# **General Conditions for** Maintenance

of Machinery and other Mechanical, Electrical and Electronic Equipment in Denmark, Finland, Norway and Sweden.

Issued in 2015 by Dansk Industri, Denmark; Teknologiateollisuus – Teknologiindustrin, Finland; Norsk Industri, Norway, and Teknikföretagen, Sweden.

These General Conditions are intended for use where a Contractor carries out preventive maintenance of the Customer's equipment. The conditions may also be used where the Contractor's obligations comprise both preventive and corrective maintenance.

# Applicability

1. These General Conditions shall apply when the parties agree in writing or otherwise thereto. Deviations from the Conditions shall not apply unless agreed in writing.

#### Definitions

2. In these General Conditions the following terms shall have the meaning hereinafter assigned to them:

Contract: the written agreement between the parties concerning maintenance of the Equipment and all appendices, including agreed amendments and additions.

Written Notice: all documents signed by one of the parties and received by the other party and notices received by the other party by letter, fax, electronic mail or other means of communication agreed by the parties. The contents of minutes from a meeting signed or approved by both parties shall also constitute a Written Notice.

Equipment: the works, the machinery, other property or part thereof that are subject to maintenance under the Contract.

Wearing Parts: those parts under the Contract that shall be replaced under preventive maintenance. The Contract shall identify the Wearing parts and the intervals at which they shall be replaced.

#### **Contractor's Obligation**

3. The Contractor undertakes to perform preventive and corrective maintenance of the Equipment to the extent specified in the Contract.

#### **Preventive Maintenance**

4. Preventive maintenance shall be carried out at the times or with the intervals specified in the Contract. Unless otherwise agreed, the preventive maintenance shall include:

- checking the condition of the Equipment
- functional checks
- adjustments
- provision and installation of Wearing Parts
- cleaning and necessary lubrication

#### **Corrective Maintenance**

5. Corrective maintenance shall be performed in order to remedy any functional defects that have arisen in the Equipment. It shall be commenced after the Customer's request within the time specified in the Contract or as soon as possible. Unless otherwise agreed, corrective maintenance shall include the following:

- fault tracing
- repair
- provision and installation of spare parts
- functional checks

#### **Customer's Current Care. Log**

6. The Customer shall be responsible for the necessary current supervision and care of the Equipment. He shall further keep a log of the operation and care of the Equipment

#### **Exclusive Right**

7. The Customer shall not, except as specified in Clauses 12, 26 and 27, without the Contractor's consent, himself carry out or have others carry out the maintenance that shall be performed by the Contractor under the Contract. If the Customer does so, the Contractor's liability for maintenance previously performed and which is affected by the Customer's measures shall cease.

#### **Original Parts**

8. Unless otherwise agreed, the Contractor and the Customer shall only use parts of the original brand or parts of equivalent quality when carrying out maintenance under the Contract and current supervision and care.

## Notice of Preventive Maintenance

9. Unless the time for preventive maintenance is specified



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in the Contract, the Contractor shall notify the Customer at least one week in advance of the time when the maintenance will be carried out.

# Contractor's Access to the Equipment. Working Hours

10. The Customer shall ensure that the Contractor has access to the Equipment at the agreed or notified time for maintenance. Unless otherwise agreed, the maintenance shall be carried out during the Contractor's normal working hours.

#### **Customer's Delay**

11. If the Customer cannot give the Contractor access to the Equipment at the agreed or notified time, he shall immediately notify the Contractor thereof by Written Notice.

Regardless of the cause for such delay, the Customer shall reimburse the Contractor for any additional costs incurred by the latter as a result of the Customer's inability to provide access to the Equipment at the agreed or notified time.

Except as specified in this Clause, the Contractor shall not be entitled to any compensation for the Customer's delay.

# **Contractor's Delay**

12. If the Contractor fails to carry out the maintenance at the agreed or notified time and such delay is not due to the Customer, the Customer may by Written Notice fix a final period within which the Contractor shall have carried out the maintenance. If the Contractor fails to do so, the Customer may carry out the maintenance himself or employ others to do so.

The Contractor shall reimburse the Customer for any additional costs the latter incurs for such maintenance, except in those cases where the delay is due to force majeure in accordance with Clause 31.

Except as specified in this Clause, the Customer shall not be entitled to any compensation for the Contractor's delay.

#### **Working Conditions**

13. The Customer is responsible for working conditions when work is carried out on the Customer's premises and shall, in accordance with applicable laws for working conditions, protect the Contractor's personnel from accidents and prevent their exposure to any health hazards.

The Customer shall ensure that the Contractor's personnel are informed of any hazards that may exist at the worksite and of hazards while using tools and equipment supplied by the Customer.

The Contractor shall inform the Customer of any special hazards that the maintenance may entail. The Customer is obliged to take necessary precautionary measures required by the Contractor.

## **Technical Documentation**

14. The Customer shall provide the technical documentation in his possession that is necessary for carrying out the maintenance. The same applies to the Customer's operations and care log, which he is obliged to keep under Clause 6. The Contractor may not use such documentation for any purpose other than fulfilment of the Contract.

# Confidentiality

15. Neither party may, without the consent of the other, disclose to any third party technical or commercial information which either party, at the formation of the Contract or later, has stated as confidential or which is obviously of a confidential nature. This does not apply to the extent that such a disclosure is necessary to enable a party to fulfil its obligations under the Contract.

# **Contractor's Maintenance Log**

16. When maintenance is carried out, the Contractor shall keep a log or an equivalent document and record his observations and the measures taken.

A copy of this log or document shall be provided to the Customer following each occasion when maintenance is performed.

# **Co-ordination of Preventive and Corrective** Maintenance

17. If corrective maintenance is carried out shortly before agreed preventive maintenance is due, the Contractor may, with the Customer's consent, also carry out the preventive maintenance.

The Contractor may not charge the Customer for any costs for such co-ordinated maintenance that are already covered by the agreed fee for preventive maintenance.

If the times for preventive maintenance are specified in the Contract, they shall not otherwise be changed as a result of this deviation.

# **Fixed fee for Preventive Maintenance**

**18.** Unless otherwise agreed, the fixed fee for preventive maintenance shall include payment for all work carried out by the Contractor and for Wearing Parts, for time and costs for travel, board, lodging and transport costs.

If the Contractor's personnel are required to work outside normal working hours or to wait due to circumstances for which the Customer is responsible, the costs therefor shall be invoiced separately in accordance with the norms applied by the Contractor at the time when the maintenance is carried out.

Value-added tax will be charged on the fees and payments mentioned in this Clause and shall be paid by the Customer.

#### **Payment for Corrective Maintenance**

**19.** The Contractor's invoice shall specify the following



items separately:

- payment for working time

- payment for time and costs for travel, board, lodging and transport costs

- payment for spare parts

- payment for other material that has been supplied to the Equipment

- payment for waiting time or overtime caused by the Customer.

The above charges shall be in accordance with the norms and price lists generally applied by the Contractor when the maintenance is carried out.

Value-added tax will be charged on the payments listed in this Clause and shall be paid by the Customer.

# Price Estimate. Ceiling price

**20.** In case of corrective maintenance, the Contractor shall, upon the Customer's request, provide a price estimate after fault tracing but before undertaking any other maintenance. Said price estimate shall not be binding upon the Contractor.

If an explicit ceiling price has been agreed, it may not be exceeded.

# Payment, Interest on Late Payment

**21.** Unless otherwise agreed, the fixed fee for preventive maintenance shall be paid before the start of each contractual period. Payment shall be made against invoice no later than 30 days after the date of the invoice.

Any other payment shall be made against invoice no later than 30 days from the date of the invoice.

If the Customer fails to pay in time, the Contractor shall be entitled to interest from the due date at the rate of interest determined by the law on late payments in the Contractor's country.

#### Liability for Deficient Maintenance

**22.** If the Contractor has failed to correctly perform the maintenance according to the Contract or if the maintenance otherwise has not been performed professionally, the Contractor shall as soon as possible and at his own expense remedy the deficiently performed maintenance.

#### Liability for Defects in Delivered Parts

**23.** The Contractor shall at his own expense and as soon as possible remedy defects in parts which he has provided under the Contract.

#### **Liability Period**

**24.** Unless otherwise agreed, the Contractor shall be liable for deficiencies in the maintenance he has performed during the contractual period and for a period of six months after the Contract has expired. The Contractor shall be liable for corrective maintenance for a period of one year after the maintenance was performed.

The Contractor's liability for parts he has provided under the Contract shall apply to defects which become apparent within one year of his installing the part concerned in the Equipment or, if the Contractor has not installed the part, of its delivery to the Customer.

# Notice of Deficiencies and Defects

**25.** If such deficiencies appear in the maintenance as defined in Clause 22 or such defects in delivered parts as defined in Clause 23, the Customer shall without undue delay notify the Contractor by Written Notice.

If the Customer fails to give notice without undue delay, he shall lose his rights in respect of deficient maintenance and defects in delivered parts.

#### **Measures to Prevent Damage**

**26.** If deficient maintenance as defined in Clause 22 or defects in delivered parts as defined in Clause 23, due to risk of damage require immediate measures, the Customer shall – if the Contractor cannot take such immediate measures – take any measures necessary to prevent or mitigate damage. The Contractor shall compensate the Customer for the necessary costs for such measures.

# **Contractor's Failure to Remedy Deficient Maintenance or Defects**

**27.** If the Contractor fails to remedy deficient maintenance or defects in delivered parts within a reasonable time after the Customer's notice of deficiencies and defects referred to in Clause 25, the Customer may, having notified the Contractor thereof by Written Notice, himself undertake or employ a third party to undertake such remedial work at the risk and expense of the Contractor, provided that he proceeds in a reasonable manner.

# Liability for Damage to the Customer's Property

**28.** The Contractor shall be liable for damage to the Customer's property caused by the Contractor's negligence in connection with the fulfilment of the Contract. The Contractor's liability shall for each occurrence be limited to EUR 100,000 or the corresponding amount in the currency of the Contract.

# **Limitation of Liability**

**29.** The Contractor's liability under Clauses 22, 23, 24 and 26 does not cover defects or damage due to circumstances beyond the control of the Contractor, such as incorrect use of the Equipment, incorrect current supervision and care on the Customer's part (Clause 6), deficient maintenance by the Customer as defined in Clause 12 and incorrect measures under Clause 26. Nor shall the Contractor be liable for normal wear and tear.

The Contractor shall have no liability for deficient maintenance, defective parts provided under the Contract or otherwise for his negligence except as defined in Clau-



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ses 22, 23, 24, 26, 27 and 28. This also applies to any loss that may be caused in connection therewith such as loss of production, loss of profit and any other consequential economic loss. However, this limitation of the Contractor's liability shall not apply where he has been guilty of gross negligence.

To the extent that the Contractor incurs liability towards any third party for damage arising in connection with performance of the Contract, the Customer shall indemnify, defend and hold the Contractor harmless to the same extent as the Contractor's liability is limited as stated above in this Clause.

If a third party lodges a claim for damage or loss as described in this Clause against the Contractor or the Customer, the other party shall forthwith be informed by Written Notice.

#### Alterations to the Equipment

30. The Customer shall without undue delay inform the Contractor by Written Notice of any alterations concerning the Equipment or its use, operation or operational environment.

If the Contractor's obligations under the Contract are affected by such alterations and the parties fail to agree on how to amend the Contract in respect thereof, the Contractor may, with immediate effect, terminate the Contract by Written Notice to the Customer. The Contractor shall also be entitled to compensation under Clause 34.

#### **Grounds for Relief (Force Majeure)**

**31.** The following circumstances shall constitute grounds for relief if they impede the performance of the Contract or make performance unreasonably onerous: industrial disputes and any other circumstance beyond the control of the parties, such as fire, natural disasters and extreme natural events, war, mobilisation or military call up of a comparable scope, requisition, seizure, trade and currency restrictions, insurrection and civil commotion, shortage of transport, general shortage of materials, restrictions in the supply of power and defects or delays in deliveries by sub-contractors caused by any such ground for relief.

The above described circumstances shall constitute grounds for relief only if their effect on the performance of the Contract could not be foreseen at the formation of the Contract.

The party wishing to claim relief as described in the first paragraph, shall without delay notify the other party by Written Notice on the intervention and on the cessation of such circumstance.

Either party shall be entitled to terminate the Contract by Written Notice to the other party, if performance of the Contract is delayed more than three months by reason of any grounds for relief as described in the first paragraph. In case of such termination, the Contractor shall be entitled to compensation for the maintenance he has performed but shall reimburse compensation which he has received in addition to that.

#### **Contractual Period. Notice of Changed Fee**

32. Unless otherwise agreed, the Contract is concluded for a period of one year and shall be prolonged by one year at a time unless terminated by Written Notice at least two months before the expiry of the current contractual period.

Unless the agreed fixed fee is to be adjusted according to an index clause, the Contractor may demand an adjustment of the agreed fixed fee, provided that he informs the Customer by Written Notice of the fee he requires for the coming contractual period at least three months before the expiry of the current contractual period. If the Contract is prolonged by another contractual period after the Customer has received such notice, the Customer shall be deemed to have accepted the requested fee.

#### Assignment. Subcontracting

**33.** Neither party may assign the Contract to a third party. The Contractor may, however, after notifying the Customer by Written Notice, subcontract performance of the maintenance to a third party. The Customer shall be informed of the identity of the subcontractor. If the Contractor engages such a subcontractor, it does not imply limitations in the Contractor's obligations under the Contract.

#### Termination

34. In addition to what is specified in Clauses 30, 31 and 32, each party may terminate the Contract with immediate effect if the other party commits a serious breach of the Contract and fails to remedy such a breach within 14 days of dispatch of a Written Notice of the breach. Termination shall be by Written Notice.

If the Contract is terminated under this Clause or under Clause 30, the party terminating the Contract shall be entitled to compensation from the other party for the loss he has suffered. Except as stated in Clause 29, such compensation shall not exceed the total compensation that the Contractor is entitled to under the Contract.

#### **Disputes.** Applicable Law

**35.** Disputes arising out of or in connection with the Contract shall not be brought before the court but shall be finally settled by arbitration in accordance with the law on arbitration applicable in the Contractor's country.

However, the Contractor may bring an action to court in the Customer's country in respect of disputes concerning payment for performed maintenance.

All disputes arising out of the Contract shall be judged according to the law of the Contractor's country.

