



INTRODUCTORY NOTE

ORGALIME SUPPLEMENTARY CONDITIONS FOR MINOR INSTALLATION WORK CONCERNING MECHANICAL, ELECTRICAL AND ELECTRONIC PRODUCTS – MI 18

SCOPE OF USE

The Orgalime General Conditions for Minor Installation Work, MI 18, are supplementary conditions to Orgalime S 2012 (ORGALIME General Conditions for the Supply of Mechanical, Electrical and Electronic Products). The general field of application is therefore identical with Orgalime S 2012, namely the supply of mechanical, electrical and electronic products. More specifically, Orgalime MI 18 are intended to be used when one company, the Supplier, delivers a Product pursuant to Orgalime S 2012 and, as an extra service, undertakes to install the Product at the Purchasers' premises.

Orgalime MI 18 are however, as the name of the conditions indicates, only intended for minor installation work. The obligation of the Supplier should be to deliver equipment which is more or less complete. However, some minor installation work at the Purchaser's premises may remain such as connecting the Product to existing equipment and to electrical systems, arrange for power supply, cooling, etc. Installation of a minor lathe may serve as a model example when Orgalime MI 18 (in connection with Orgalime S 2012) is a suitable set of conditions.

On the other hand, if the obligation of the Supplier is to deliver a whole production line and install the different parts at the Purchasers' premises and to carry out various functional tests, Orgalime SI 14 (ORGALIME General Conditions for the Supply and Installation of Mechanical, Electrical and Electronic Products) is certainly a better choice. This is generally the case when the installation work is complicated, excessive and time consuming.

However, there is no sharp line between the scope of use of Orgalime MI 18 and Orgalime SI 14. If the parties in a specific case would answer all of the following questions with "no", the use of MI 18 may be a smoother and more practical contract management.

- a) Is the installation work scheduled for more than a week?
- b) Is there more installation work than basically to connect the product to existing equipment and/or to power supply etc.?
- c) Have the parties agreed to make functional tests of the Product and/or take over tests?
- d) Is variation work likely to be frequent?

According to the title of the conditions the scope of the conditions is limited to physical installation of the Product at the Purchasers' premises. Commissioning is not included in the Suppliers' obligations unless the parties have specifically agreed on commissioning.

SOME MAIN FEATURES OF ORGALIME MI 18

One of the more essential features of Orgalime MI 18 is that the provisions concerning late delivery of the Product are separated from the provisions regulating delayed installation. The former are solely regulated in Orgalime S 2012 and the latter solely in Orgalime MI 18.

The consequence of delayed installation is that the Purchaser primarily may carry out the installation work at the risk and cost of the Supplier, provided that the Purchaser proceeds in a reasonable manner. The Purchaser must, however, first require the Supplier In Writing to start the installation within a final reasonable period which should not be less than one week. If the installation work is very difficult or unreasonably expensive the Purchaser may instead choose to demand In Writing the Supplier to start installation within one month. If the Supplier fails to do so the Purchaser may terminate the contract and demand compensation for the damage he suffers. The compensation, including possible liquidated damages for delay under Orgalime S 2012, is limited to 15 % of the contract price for the Product inclusive of installation.

The Supplier's liability for defects is in two respects different in Orgalime MI 18 compared to Orgalime S 2012. Firstly, the liability of the Supplier also covers faulty installation performed by him. Secondly, the starting point for liability for defects is the day when the installation was completed, however no later than six months after delivery of the Product.



SUPPLEMENTARY CONDITIONS

for

MINOR INSTALLATION WORK CONCERNING MECHANICAL, ELECTRICAL AND ELECTRONIC PRODUCTS DELIVERED UNDER ORGALIME S 2012

Brussels, June 2018

The parties' respective obligations are subject to the General Conditions for Supply of Mechanical, Electrical and Electronic Equipment, ORGALIME S 2012 with the following amendments and additions, which shall have priority over ORGALIME S 2012.

DEFINITION

1. The term "Installation" in these conditions refers to the Supplier's work to install the Product on the agreed site for installation and, if so specifically agreed, commissioning.

TIME FOR INSTALLATION

2. After delivery of the Product in accordance with ORGALIME S 2012, the Supplier shall install the Product in accordance with the terms and conditions herein.

If the time for Installation has not been agreed, the Supplier shall start Installation within one month of the Purchaser's request In Writing. Unless otherwise agreed, the Supplier is only obliged to perform Installation which is requested by the Purchaser within three months from delivery of the Product.

If the Purchaser fails to request Installation within the time limit and Installation consequently is not carried out, the Supplier is entitled to compensation for the loss he incurs.

WORKING CONDITIONS

3. The Purchaser shall make sure that the site is suitable for the Installation. The Purchaser shall be responsible for ensuring that the working conditions at the site comply with the applicable laws and regulations regarding working conditions. The Purchaser shall inform the Supplier's personnel about the safety regulations in force at the site and when using tools and equipment provided by the Purchaser. The Supplier shall inform the Purchaser if the Installation entails special risks.

PREPARATORY WORK ETC.

4. Unless otherwise agreed, the Purchaser shall at his own cost and in a workmanlike manner execute preparatory work such as:

- concrete works, foundations and other building work, plumbing, electric wiring and other necessary connections; mounting of beams, bolts, pillars and other fastening devices for the Product and connections to them; carpentry and brickwork, making holes, chiselling, mending and painting of parts not included in the Product.

