



ENERGI VIBORG KRAFTVARME A/S
EXECUTION OF BORESCOPE AND COMBUSTION INSPECTION
DRAFT CONTRACT
DECEMBER 2017
VERSION: 1.12.2017

APPENDICES

- Appendix 1 Revision sheet no. [xx] sent to the tenderers
- Appendix 2 Questions and answers no. [xx] sent 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 The Supplier's tender of [DATE]

EXECUTION OF BORESCOPE AND COMBUSTION INSPECTIONS ON GAS TURBINE

BETWEEN Energi Viborg Kraftvarme A/S
CVR no. 10 04 67 69
Industrivej 40
8800 Viborg
Denmark
("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")

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

1. DEFINITIONS

1.1 For the purposes of the Agreement, the below terms shall have the following meaning unless otherwise stated or clear from the context:

"Agreement"	This agreement with pertaining appendices.
"Effective Date"	Date of EVK's signature.
"Hand Over"	Hand Over requires that the Supplier has fulfilled his obligations under sections 3 (except 3.7 and 3.8) and 8 the Agreement.
"Schedule of Prices"	The schedule of prices, which is part of the Supplier's tender, cf. Appendix 6.
"Services"	The responsibilities of the Supplier as defined in the Agreement. The term covers all aspects of the Supplier's obligations under the Agreement.

2. SCOPE OF THE AGREEMENT

2.1 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. The Supplier's Tender of [DATE] (Appendix 6)

2.2 In the event of discrepancies between the mentioned documents in clause 2.1, the documents apply in the above order of priority.

3. OBLIGATIONS OF THE SUPPLIER

3.1 The Supplier shall perform and provide all and any activities, services, procurement of equipment, goods, employment of people, etc. necessary and/or appropriate to perform his obligations under the Agreement.

3.2 The Supplier shall comply with and ensure compliance with all applicable law and other regulation, as well as the manufacturer's recommendations for the execution of the Agreement.

3.3 Any person participating 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.

3.4 With the exception of Capital Parts, the Supplier must supply all spare parts necessary for the Services. All and any spare part provided by the Supplier must match the gas turbine type, General Electric Frame 6 model PG-6541 (B). All spare parts must undergo a thorough quality control and must be approved by EVK before usage.

3.5 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.

3.6 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.

3.7 After Hand Over, 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.

3.8 If EVK exercises Option 2, the Supplier must upon Hand Over perform his on-call Services in accordance with Appendix 6.

4. REMUNERATION AND PAYMENT

4.1 For the performance of the Borescope Inspection and the Combustion Inspection, the Supplier is entitled to the Fixed Price as set out in Appendix 6. The Fixed Price is not subject to any adjustments, unless otherwise explicitly stated in this Agreement.

4.2 For other Services, the Supplier is entitled to remuneration according to Appendix 6.

4.3 The Supplier is not entitled for Services, which have been rendered without the prior accept of EVK.

5. INVOICING

5.1 Invoices must be send electronically to EAN no. 579 000 169 0977.

5.2 The Supplier is entitled to invoice the Fixed Price after Hand Over. Payment must be made 30 calendar days from the day that the Supplier has sent a satisfactory invoice to EVK.

5.3 If payment is not made in accordance with section 5.2, 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.

6. GUARANTEE (MATERIALS, CONSTRUCTIONS, COMPLETION ETC.)

6.1 The Supplier guarantees for a period of 1 year after Hand Over the quality and suitability of delivered materials, the completion of works and the correct function of the gas turbine in total ("**Guarantee Period**").

6.2 The Supplier is obliged to repair any defects arising from or on connection with the Services until the expiry of the Guarantee Period. The Supplier bears all costs connected with said replacement of part(s). Option 2 (on-call services) may be exercised by EVK in the Guarantee Period. Option 2 covers on-call not related to the Services.

7. PERFORMANCE AND CONSUMER GUARANTEES

- 7.1 The Supplier is obliged to describe the performance and consumer guarantees of the parts supplied by the Supplier. The values must be listed with a tolerance of 0 % and valid for a machine cleaned with the existing cleaning equipment.
- 7.2 The performance guarantees must be documented during the Hand Over tests, cf. section 8.
- 7.3 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
 4. Emmissioner (NOx)

8. HAND OVER TESTS

- 8.1 After completion of the inspections, EVK will 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.
- 8.2 The Supplier must conduct a Hand Over test to check the repair of the gas turbine. The following must be done in the Hand Over test:
- A. Perform Speedtronic TM calibration of IGVs and fuel system.
 - B. Leak check all areas of turbine at first operational run.
 - C. Record baseline data with turbine on-line.
- 8.3 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.
- 8.4 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.

9. TECHNICAL INFORMATION LETTER AND LICENSE AGREEMENT

- 9.1 EVK will, if necessary, deliver copies of each of the valid information letters technical (TIL) to GE Frame 6 gas turbines to the Supplier. The Supplier is responsible for the completion of GE recommendation, written in TIL, all in consultation with EVK.
- 9.2 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.

10. INSURANCE

- 10.1 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.

- 10.2 During the term of the Agreement including the Guarantee Period, the Supplier must be covered by a public and product liability insurance.
- 10.3 On EVK's request, the Supplier must document that clause 10.2 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.

11. LIABILITY

- 11.1 The Supplier is liable 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.
- 11.2 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 or any other activity under this Agreement.

- 11.3 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.

12. ASSIGNABILITY OF RIGHTS AND RESPONSIBILITY

- 12.1 The Supplier may not assign any of his rights and obligations under the Agreement without the prior written consent of EVK.
- 12.2 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.

13. PENALTIES

- 13.1 EVK is entitled to impose penalties on the Supplier if the Supplier fails to comply with agreed deadline for Hand Over.
- 13.2 If the conditions for penalty arise, EVK will inform the Supplier hereof. EVK is not entitled to impose penalties, 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.
- 13.3 The penalty amounts to 4 % of the Fixed Price per every commenced working day for the duration of the delay, however the penalties are capped at 20 % of the Fixed Price (total cap).
- 13.4 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.
- 13.5 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.

14. BREACH, NOTICE AND REMEDY

- 14.1 It is considered a breach, if the Supplier does not fulfil his obligations under this Agreement.
- 14.2 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.

14.3 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.

14.4 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 applicable rules, regulations and/or EU legislation.
- If essential parts of the Agreement are not fulfilled.
- Lack of insurance in accordance.
- The Supplier is or will become under administration, in bankruptcy or in other similar economic difficulties.

15. CONFIDENTIALITY

15.1 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.

15.2 Clause 15.1 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 (severability).

16. EFFECT, DURATION AND TERMINATION

- 16.1 The Agreement comes into force on the Effective Date.
- 16.2 The Agreement shall be in force from the Effective Date until each Party has performed his obligations under the Agreement.
- 16.3 If the Danish Complaints Board for Public Procurement or the Danish courts annul the award decision, EVK is entitled to terminate the Agreement with two weeks written notice.
- 16.4 The Supplier cannot terminate the Agreement without cause.

17. JURISDICTION AND GOVERNING LAW

- 17.1 Danish law governs the Agreement.
- 17.2 In case of any disputes arising out of or in connection with the Agreement, the Parties must strive to reach an amicable solution potentially with assistance from a mediator or a (legal) conciliator.
- 17.3 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.

18. SIGNATURES

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

Date:
Place:

Date:
Place:

For and on behalf of EVK:

For and on behalf of the
Supplier:

Name:
Title:

Name:
Title: