incoterms.
- b) that neither the Buyer nor other suppliers of the Buyer causes delays in the overall working progress,
- c) that the HSE conditions on Buyer's site / vessel are in compliance with all applicable health and safety laws and regulations during the entire duration of commissioning and sea trials,
- d) that Supplier has full access to the site / vessel and may work uninterrupted with the timely assistance and input of the Buyer and other supplier when relevant and required,
- e) that Supplier has access to all necessary facilities during the work execution,
- f) that Supplier may decide on method, resources and personnel required for the execution of the commissioning of its own equipment, and
- g) that the Buyer has fulfilled all of its obligations as set out herein, and
- h) no other delays or interruptions are caused for which the Supplier is not solely responsible.

Given that the Buyer is solely responsible for the overall progress of the commissioning works and sea trials, the Supplier will charge any waiting time and additional work necessary to complete the commissioning of equipment and sea trials according to the provisions set out below.

1.2 Scope and performance

Performance of commissioning and participation on sea trials is based on the following conditions:

- The Supplier is only responsible for the equipment and functions according to the final specifications under the Contract, and additional addendums or approved variation orders signed during the project, where commissioning is clearly states as part of the scope of supply.
- The Contract includes a limited number of working days and working hours for the commissioning and sea trials. Should there be need for additional hours for commissioning and / or sea trials for whatever reason, the Buyer will be charged according to the rates set out in Appendix 1. However, this does not apply for hours spent on repairs on the Supplier's own equipment, which will not be charged or withdrawn from the limited numbers of working hours set out in the Contract.
- The Contract includes a limited number of roundtrips for the Supplier's personnel to the Buyer's site / vessel. If, for whatever reason, more trips to the site / vessel are

necessary for the Supplier's personnel, the Buyer will be charged for travel costs and travel time according to the rates set out in Appendix 1.

- Supplier decides on the necessary method, resources and personnel required, taking reasonably into account the needs of the Buyer in terms of coordination of Buyer's own personnel and other suppliers.
- Depending on the timeline and scope, the number of different resources carrying out the commissioning and sea trials will vary accordingly. Supplier decides which and how many of its commissioning personnel that needs to be present at any given time during commissioning and sea trials.
- The Supplier is entitled to perform tests on own equipment as deemed necessary to verify all functions and performance criteria.
- The Supplier is not responsible for the overall progress of the commissioning and sea trials. The Supplier is not liable for any aborted sea trials or other delays or consequential costs or losses which are due to the commissioning services, including but not limited to technical adjustments and replacement of parts. The Buyer shall indemnify and release the Supplier from any such liability.

2 Travel, accommodation and working time

2.1 Travel and accommodation

Time and cost needed for travelling to Buyer's site / vessel, accommodation and daily expenses is not included in the Contract and will be charged separately.

For single flights exceeding 6 hours, the Supplier's personnel may fly on business class.

2.2. Working hours

Working hours in this context are to be understood as hours present at the Buyer's site / vessel, or available to perform commissioning / sea trials outside such premises (including waiting time).

Working hours for the Supplier's personnel are defined as up to maximum 10 hours per working day, normally between 08.00 and 20.00. One (1) hour lunch is included in these hours.

Usually, the commissioning engineers will prefer to work also on Saturdays and Sundays to reduce the total commissioning period, subject to the rates set out in Appendix 1. The number of hours worked on Saturdays and Sundays may however be reduced, depending on capacity and wishes from the Supplier's personnel.

If work on Saturdays or Sunday is not possible due to yard regulations or limitations, this shall be informed in due time to the Supplier. Any extra costs (salary, accommodation, diet etc.) for keeping commissioning personnel at site during the weekends will apply. Otherwise, the Buyer is liable for extra travel costs incurred for sending the Supplier's personnel home at the weekends.

Any hours spent due to Buyer requests exceeding 10 hours during any given working day shall be charged extra independently of any hours included in the Contract.

2.3 Overtime

For work over 10 hours per day during weekdays, weekends and public holidays, special rates will apply according to rates set out in Appendix 1.