The preparatory work shall be finished before the Supplier's personnel are scheduled to arrive at the site. Foundations and other structures shall be ready to bear the intended weight.

The Supplier shall at the time agreed or otherwise in good time provide the Purchaser with drawings, descriptions and other information necessary for the Purchaser to perform his obligations.

5. Unless otherwise agreed, the Purchaser shall free of charge on the Installation site provide water and power, including compressed air and electric power, and lockable storage facilities for the Supplier's equipment and the personal effects of the Supplier's personnel, all as necessary or as provided for in the Contract.

Unless otherwise agreed, the Purchaser shall free of charge put up scaffolding and place auxiliary labour and lifting equipment at the Supplier's disposal as necessary. The Supplier shall give the Purchaser one week's notice of his requirements in this respect.

The Purchaser shall further on or near the site free of charge provide satisfactory premises for changing, washing and eating.

PERSONNEL FACILITIES

6. The Purchaser shall ensure that the Supplier's personnel are able to obtain suitable and convenient board and lodging in the neighbourhood of the site and have access to internationally acceptable hygiene facilities and medical services.

DELAYED INSTALLATION

7. If the Supplier, after delivery of the Product, fails to start Installation within the time specified in Clause 2, the Purchaser may by notice In Writing require that Installation shall start within a final reasonable period, which shall not be less than one week. This shall not apply, however, if the delay is due to a circumstance for which the Purchaser is responsible or to Force Majeure.

If the Supplier fails to start Installation within such final period, the Purchaser may, after having notified the Supplier In Writing, himself carry out the Installation or employ a third party to do so. In such case the Supplier shall reimburse any additional costs for the Installation provided that the Purchaser acts in a reasonable manner.

If it will cause serious difficulties or unreasonable costs for the Purchaser to carry out Installation himself or through a third party, he may instead demand In Writing that the Supplier starts Installation within one month. If the Supplier fails to start Installation within this period, the Purchaser may terminate the Contract by notice In Writing and demand compensation for the damage he suffers. The compensation, including the liquidated damages that the Purchaser may be entitled to under ORGALIME S 2012 due to late delivery of the Product, shall not exceed 15

per cent of the price for the Product inclusive of Installation. If Installation is to be carried out on a time and cost basis, the compensation shall be calculated on the contract price for the Product with addition of 10 per cent or of any other percentage that may have been agreed by the parties.

Except for reimbursement of additional costs and termination with limited compensation under this Clause, the Purchaser shall have no further remedies against the Supplier for delayed Installation.

The remedies for late delivery of the Product are exclusively regulated in ORGALIME S 2012.

PAYMENT (AMENDMENT OF ORGALIME S 2012 CLAUSE 19)

8. Unless otherwise agreed, payment shall be made as follows:

a) When the cost of Installation is included in the contract price, the price shall be invoiced with

- 30 per cent at the formation of the Contract,
- 30 per cent at the Supplier's notice In Writing that the bulk of the Product is ready for delivery,
- 30 per cent at delivery of the Product and
- the remaining part when Installation is completed.

b) When Installation is carried out on a time basis, the price for the Product shall be invoiced with

- one third at the formation of the Contract,
- one third at the Supplier's notice In Writing that the bulk of the Product is ready for delivery and
- one third at delivery of the Product.

Installation shall be invoiced when it has been completed.

The invoiced amount, including value added tax if any, shall become due 30 days after the date of the invoice.

PERFORMANCE OF INSTALLATION

9. Installation shall be carried out during the Supplier's normal working hours.

10. Installation shall be completed within the time specified in the Contract or otherwise within a reasonable time with regard to the nature and the extent of the work.

If Installation has not been completed within such time the provisions of Clause 7 shall apply.

LIABILITY FOR DEFECTS

11. (Addition to ORGALIME S 2012 Clause 23) The Supplier's liability shall also cover defects due to faulty Installation performed by him.

12. (Amendment of ORGALIME S 2012 Clause 27) The Supplier's liability is limited to defects which appear within one year from the day when Installation was completed by the Supplier. If someone other than the Supplier carries out Installation pursuant to Clause 7, the defects liability period shall be calculated from the day when Installation was completed, but shall in no case start later than six months after delivery of the Product.

PASSING OF RISK. LIABILITY FOR DAMAGE

13. The risk of loss of or damage to the Product shall pass to the Purchaser in accordance with ORGALIME S 2012 Clause 10 or when the Product is otherwise handed over to the Purchaser. During Installation the Supplier shall be liable for loss of or damage to the Product if such loss or damage is caused by negligence on the part of the Supplier or someone for whom he is responsible.

The Supplier shall under no circumstances be liable for loss of production, loss of profit or other consequential economic loss unless he has been guilty of Gross Negligence.

PAYMENT FOR EXTRA WORK AND WAITING TIME

14. If Installation is impeded or delayed due to a failure by the Purchaser to perform his obligations, including those specified in Clauses 3, 4, 5 and 6, or otherwise due to circumstances for which the Purchaser is responsible, the Supplier shall be entitled to compensation for additional costs, extra work and waiting time. Unless otherwise agreed, such compensation shall be charged in accordance with the Supplier's current terms.