

**BOREScope INSPECTION AND REPLACEMENT OF NUMBER TWO BEARING  
ON GAS TURBINE**

BETWEEN            ENERGI VIBORG KRAFTVARME A/S

AND                [KONTRAKTPART 2]

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**APPENDICES**

Appendix 1	Revision sheet no. [xx] send out to the tenderers
Appendix 2	Questions and answers no. [xx] send out to the tenderers
Appendix 3	Technical specifications
Appendix 4	"Viborg Kraftvarme: Appendix: Major components of Viborg Kraftvarme A/S"
Appendix 5	Special requirements to components and performance
Appendix 6	General conditions for delivery of mechanical and electrical installations 2003 (AB-ME03)
Appendix 7	The Supplier's Tender of [DATE]

## EXECUTION OF BORESCOPE INSPECTION AND REPLACEMENT OF NUMBER TWO BEARING ON GAS TURBINE

BETWEEN Energi Viborg Kraftvarme A/S  
(CVR no. 10046769)  
Industrivej 40  
8800 Viborg  
Denmark

(the "**EVK**")

AND [Party no. 2]  
(CVR no. [Party no. 2's CVR no.])  
[Party no. 2's address]  
[Party no. 2's postal code/city]  
[Party no. 2's country]

(the "**Supplier**")

(the EVK and the Supplier hereinafter referred to individually as a "**Party**" and collectively as the "**Parties**")

### 1. BACKGROUND

- 1.1 This Agreement concern the revision of EVK's gas turbine, including execution of a borescope inspection and replacement of number two bearing.

### 2. DEFINITIONS

- 2.1 For the purposes of this Agreement with pertaining appendices, the below terms shall have the following meanings unless otherwise stated or clear from the context:

<b>"Agreement"</b>	This agreement with pertaining appendices.
<b>"Handing-over"</b>	Handing-over requires that all Services, including quality documentation and operational instructions, are handed over, and have been controlled and approved by EVK. It is a further condition that a handing-over meeting has been held and that no material breaches was shown hereby.

<b>"Option 1"</b>	Execution of alignment of gas turbine.
<b>"Schedule of Prices"</b>	The schedule of prices, which form part of the Supplier's tender, cf. Appendix 7.
<b>"Supplier Services"</b>	The responsibilities of the Supplier as defined in this Agreement. To the extent EVK exercises Option 1, this definition also includes all Services pertaining to Option 1.

### **3. SCOPE OF THE AGREEMENT**

3.1 The scope of the Agreement is composed of the following documents:

1. The Agreement
2. Revision sheet no. [xx] sent out to the tenderers (Appendix 1)
3. Questions and answers no. [xx] sent out to the tenderers (Appendix 2)
4. Technical Specifications" (Appendix 3)
5. "Viborg Kraftvarme: Appendix: Major components of Viborg Kraftvarme A/S" (Appendix 4)
6. Special requirements to components and performance (Appendix 5)
7. General conditions for delivery of mechanical and electrical installations 2003 (AB-ME03) (Appendix 6)
8. The Supplier's Tender of [DATE] (Appendix 7)

3.2 In the event of discrepancies between the mentioned documents in clause 3.1, the documents apply in the above order of priority.

### **4. OBLIGATIONS OF THE SUPPLIER**

4.1 The Supplier shall provide the Services set out in this Agreement. The Supplier shall perform and provide all and any activities, services, procurement of equipment, goods, employment of people, etc. necessary and/or appropriate for Supplier to perform its obligations under the Agreement.

4.2 The Supplier shall comply with and ensure regulatory compliance with all applicable Law and other regulations applicable from time to time to the extent required for Supplier or its sub-suppliers to perform the obligations and comply with the requirements as set out in this Agreement.

4.3 Any of the Supplier's employees or employees of a sub-supplier, who will participate in the performance of the Agreement must have the education, experience and knowledge that is necessary in order to perform their duties in relation to the fulfilment of the Agreement.

4.4 Before the execution of the Services, the Supplier must attend one or more revision meetings at EVK. At these meeting, the Supplier is obliged to advice EVK of any relevant circumstances regarding the the execution of the Services

4.5 After the Services have been completed the Supplier must complete a report that covers the following details:

– Conclusion on performed works

- Survey showing used personnel and areas of responsibility
- Survey showing operational hours
- Complete description of work

– Inspection summary

– Any recommended action

– List of used spare parts, replaced spare part or any recommendation for purchase of spare parts.

– Section by section check of the gas turbine in view of the completed Services.

4.6 EVK delivers the main bearing. The Supplier must deliver all other spare part necessary to provide the Services. All and any spare part necessary to provided the Services must match the gas turbine type, General Electric Frame 6 model PG-6541 (B). Each spare part must undergo a thorough quality control and must be approved by EVK.

4.7 The Supplier must bring his own tools and equipment for completion of the Services. If the required tools are in EVK's possession, the Supplier may use these tools free of charge.

## **5. OPTION**

5.1 EVK has an option on alignment of the gas turbine subsequent to the replacement of bearing number two (Option 1).

5.2 After bearing number two has been replaced, EVK will inform the Supplier in writing of whether EVK chooses to exercise Option 1. In this case, the Supplier must perform Option 1 within the period **June 22 2017 to June 25 2017**. To the extent EVK chooses to exercise Option 1, the Agreement and its appendices apply for the Supplier's execution hereof.

## **6. REMUNERATION AND PAYMENT**

6.1 The Supplier is entitled to the Fixed Price as set out in Appendix 6. The Fixed Price is fixed and not subject to any adjustments, unless otherwise explicitly stated in this Agreement. The Supplier shall not be entitled to any additional

remuneration under this Agreement besides the fees explicitly set out in or in accordance with this Agreement, including Appendix 6.

- 6.2 The Supplier is only entitled to payment if the Services are executed in accordance with the Agreement.
- 6.3 Notwithstanding clause 6.1, the Supplier is entitled to payment for Option 1, cf. the price set out in Appendix 7, if EVK chooses to exercise Option 1.

## **7. INVOICING**

- 7.1 **Invoices must be send electronically to EAN-no. 579 000 169 0977**
- 7.2 The Supplier will be entitled to invoice EVK after the Handing-over. Payment must be made 30 calendar days from the day that the Supplier has sent a satisfactory invoice to EVK.
- 7.3 If payment is not made in accordance with section 7.2, the Supplier is entitled to payment with the addition of interests in accordance with provisions of the Danish Interest Act (LBK no. 459 of May 13 2004), unless EVK has made a claim against the payment.

## **8. OWNERSHIP**

The gas turbine is wholly owned and operated by EVK.

## **9. GUARANTEE (MATERIALS, CONSTRUCTIONS, COMPLETION ETC.)**

- 9.1 The Supplier guarantees for a period of 1 year after completion of the Services (Handing-over, if required, cf. clause 12) the quality and suitability of delivered materials, the completion of works and the correct function of the gas turbine in total.
- 9.2 The Supplier is obliged to replace any defect part through out the contract period including the guarantee period. All costs in connection with a replacement of part(s) are held by the Supplier.
- 9.3 The guarantee entails an obligation for the Supplier to pay all repair costs arising from a gas turbine break down caused by the Supplier fulfilling the obligations according to the guarantee.