If the completion of the commissioning and sea trials calls for additional work hours and trips in addition to the limited amount in the Contract, the Supplier may provide such manpower following an approved variation order (VO) in writing prior to start of the work. Supplier is not obliged to provide such additional work before such signed VO is received by the Supplier.

Special regulations according to Norwegian health and safety regulations may apply.

2.4 Waiting time

Any waiting time will be specified on the daily working reports and will be invoiced accordingly.

Supplier shall without liability be entitled to stop or suspend its performance until the daily working reports / time sheets are signed by the Buyer and / or payment for waiting time is received in full.

3 Planning etc.

3.1 Supplier's responsibility

Supplier shall nominate a responsible person for commissioning (the "**Commissioning Lead**"), which is:

- responsible for all commissioning activities to be carried out by the Supplier;
- Customer's single point of contact for all matters and activities taking place as part of the commissioning and sea trials;
- authorized to represent and sign variation orders and working reports / time sheets concerning the commissioning and sea trials.

Prior to start of the commissioning, Supplier will provide test procedures (HAT and SAT) for the scope of supply under the Contract, including a rough estimated plan for commissioning.

FMEA (Failure Mode & Effects Analysis) test program is not included in the Contract, and is not part of Supplier's scope of supply.

3.2 Buyer's responsibility

Buyer shall nominate a responsible person and deputy for commissioning, which shall be:

- Supplier's single point of contacts for all matters and activities taking place as part of the commissioning and sea trials;

- authorized to sign variation orders, working reports / time sheets and test protocols concerning the commissioning and sea trials.

The Buyer is responsible for planning and to organize the commissioning activities in such a manner that the commissioning can be performed efficient and without delays. If applicable, the Buyer shall provide working visas for the Supplier's personnel prior to commissioning.

The Buyer shall prepare a preliminary time schedule for the commissioning period progress and shall provide this to the Supplier within six weeks prior to the scheduled start for commissioning. The Buyer shall thereafter inform the Supplier of the exact date for the start of the commissioning, no later than three weeks in advance of the commencement day. This information shall include a detailed schedule and test plan with the daily activities during the commissioning period. Any postponement by the Buyer after this shall give the Supplier a right to withdraw the planned working hours from the limited commissioning hours in the Contract, as if the commissioning had commenced as planned. In such case, the Buyer shall also cover any additional costs for the Supplier, including but not limited to costs for demobilization of personnel (as relevant).

If the Supplier's personnel shows up at the Buyer's site / vessel at the specified commencement date, this shall be considered as part of the commissioning even if the equipment is not ready for or prepared for commissioning. In such case, the Buyer shall also cover any additional costs for the Supplier, including but not limited to extra travel costs and accommodation (as relevant).

During the commissioning period, frequent planning meetings may be arranged by the Buyer together with the Supplier and other suppliers to ensure smooth and efficient commissioning work.

3.3 Preparatory work

Commencement of Commissioning is on the condition that all activities listed in the attached checklist (Appendix 2) have been duly conducted, completed and signed accordingly by the Buyer. All installations, cabling, termination and loop control must be satisfactory carried out by the Buyer or responsible supplier in advance of commissioning.

In case listed activities nevertheless have not been completed by the Buyer, any waiting time encountered by the Supplier's personnel shall be deducted from the total man hours included in the Contract. In such case, the Buyer shall also cover any additional costs for the Supplier, including but not limited to extra travel costs and accommodation (as relevant).

The Buyer is responsible for protecting all equipment against dust, condensation and water during the installation-, connecting-, and finalizing period according to Supplier's preservation instructions.

The Buyer shall make available to the Supplier free of charge (including use) at proper time on the working place all necessary transport and handling of equipment, storage facilities and tools required for commissioning and tests, and which is not expressly stated to be Supplier's responsibility.

3.4 Sea trials

During the sea trial(s), the Supplier's personnel shall verify that the delivered equipment is working according to the provisions of the Contract.

The Supplier's personnel will not:

- function as crew or watch on board (when verification of the equipment has been done, the service engineer will conclude his work);
- be alone in the engine room during engine operation;
- clear out alarms.

In case on overnight sea trial(s), the Buyer shall reserve one cabin to the Supplier and provide the Supplier's personnel with normal meals at no cost to the Supplier. In addition in case of overnight sea trial(s), the Supplier may charge the Buyer for its standard daily fee

3.5 Working reports / time sheets

The Commissioning Lead shall, on a daily basis, work out and present the "Daily Working Report" (time sheets) for the Buyer's information and approval, in the form set out in Appendix 3 hereto.

The Commissioning Lead will fill out a "Final Status Report" after commissioning is completed, containing information on the commissioning progress in the form set out in Appendix 4 hereto. This report will include information on the total accumulated number of working hours and single trips related to the Contract.

The Buyer's commissioning responsible, or his deputy in case of absence, shall sign the presented reports / time sheets on a daily basis. These signed time sheets are the basis of calculating elapsed commissioning time, waiting time and additional commissioning hours not included in the Contract and therefore chargeable towards the Buyer.

Failure by the Buyer to sign working reports / time sheets shall give the Supplier the right to suspend all work until signatures are in place, without assuming any liability for the consequences thereof. In such case, the Supplier's personnel at disposal shall have their time recorded as waiting time.

When working reports / time sheets are signed it is an acceptance from the Buyer that the described work is done and that the number of worked hours is consumed and accepted. Any dispute shall be clarified before working reports / time sheets are signed.

3.6 Third-party equipment

Equipment supplied by the Buyer or other suppliers to the Buyer and connected to the Supplier's equipment is not the responsibility of the Supplier. The Supplier has no responsibility for interfaces / integration with other equipment, unless otherwise stated in the Contract.

During commissioning and sea trials the Buyer is responsible for ensuring that experts for third party equipment connected to Supplier's equipment are present whenever needed, and that Supplier's personnel have necessary access to the systems that are to be commissioned.

3.7 Health, Safety and Environment (HSE)

The Buyer shall ensure compliance with all applicable laws, regulations and rules regarding safety working environment, and the Buyer shall in due time provide the Supplier with all necessary information concerning safety regulations and rules at the Buyer's premises and the vessel. Prior to the Supplier or its Subcontractors arrival on site, the Buyer shall ensure that no work or supervision shall be carried out in unhealthy or dangerous surroundings. All necessary safety and precautionary measures shall have been taken before any work or supervision is started which shall be maintained at all times.

In the event of any work accidents on site during the course of the project, with actual or

potential personal injury, the Buyer shall report this to the Supplier in writing without undue delay.

Any personnel of either the Supplier or its subcontractors shall be entitled to refuse to perform work without assuming any form of liability, if the working conditions at the site or vessel are deemed unsafe or dangerous (in their sole discretion) according to applicable laws and regulations and / or standard industry practice in Western Europe. In such case, any personnel of the Supplier or its subcontractors shall have their time recorded as waiting time.

The Buyer shall, upon no less than 7 days prior written notice, grant the Supplier, its subcontractors and/or a designated third party, the right of reasonable access to the vessel and any premises of the Buyer to inspect compliance with applicable laws, regulations and rules regarding safety working environment. During the audit, the Buyer shall provide all reasonable information which may be requested. The Buyer warrants that all responses and related information to the compliance questions in connection with the execution of the audits shall be accurate and complete. Each Party shall bear its own costs of performing audits.

3.8 Limitation of Liability

Save as set out in this document, the Supplier shall not be liable for commissioning and sea trial services or any consequences thereof. This applies to any loss of the Buyer, including loss of production, loss of profit and other indirect loss whatsoever.

The Supplier shall not be liable to the Buyer either directly or, or as a result of any claims brought by the Buyer's personnel or a third party, for personal injury death, property damage or other damages as a result of its services, or use of the supplied equipment or any other product incorporating the equipment.

The Buyer shall release and hold Supplier harmless for any such claims or losses.

Appendices

Appendix 1	Global Service Rates
Appendix 2	Checklist
Appendix 3	Daily Working Report
Appendix 4	Final Status Report