**10. PERFORMANCE AND CONSUMER GUARANTEES**

- 10.1 In connection with replacements of parts in the gas turbine the Supplier is obliged to describe the performance and consumer guarantees in connection with delivery of new parts. The given values must be listed with a tolerance of 0 % and valid for a machine cleaned with the existing cleaning equipment.
- 10.2 The performance guarantees are shown through a test taken within the first 1,000 operational hours next to the inspection at the gas turbine. If this is impracticable due to instable operations (reasons that EVK is not responsible for) the abovementioned 1,000 operational hours are extended accordingly.
- 10.3 The process guarantees shall cover the following parameters:
1. Net electricity output arising from the gas turbine
  2. Net heat output arising from the gas turbine
  3. Fired capacity

**11. HAND-OVER TESTS**

- 11.1 After completion of the Services, EVK may demand a test of plant functions to document and ascertain that the plant is operating according to the specified demands and guarantees. Expenditure for testing and documentation are included in the Fixed Price.
- 11.2 If additional measuring locations points are necessary for implementation to complete the hand-over test, these must be presented to EVK for approval. A plan for measuring locations must be sent to EVK for acceptance according to the forward plan. The Supplier must deliver and fit the necessary additional location point.
- 11.3 In case of an inconsistency in the perception of a test result, EVK holds the right to have an independent inquiry conclude a new test at the plant. All costs for a new test must initially be held by the Supplier. Where the test result performed by the independent inquiry confirms the results from the test done by the Supplier, EVK will pay the costs for the new test.

**12. PLANT DOCUMENTATION**

- 12.1 If the Supplier finds that there is a need to perform any modifications and/or changes in construction of the gas turbine, the Supplier is obliged to involve EVK immediately and to provide EVK with all necessary operational- and maintenance documentation, before performing any modifications and/or changes.



**13. TECHNICAL INFORMATION LETTER AND LICENSE AGREEMENT**

- 13.1 The Supplier must immediately after receipt from GE pass on copies of each of the for GE frame 6 gas turbine valid Technical Information Letters (TIL). The Supplier is also responsible for the completion of GE recommendation written in the TIL, this altogether in consultation with EVK.
- 13.2 The Supplier must inform of his possible agreements with GE – both of validity and plan for renewal. If there are no license included, the Supplier must inform EVK of the consequences for the completion of the agreement.

**14. INSURANCE**

- 14.1 EVK is insured by an Operational Insurance covering EVK for all risk, physical damage and loss, including damage and loss caused by:
- fire and explosion events
  - machinery break down loss
  - consequential financial loss

The Supplier must in each case actively participate in clarifying the right to compensation concerning insurance coverage.

- 14.2 During the term of the Agreement including the guarantee period, cf. clause 9.1, the Supplier must be covered by a public and product liability insurance.
- 14.3 On EVK's request, the Supplier must document that clause 14.2 is fulfilled at all times. Documentation can be carried out by presentation of a copy of the policy with the endorsement of the insurance company.

**15. LIABILITY**

- 15.1 The Supplier is liable according to Danish Law for any direct damage or loss to persons or property in the performance of the Services or any other activity under this Agreement including the guarantee period, cf. clause 9.1.
- 15.2 Neither party shall be liable to the other party for any indirect/consequential damages or losses, such as, but not limited to loss of production or loss of profits, unless such damage has been caused intentionally or with gross negligence in the performance of the Services any other activity under this Agreement.

- 15.3 The Supplier must indemnify EVK for any claim from third party against EVK because of mistakes/omissions made by the Supplier. If EVK terminates the Agreement because of the Supplier's material breach.

## **16. ASSIGNABILITY OF RIGHTS AND RESPONSIBILITY**

- 16.1 The Supplier shall not assign or attempt to assign any of its rights and obligations under this Agreement without the prior written consent of EVK.
- 16.2 If EVK gives such consent to the Supplier, it shall not in any way release the Supplier from any of its obligations according to this Agreement. Furthermore, the Supplier shall be obliged to require any such assignee to observe and perform the obligations of the Supplier under this Agreement.
- 16.3 Any change in or transfer of the control of the Supplier shall entitle EVK to terminate this Agreement forthwith if such change or transfer occurs without the express written consent from EVK.

## **17. PENALTIES**

- 17.1 EVK is entitled to impose penalties on the Supplier if the Supplier fails to comply with agreed deadlines, cf. the agreed forward plan.
- 17.2 If the conditions for penalty arise, EVK will inform the Supplier hereof. EVK is not entitled to impose penalties for delay, if the delay is due to EVK's circumstances. The Supplier must immediately and in writing notify EVK, if the Supplier will plead that the delay is due to EVK's circumstances, just as the Supplier must prove that such circumstance exist.
- 17.3 The penalty is DKK 100,000 per every commenced working day for the duration of the delay.
- 17.4 EVK will impose penalties per delayed deadline. Penalties are imposed without repayment. Thus, a penalty for a delay will not lapse, if the Supplier meets the following deadlines in the forward plan.
- 17.5 The imposing of penalties does not affect EVK's right to use other remedies for breach, including the obligation of the Supplier to remedy breaches.
- 17.6 Time of payment of the penalties is 8 work days after invoice from EVK has been sent to the Supplier. The lack of an invoice does not result in a lapse of the obligation to pay penalty. In case of later payment, the Supplier must pay interests from the due date for payment in addition with interests in accordance with provisions of the Danish Interest Act.

**18. BREACH, NOTICE AND REMEDY**

- 18.1 It is considered a breach, if the Supplier does not fulfil his obligations under this Agreement.
- 18.2 Unless EVK requests otherwise, the Supplier is obliged to remedy any breach immediately and without remuneration. If the remedy of a breach causes interference in parts of the Services of the Supplier, which are not defective, the Supplier shall bear all expenses in connection with the remediation of the non-breached parts of the Services.
- 18.3 If the Supplier fails to remedy such breach within the deadline set out by EVK, EVK is entitled to let a third party carry out the necessary remedy at the expenses of the Supplier. Such remedy does not exclude EVK's right to impose penalties on the Supplier.
- 18.4 Both Parties may terminate the Agreement wholly or partly with immediate effect, if the other Party commits a material breach. The following is – amongst other things - considered a material breach:
- If the Supplier does not comply with enforcement notices from public authorities in Denmark or other countries.
  - If the Supplier does not comply with Danish legislation, rules, regulations and/or EU legislation.
  - If essential parts of the Agreement are not fulfilled.
  - Lack of security in accordance with clause 16.
  - Lack of insurance in accordance with clause 17.
  - The Supplier is or will become under administration, in bankruptcy or in other similar economic difficulties.

**19. CONFIDENTIALITY**

- 19.1 All information concerning this Agreement is regarded as confidential, and can only be passed on to a third party, e.g. the public, the press, with a prior approval by EVK.
- 19.2 Clause 17.1 shall survive termination of this Agreement irrespective of the termination of the Agreement is caused by termination or termination for breach or some other reason.

**20. EFFECT, DURATION AND TERMINATION**

- 20.1 The Agreement comes into force on the Effective Date.
- 20.2 The Agreement shall be in force from the Effective Date until June 21 2017, where after the Agreement shall expire automatically.
- 20.3 If the Danish Complaints Board for Public or the Danish courts annul annuls the award decision, EVK is entitled to terminate the Agreement with two weeks written notice.
- 20.4 The Supplier cannot terminate the Agreement.

**21. JURISDICTION AND GOVERNING LAW**

- 21.1 The Agreement is governed by Danish law.
- 21.2 In case of any disputes in connection to this Agreement, the Parties must strive to reach an amicable solution potentially with assistance from a mediator or a (legal) conciliator.
- 21.3 If the Parties do not reach an agreement by informal deliberation, mediation (legal) conciliation or similar proceedings, the dispute shall be brought for the Danish courts at EVK's venue, which courts shall have exclusive jurisdiction over such dispute in court of first instance.

**22. SIGNATURES**

- 22.1 This Agreement has been signed in two copies of which each Party will have one and which shall both be deemed an original.

Date:

Date:

Place:

Place:

For and on behalf of EVK:

For and on behalf of the Supplier:

\_\_\_\_\_  
Name:

Title:

\_\_\_\_\_  
Name:

Title: