

MARIANNE WOLOSCHUK
Legal Counsel
Guam Power Authority
Gloria B. Nelson Public Building
688 Route 15
Mangilao, Guam 96913
Telephone: (671) 648-3203
Fax No. (671) 648-3290
Email: mwołoschuk@gpagwa.com

Attorney for Guam Power Authority

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

IN THE MATTER OF:

GPA DOCKET NO. 26-05

**GUAM POWER AUTHORITY'S REPAIR
AND OVERHAUL OF THE NAVY-
OWNED OROTE POWER PLANT**

**NOTICE TO THE PUBLIC UTILITIES
COMMISSION RELATIVE TO THE
APPROVAL TO INCREASE THE LIMIT
TO THE REPAIR AND OVERHAUL OF
THE NAVY-OWNED OROTE POWER
PLANT**

The Guam Power Authority (GPA) hereby submits this Notice in accordance with paragraph 2 of the Guam Public Utilities Commission's (PUC) Contract Review Protocol for GPA, Admin. Dkt. (Feb. 15, 2008), for a contract that involves the receipt by GPA of reimbursement of costs in excess of \$1.5 million.

GPA is providing the PUC with the following prior to entering into the contract, as amended:

(a) Consolidated Commission on Utilities (CCU) Resolution No. FY2026-28, authorizing an increase in the cost of the contract to repair and overhaul of the Navy-owned Orote power plant, *see Attachment A*;

(b) an unsworn declaration under penalty of perjury in lieu of affidavit, *see* 6 GCA § 4308, from the General Manager (via delegation of authority) stating that the contract does

not produce an increased revenue requirement, with supporting documentation, *see*
Attachment B; and

(c) a narrative description of the contract, *see* **Attachments C1, C2, & C3** ((1) JRM
Request for Support Services (Dec. 10, 2025); (2) GPA's proposal for Level IV
Inspection of Generators 1 and 3 (Dec. 17, 2025); and (3) GPA's proposal for off-site
repair of Generator 2 (Dec. 17, 2025), respectively).

The intergovernmental support agreement (IGSA) between Navy and GPA is currently in
draft form and has not yet been finalized.

GPA acknowledges that, under the Contract Review Protocol, the contract will be deemed
approved unless rejected by the PUC within thirty (30) days after an adequate filing by GPA.

Respectfully submitted this 6th day of February, 2026.

Attorney for Guam Power Authority

By: _____



Marianne Woloschuk
GPA Legal Counsel



RESOLUTION NO. FY2026-08

**RELATIVE TO APPROVAL TO INCREASE THE LIMIT
TO REPAIR AND OVERHAUL THE NAVY-OWNED OROTE POWERPLANT**

WHEREAS, Guam Power Authority (GPA) and Commander, Joint Region Marianas (CJRM), renewed the Inter-Governmental Support Agreement (IGSA) for another 10- year period in June 2023 for the purpose of providing each other with mutual assistance of electrical power goods and support services; and

WHEREAS, CJRM has requested GPA to assist with the repair and overhaul services for the Orote Power Plant located on Naval Base Guam (NBG); and

WHEREAS, the Orote Power Plant consists of three 6.8MW Wartsila diesel engines; and

WHEREAS, Navy has justified use of the original equipment manufacturer (OEM) to provide the repair and overhaul services and the diesel engines were recently assessed by Wartsila, the OEM; and

WHEREAS, GPA originally requested for approval of up to \$3 million based on an initial estimate for all work related to the Orote Power Plant --which is a reimbursable cost to GPA under the IGSA from Navy that will not produce an increased revenue requirement and as such only notice need be provided to the Guam Public Utilities Commission under its contract review protocol; and

WHEREAS, the overhaul of Unit 2 of Orote was completed and the unit was commissioned; however, the insulation on the Unit 2 generator was worn, and indicated a low Ohm value, causing the generator to burn. Unit 2 now requires at least \$1,450,000 to repair offsite; and

WHEREAS, to prevent Unit 1 and Unit 3 Generators from also burning and incurring similar damages, the OEM recommends the cleaning and servicing (generator rewinding) in addition to the overhaul of each unit. This is estimated to cost \$450,000 for both Unit 1 and Unit 3; and

1 **WHEREAS**, the total increase to complete the repair and overhaul of the Orote Power
2 Plant is estimated to be almost \$2,200,000 more than planned, which includes a 10% contingency
3 and additional costs added. And the estimated project total, with this additional estimated costs, is
4 \$4,642,596.18; and

5 **WHEREAS**, the Navy has requested to expedite this service to ensure power supply to the
6 Naval Base Guam at all times, especially after typhoons.

7 **NOW, THEREFORE, BE IT RESOLVED, by the Consolidated Commission on**
8 **Utilities, as follows:**

- 9 1. GPA is approved to increase the \$3,000,000 contract with Wartsila to up to
10 \$6,000,000, to provide repair and overhaul services on the Orote Power Plant, with
11 costs reimbursed by Navy under the IGSA.
12 2. GPA shall notify the PUC of the contract as required by the contract review
13 protocol.
14

15 **RESOLVED**, that the Chairman certifies and the Board Secretary attests to the adoption
16 of this Resolution.

17 **DULY AND REGULARLY ADOPTED AND APPROVED THIS 27th DAY OF**
18 **January, 2026.**

19 Certified by:

20 
21

22 **FRANCIS E. SANTOS**

23 Chairperson

24 Consolidated Commission on Utilities

Attested by:

20 
21

22 **MELVIN F. DUENAS**

23 Secretary

24 Consolidated Commission on Utilities

25
26 //

27
28 //

1 **I, Melvin F. Duenas**, Secretary for the Consolidated Commission on Utilities (CCU), as
2 evidenced by my signature above do certify as follows:

3 The foregoing is a full, true, and accurate copy of the resolution duly adopted at a regular
4 meeting of the members of Guam Consolidated Commission on Utilities, duly and legally held
5 at a place properly noticed and advertised at which meeting a quorum was present and the
6 members who were present voted as follows:

7
8 Ayes: 5
9 Nays: 0
10 Absent: 0
11 Abstain: 0



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Legal Counsel

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IN THE MATTER OF:

GPA DOCKET NO. 26-05

**GUAM POWER AUTHORITY'S REPAIR
AND OVERHAUL OF THE NAVY-
OWNED OROTE POWER PLANT**

**DECLARATION OF JOHN M.
BENAVENTE, P.E. RE NO
REQUIREMENT OF INCREASED
REVENUE**

I, JOHN M. BENAVENTE, P.E., declare:

1. I am the General Manager for the Guam Power Authority (GPA).
2. I have personal knowledge of the following facts and, if called as a witness, I would and could competently testify thereto.
3. The increase in the contract to repair and overhaul the Navy-owned Orote power plant does not produce an increased revenue requirement.

Respectfully submitted this 6th day of February, 2026.

Guam Power Authority

By: 

JOHN M. BENAVENTE, P.E.
General Manager



DEPARTMENT OF THE NAVY
JOINT REGION MARIANAS
PSC 455 BOX 211
FPO AP 96540-1000

7000
Ser J4/0629
December 10, 2025

Mr. John M. Benavente, P.E.
General Manager
Guam Power Authority
PO Box 2977
Hagåtña, GU 96910-2977

Dear Mr. Benavente,

SUBJECT: REQUEST FOR SUPPORT SERVICE TO REPAIR DG2 GENERATOR AND
INSPECT DG1 & DG3 GENERATORS, OROTE POWER PLANT, NAVAL
BASE GUAM

Pursuant to the Intergovernmental Support Agreement (IGSA) N61128-20230608-12554 of June 2023, this letter requests Guam Power Authority support to repair DG2 generator and inspect DG1 & DG3 generators of the Orote Power Plant in accordance with Repair of DG2 Generator and Inspection of DG1 & DG3 Generators, Orote Power Plant, Naval Base Guam, Statement of Work.

Please provide a work plan, schedule, and quote for the work within one (1) week of receipt of this request.

My point of contact for this matter is Ms. Mauryn McDonald, P.E., Utilities Management Coordinator. She may be reached at mauryn.q.mcdonald.civ@us.navy.mil or by telephone at (671)333-3174.

A.W. EICHELMAN, P.E.
Captain, Civil Engineer Corps, U.S. Navy
Regional Engineer
By direction of the Commander

Enclosure: Repair of DG2 Generator and Inspection of DG1 & DG3 Generators, Orote Power Plant, Naval Base Guam, Statement of Work

MEMORANDUM FOR RECORD

Subj: AGREEMENT FOR THE INSPECTION AND REPAIR/OVERHAUL OF OROTE POWER PLANT GENERATORS, BLDG 307, NAVAL BASE GUAM BY THE GUAM POWER AUTHORITY

Ref: Intergovernmental Support Agreement (IGSA) for Electrical Power Goods and Support Services N61128-20230608-12554, 9 June 2023

Encl: (1) Guam Power Authority Orote Power Plant Repair/Overhaul Proposal for Additional Services for Orote Generators, 17 December 2025
(2) Guam Consolidated Commission on Utilities Resolution No. FY2024-30 Relative to the Approval of the Repair and Overhaul of the Navy-Owned Orote Power Plant. Please note that Res. No. 2026-08 Relative to the Increase on the Repair and Overhaul of the Navy-Owned Orote Power Plant, will be heard on 22 January 2026.

1. Purpose. The purpose of this memorandum is to document Guam Power Authority's (GPA's) agreement to repair and overhaul the Navy-owned Orote Power Plant generators located at Naval Base Guam (NBG) Apra Harbor. The Navy requested and GPA will provide these support services under the IGSA for Electrical Power Goods and Support Services N61128-20230608-12554.
2. Scope. Activities will be consistent with Encl (1) Generator cleaning and servicing for DG1 and DG3 and Generator repair services for DG2 offsite.
3. Funding. This memorandum documents the obligation of funds, not to exceed \$2,000,000.00, by Commander, Joint Region Marianas (CJRM) for payment to GPA, in accordance with 31 USC § 1501. Following obligation of funds for payment, CJRM will provide full payment in advance in accordance with IGSA article 17.



12/17/2025

John M. Benavente, P.E.
General Manager
Guam Power Authority

Date

A.W. Eichelman, P.E.
Captain, U.S. Navy
By direction of the Commander
Joint Region Marianas

Date



GUAM POWER AUTHORITY

ATURIDÅT ILEKTRESEDÅT GUÅHAN
P.O.BOX 2977 • HAGÅTÑA, GUAM U.S.A. 96932-2977

GM2545

December 17, 2025

Mr. Allen Eichelman, P.E.
Captain, Civil Engineer Corps, U.S. Navy
Regional Engineer
Joint Region Marianas

Via Ms. Mauryn McDonald, P.E., mauryn.q.mcdonald.civ@us.navy.mil

Subject: GPA Response for Support Services re. DG1 & DG3 Generators, Orote Power Plant
Project 1

Dear Captain Eichelman:

This letter is in response to your December 10, 2025 request for support services for the Orote Power Plant, specifically addressing the Orote DG1 and DG3 Generators (Project 1). A separate letter will address the support services for the Orote DG2 Generator (Project 2). These support services are provided by GPA through the Intergovernmental Support Agreement (IGSA) N61128-20230608-12554.

Upon your request GPA has had several discussions with NAVFAC Marianas Utilities Management and with the contractor, Wartsila, the original equipment manufacturer (OEM) of the Orote engine, to clarify scope of work (SOW) and cost proposals. Based on these discussions, the services on the Orote generators were split into two (2) separate projects due to funding availability, hereinafter referred to as Project 1 and Project 2.

As to Project 1, GPA provides the scope of work and service cost below for your consideration and approval.

Scope of Work

Level IV Inspection of Generator 1 and Generator 3, including all parts, major shipping costs, labor services, travel fees, and U.S. visa fees, GPA added labor, and a 10% contingency. Shipping costs from GIAA to NBG are not included and intended to be paid with the contingency funds.

Cost Proposal

A cost summary is provided in the table below. The OEM contractor's proposal is provided as Attachment A.

Table 1: Project 1 - Cost Summary for Generators 1 & 3 Support Services, Orote Power Plant, FY25-FY26

Item	USD (\$)	Comments
Level IV Inspections on Generator 1 (DG1) and Generator 3 (DG3)	\$ 450,000.00	1. Generator cleaning and servicing (rewinding) and swapping Generator 3 with Generator 2. 2. Includes travel and shipping costs. 3. Standard parts included only. Any additional specialty parts will be quoted and requested as additional costs.
GPA Labor Charge (December – March)	\$ 50,000.00	
Estimated GRT	\$ 23,683.50	
10% Contingency	\$ 52,368.35	
TOTAL REIMBURSEMENT	\$ 576,051.85	<i>Due to GPA from JRM</i>

It is important to note that OEM Wartsila does not guarantee nameplate data/design standards for these units. Wartsila specifically makes the following disclaimer:

“Please note that the engine units may not meet the original design standards or nameplate data. Various factors, such as wear, aging, operational stress, or prior maintenance, may affect performance. Following inspection and assessment, we will provide a detailed report explaining any de-ratings of the units, if applicable.”

Under GPA’s procurement protocol with the Consolidated Commission on Utilities (CCU) and the Public Utilities Commission (PUC), these services are to be reimbursable with no potential rate impacts. Due to contractor requirements for part order mobilization fees and associated costs GPA will require Navy to provide upfront payments for these as indicated in the proposal attached.

We appreciate our ongoing partnership, notably Navy’s trust in GPA to assist the Navy to restore capacity and reliability of the Orote Power Plant.

Please contact me with any questions or concerns regarding this project.

Very Truly Yours,



12/17/2025

for John. M. Benavente, P.E.
General Manager

Enclosure: Attachment A

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**GUAM POWER AUTHORITY
OROTE POWER PLANT PROPOSAL**

**PART 1: LEVEL IV INSPECTION
OF GENERATOR 1 AND GENERATOR 3**

DECEMBER 17, 2025

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ATTACHMENTS

- Attachment A1 - Wartsila Proposal for Level IV Inspection of DG1 and DG3
- Attachment B1 - Cost Summary

1. Overview

This document summarizes the proposed scope of work, cost and schedule for Part 1 of the additional services for the Generators at the Orote Power Plant: Level IV Inspection of Generator 1 and Generator 3. GPA has negotiated with the engine OEM, Wartsila, to perform the additional services. All contractor costs and GPA costs for contracting and project management for this Orote overhaul scope shall be reimbursable under the Intergovernmental Support Agreement (IGSA)) N61128-20230608-12554 with Navy effective June 9, 2023.

2. Proposal Scope of Work

2.1 Contractor (Wartsila Philippines Inc.)

The original scope of work from Wartsila, shall be to complete the overhaul of two Wartsila engines at the Orote Power Plant and to begin the third engine in fiscal year 2025.

At this time, the overhaul of Unit 2 has been completed and Unit 1 is nearly complete. However, Unit 2 generator has burned and now requires generator services offsite to repair.

To prevent the same major damage from occurring on Units 1 and 3, Wartsila recommends the cleaning and servicing of the generators onsite. This is the Part 1 of the additional services for the Orote overhaul.

Part 2 of the additional services will be the Repair of Generator 2 Offsite.

Please note that the Unit 3 Overhaul is scheduled to commence at the end of December thru January as part of the original scope of work.

Attachment A1 is proposal from the Wartsila, Philippines branch for Part 1: Level IV Inspection of Generator 1 and Generator 3. This Scope excludes any specialty parts. Any additional work shall be discussed with Navy and approved in writing before commencing. All terms and conditions of this proposal are to be transferred to Navy.

2.2 Guam Power Authority (GPA)

GPA shall continue to provide contract management and project management of the contractor Wartsila for any coordination prior to and during onsite activities.

3. Deliverable

Wartsila will provide a complete service work report after completion of the service attendance based on the tasks outlined in **Attachments A1**. This report will include all measurements taken during the service and recommendations.

Please note that the engine units may not meet the original design standards or nameplate data. Various factors, such as wear, aging, operational stress or prior maintenance may affect performance.

Following inspection and assessment, Wartsila will provide a detailed report explaining any de-ratings of the units, if applicable.

4. Costs

4.1 Contractor Proposal Costs

The Wartsila proposal provided in **Attachment A1** exclude local taxes which are required for Guam Business License holders. GRT has been included as additional administration costs to the amount shown in Section 4.2 GPA Cost. Additional costs such as shipment from Guam International Airport (GIAA) to Naval Base Guam (NBG) and other potential costs are also applied below as contingency estimates and will be billed at cost plus administrative costs including local tax.

No.	Description	Cost	Schedule
1A	Wartsila Level IV Inspection of DG1 and DG3, to include the swapping of DG3 with DG2.	\$ 450,000.00	60 days from Notice to Proceed: 30 days per Generator. ~2 months.

The Wartsila proposal is based on labor resources from Philippines and/or Indonesia as noted in its proposal. A referenced currency conversion rate is provided and is basis for contract pricing. Cost adjustments may be required due to changes in the conversion rate or Visa or base access denials requiring resources outside of Philippines or Indonesia. This potential issue is considered under the contingency amount along with cost true up of estimates for costs not available at this time. The contingency amount will also be used for any additional scope.

For parts and equipment Wartsila has clarified DAP (Delivery at Place) terms are for Wartsila to ship items to Guam airport. GPA will assist in releasing items from customs and Wartsila will arrange transportation of shipment from Guam airport to Naval Base Guam, however as stated, those costs from GIAA to NBG have not been included and will be charged to Navy.

4.2 GPA Cost

Provided below is an estimate for GPA labor and vehicle use for contract management and project management prior and during the onsite activities

No.	Description	Cost
1	GPA Labor Charge	\$50,000
2	Estimated GRT	\$23,683.50
3	10% Contingency	\$52,368.35
	TOTAL JRMC TO GPA REIMBURSEMENT	\$576,051.85

Notes:

- 1 Administrative costs such as GRT are added to this amount for total cost. Additional clarification and offer terms and conditions are provided on the attached Wartsila proposal.
- 2 This includes contingency for additional requirements such as delivery of shipment from airport, for additional scope, or adjustments for actual costs.

This includes engineer and plant personnel of estimated at approximately 3 months from mid-December to mid-March. This is including overtime for 10-hours per day, 7-days per week, per the overhaul schedule, and coordination work prior to the onsite activities.

5. Responsibilities

5.1 Navy Responsibilities

Wartsila does outline requirements under Customer Responsibilities which shall be Navy's responsibility. Please see Customer Responsibilities starting on page 7 of **Attachment A1**. GPA has noted some of the potential costs items in the proposal cost contingency, however other requirements such as isolation, lockout/tagout, fuel, lubrications, manuals, power source, base access, etc. shall be provided or performed by Navy.

Wartsila has provided additional clarification to the Customer Responsibilities as provided below. Any and all tasks under Customer Responsibilities which are assigned to taken up by Wartsila or GPA will be additional costs to the proposal and subject to reimbursement under Additional Cost/Contingency:

- For heavy lifting equipment Wartsila requires a forklift and hoist. Additionally, Wartsila has certified overhead crane operators and is verifying if Navy allows their crane certification.
- For special tools Wartsila will provide certified Engine tools (e.i hydraulic tools). Although, DZSP21 confirmed that they have engine tools at site, they had not been used for some time and were not certified. Wartsila will use their engine tools to avoid delay if tools at site fail. Additional cost to be added in the contingency cost for the use and transportation of engine tools.
- Drilling equipment are drilling hand tools only.
- Wartsila will provide 3 units of 24V DC supply as discussed with Navy personnel.

5.2 Contractor Responsibilities

Wartsila will order and delivery parts, coordinate scheduling of manpower with GPA and Navy, process necessary Visas and coordinate with Navy for base access.

5.3 GPA Responsibilities

GPA will coordinate with Navy and contractor for scheduling, processing additional scope and provide project management.

6. Billing & Payment Terms

Navy will pay in advance for support services before the support services are provided. GPA will notify Navy of payments based the Contractor and GPA billing and payment terms below.

6.1 Contractor Billing & Payment Terms Payment

Wartsila has identified the following terms of payment. GPA shall submit processed invoices and payment confirmation to Navy promptly when executed.

Payment schedule for the generator services:

- 30% mobilization (parts/services)
- 20% upon shipment of parts
- 20% upon delivery of parts
- 10% after completion of first generator
- 10% after completion of second Generator
- 10% within 30 days after completion (retainage)

Payment schedule for the Repair of Unit 1 Generator:

- 30% mobilization (parts/services)
- 20% upon shipment of parts
- 20% upon delivery of parts
- 10% upon Off-site repair completion
- 10% after delivery of alternator
- 10% Upon Testing and Commissioning

6.2 GPA Billing and Payment Terms

GPA shall bill Navy based on actual labor, equipment, and materials used plus overhead. Equipment used in the execution of the work include machinery as well as heavy and light duty equipment/vehicles. Overhead costs are administrative costs associated with the equipment/vehicles and material GPA utilizes for the job. All rates are subject to adjustment based on updates to GPA's operational costs.

Actual GPA labor and equipment costs will be billed at most quarterly.

7. Schedule

Contractor has provided an estimated schedule based on the proposed scope in Attachment A and is subject to adjustment depending on parts availability, Visa and base security access, scheduling of the onsite activities and additional scope. An estimated schedule will be provided by the contractor.

Description	Two Units
Schedule	~2 months
- Generator services	~60 days or 2 months

Contractor has indicated the work will be scheduled for 10-hour days, 7 days per week for the overhaul activities. Access to the facility and required resources will be required for this work schedule.

ATTACHMENT A1

**Wartsila Proposal Generator 1 and Generator 3 Level IV Inspection
OFFER FOR OROTE- Quotation
Dated 19 November 2025**

**Customer**

Guam Power Authority
Hagatna
Guam

Your Contact

Your Inquiry Date 16 Dec 2025

Your Reference To be Advised

Terms of Payment 30

Downpayment

40 Upon mobilization

10 Completion 1st Generator

10 Completion 2nd Generator

10 - 30 days upon completion

Valid To 15 Feb 2026

Wärtsilä Contact Michael Flores

Firm price offer

The scope of supply is based on the totality of the information about the equipment configuration known by Wärtsilä and is subject to correction or supplementation based on modifications that have been carried out without written notice to Wärtsilä or actual condition of the equipment discovered upon eventual inspection. The offer price is firm in accordance to the scope and terms specified in this offer.

The offer price is firm in accordance to the scope and terms specified in this offer.

Summary

1. Services

5090000 Stork-Werkspoor 16TM410D

Generator no. 1 and Generator no. 3 Level IV
Inspection

USD 390,000.00

EQUIPMENT DATA DG 1

MFG: Louis Allis
KW: 6,600
RPM: 514
POLES: 14
VAC: 13800V
PF: 0.8
CURRENT: 345

HZ: 60
FRAME: 8900

STATOR WT. 23000lbs
DE BRG. NO: N/A
NDE BRG. NO: N/A

EQUIPMENT DATA DG 3

MFG: Magnetek Louis Allis
KW: 6,600
RPM: 514
POLES: 14
VAC: 13800V
PF: 0.8
CURRENT: 345

HZ: 60
FRAME: 8900

STATOR WT. 23000lbs
DE BRG. NO: N/A
NDE BRG. NO: N/A

-

Supervision of Generator 3 Installation on
Engine no. 2

USD 60,000.00



FIRM PRICE (EXCLUDING VAT) TOTAL	USD 450,000.00
TOTAL FIRM PRICE	USD 450,000.00



2. Optional Items

(Not included in the above total estimate)

5090000 Stork-Werkspoor 16TM410D

Full Re-Wedge of Generator Stator USD 110,000.00

*Freight, Material logistics is not included on this pricing

This is only a budgetary estimate until actual data is determined and prior processes. Until confirmation of the recommendation to re-wedge, this pricing is subject to change.

Additional actions for unsatisfactory test results will be subject on daily rate charges

Additional Scope USD 362,000.00

Additional Parts:

RE-Babbit Pedestal Bearings

Rectifier/Diode

Rewind Exciter Rotor and Stator

Surge arrestor

Voltage Regulator

Space Heater / Thermostat

Screen/Filters

Winding temperature detector

Bearing temperature detector

Budgetary quote subject to dimensional/technical detail confirmation. Any additional work or required replacement parts identified during the initial inspection will be quoted as an adder. Approval will be required prior to proceeding with additional work

Scope of supply

1. Services

Delivery Time and Location

The service work will take place at OROTE Power Plant, US Naval Base, Guam.

Service work requires separating the generator rotor from the stator. Lifting equipment and personnel fall under the customer's scope. The expected duration is 30 days per generator, assuming lifting activities are completed within 14 days (7 days for disassembly and 7 days for assembly). Additional days may be added depending on the progress of lifting activities. This quotation does not guarantee availability. Availability can only be confirmed upon receipt of a firm purchase order. Prices for overseas personnel, if required, may differ from the quoted rates.

Please note that the stated duration is only an estimate and may change depending on site conditions, support provided, and logistics. Any additional repair activities identified during inspection are not included in the timeline. A detailed job plan and Gantt chart will be submitted upon order confirmation.

Manpower

The service work will be performed by:

2 Wärtsilä Service Engineers



1 Project Supervisor/ Engineer
1 Generator Specialist
2 Senior Repairer
2 Junior Repairer

Scope of work:

5090000 Stork-Werkspoor 16TM410D

Generator no. 1 and Generator no. 3 Level IV Inspection

Generator 1 and 3 Inspection of 2 units of 8000 KVA, 0.80 PF, 11,400 V, 720 RPM
Generator

A. Disassembly

- A.1 Disconnection from intermediate shaft
- A.2 Inspection of coupling and coupling bolts
- A.3 Record initial alignment
- A.4 Disconnection of instrumentation and electrical connections as required
- A.5 Record clearances of the bearing seals
- A.6 Remove bearing top covers
- A.7 Perform Tilt-Twist, Clearance, and Pinch Inspection on Bearing
- A.8 Record bearing clearances
- A.9 Insulation measurement of the bearing assembly
- A.10 Remove bearing lower halves
- A.11 Record clearances of the end shields air seals
- A.12 Remove end shields
- A.13 Record clearance between air guides and fan blades
- A.14 Check base frame tightening and shims

Bearing Inspection

- A.15.1 Check for wear, damage, and contact of bearing material
- A.15.2 Check for pitting due to shaft current (faulty earth brush or connection)
- A.15.3 Take and record bearing clearance
- A.15.4 Measure gap between shaft insulation sheet and bearing
- A.15.5 Check insulation of shaft current protection
- A.15.6 Check oil seal/deflector
- A.15.7 Perform Dye Penetrant Test

B. Diesel Generator Rotor (DGS) Inspection

- B.1 Perform Visual Inspection by Generator Specialist
- B.2 Perform Bore Scope Inspection
- B.3 Perform Electrical Inspection:
 - B.3.1 Ambient temperature
 - B.3.2 Iron temperature
 - B.3.3 Winding resistance
 - B.3.4 Insulation Resistance Test @ 500 VDC
 - B.3.5 Polarization Index @ 500 VDC
 - B.3.6 AC Impedance Test 0-120/220 VAC
 - B.3.7 AC Voltage Drop Test 220 VAC (if accessible)



C. Diesel Generator Stator (DGS) Inspection

- C.1 RTD insulation resistance test and resistance measurements
(all RTDs grounded for additional testing)
- C.2 Measurement of Winding Ohm Resistance (IEEE 118-1978)
- C.3 Insulation Resistance at 5 kV (IEEE 43-2000)
 - C.3.1 Each individual phase tested, with other two phases and all RTDs grounded
 - C.3.2 Must achieve \geq (VL-L+) M Ω before next phase
 - C.3.3 Detects serious insulation flaws, moisture presence, and winding cleanliness
- C.4 Polarization Index measurements at 10 kV (IEEE 43-2000)
 - C.4.1 Each individual phase tested, with other two phases and all RTDs grounded
 - C.4.2 Index ratio must be \geq 2:1 before proceeding
 - C.4.3 Detects moisture absorption and insulation quality
- C.5 Stator and Rotor Cleaning
 - C.5.1 Vacuum and wipe stator windings
 - C.5.2 1 cycle of chemical cleaning and baking of stator
 - C.5.3 Re-insulate winding with 2-part Epoxy (self-curing, no baking required)
- C.6 Step Voltage – DC Leakage Test (IEEE 95-2002)
 - C.6.1 Conducted only if IR and PI are acceptable
 - C.6.2 Requires Wärtsilä (Guam) agreement and approval on voltage levels
- C.7 Power Factor, Capacitance, Tip-Up Test (IEEE 286-2000)
 - C.7.1 Test at approx. 25%, 50%, 75%, and 100% phase voltage (Max 8 kV)
- C.8 Wedge Tightness Test
- C.9 Corona Examination (Corona Camera)
 - C.9.1 With AC phase voltage applied, visually inspect stator for corona activity
- C.10 Slot Discharge / Corona Test
 - C.10.1 With AC phase voltage applied, inspect each slot with corona probe and record micro-amps

D. Exciter

- D.1 Perform Visual Inspection
- D.2 Perform Insulation Resistance
- D.3 Perform Winding Resistance
- D.4 Test all diodes
- D.5 Ground fault transmitter and receiver calibration
- D.6 Reconditioning of Exciter

E. Assembly and Re-Commissioning

- E.1 Assemble rotor
- E.2 Assemble bearings
- E.3 Check rotor-to-stator air gap
- E.4 Pre-alignment of generator
- E.5 Check clearances, bearings, and seals
- E.6 Assemble air guides
- E.7 Record air guide clearances
- E.8 Assemble end shields
- E.9 Replace fiber covers
- E.10 Check end shields air seal clearances
- E.11 Install instrumentation
- E.12 Final alignment of generator
- E.13 PGS recommends Laser Alignment



E.14 Double-check alignment by 16-point indicator

E.15 Record vibration levels at 25%, 50%, 75%, and 100% load

F. Final Testing

F.1 Final Insulation Resistance at 5 kV

F.2 Final Polarization Index measurements at 10 kV (IEEE 43-2000)

F.3 Review findings

Supervision of Generator 3 Installation on Engine no. 2

Regarding customer responsibilities please see the section "Terms of Offer - Customer Responsibilities".

Unless specifically mentioned, no tools have been included in the offer and will not be provided unless otherwise agreed.

Terms of offer

General

- Offer is for one-time mobilization-demobilization only.
- Upon start of job, parts have to be available at site and the engine has to be removed from service, cooled down, drained from water and made available to the satisfaction of the attending service personnel.
- During the Generator assessment, the customer will be promptly informed of any "as found parts" that require immediate replacement. These parts will be offered separately. For parts not originally included, a lead time will be provided and agreed upon by both parties to extend the work.
- Waiver of Responsibility will be signed by Customers Personnel if Parts recommended for replacement was not agreed to be replace base on Wärtsilä's recommendation
- All component to be installed should be genuine OEM parts from Wärtsilä. Non-OEM parts will not be covered by warranty.
- The scope of supply is limited to the items listed herein and as described in this proposal. No assumption should be made for products or services not expressly stated in the proposal.
- Wärtsilä reserves the right to split and assign any or all portion of the scope of works to any company or affiliate of Wärtsilä group, if deemed necessary. Please note that the final executing company of the scope of work may be an affiliate of Wärtsilä, at Wärtsilä's discretion.
- Wartsila is responsible for permitting and visa and then GRT is applied by GPA.
- Shipping of tools and equipment is included.

Validity Period

This offer shall remain valid until the date specified in its header.

Offer specific terms

Exclusions

- Spare parts identified for replacement is not included and will be offered separately.
- Additional services and/or repair not included on scope of works will be offered separately.



- Waiting time not caused by Wärtsilä including but not limited to delay of lifting activities, waiting for **additional spare parts and services, timeline for decision making, etc will be charge accordingly at USD 5,000.00 per day.** Based on allotted resources assigned.
- Shipping of alternator components/parts is not yet included

Customer responsibilities

- Customer is responsible to ensure proper isolation, lockout and tagout of the system where the re-termination work will take place.
- Customer to provide fuel, lube oil, water, electricity, ventilation and 7 bar air supply during overhauling works.
- All related Heavy Lifting Equipment will be Customers responsibility. e.g. Overhead Cranes, Fork Lifts and Pallet Jacks
- Special tools, manuals, and other related materials (e.g. compressed air, electricity, etc.) required for the will be provided by Customer

Change of requirements or scope

Prior to work commencement

Any change of requirements and/or scope of supply requested or identified shall be promptly communicated to the other party and subject to that party's approval and may impact on the Firm Price Offer. Any changes to the specification requested after acceptance of the order may result in an update to the Firm Price Offer, delivery dates, and final invoiced amount accordingly.

During work execution

Wärtsilä may recommend but shall not be required to implement any change of requirements and/or scope of supply during the work execution unless such change is authorized by a change order issued by the customer. Required additional service work and/or spare parts shall be described in the scope of the change order.

The scope and terms of each change order must be mutually agreed on by both Parties in writing. Both Parties agree to inform each other about the revealed requirements for a change order without unnecessary delay.

Appendices

- Appendices 1. Energy-Austral Asia-WPH-FS Rates-Incl Daily Rates-PHP-01-2025
- Appendices 2. EN-EN General Terms and Conditions - Services 2025

Sincerely,

Wärtsilä Philippines, Inc.
Michael Angelo Flores
Account Manager
michael.flores@wartsila.com

Wärtsilä Philippines, Inc.
Rey Eugenio
Sales Support Manager
+63495430382
reynaldo.eugenio@wartsila.com





Field Service Rates 2025

Wärtsilä Philippines Inc

SERVICE WORK CHARGES VALID FOR 4-Stroke, 2-Stroke, Propulsion, Electrical & Automation

A. RATES in PHP excl. VAT

Applicable Rates:	Hourly Rates			Daily Rates	
Performed by	Normal Rate	Overtime A Rate	Overtime B Rate	Normal Rate	Other Rate
Service Technician	2440	3060	3910	25610	39050
Service Engineer	2890	3710	4590	30480	45910
Superintendent	3710	4980	5880	39640	58850
Technical Advisor	4081	5478	6468	43604	64735

B. Terms and conditions

Normal Hourly Rate	Monday to Friday up to eight (8) consecutive hours for work performed between 7:00 AM and 7:00 PM.
Overtime A	Monday to Friday, commencing on ninth (9th) working hour for work performed between 7:00am and 7:00pm (daytime) and for work performed between 7:00pm and 7:00am (night-time). Saturdays, up to first eight (8) consecutive hours.
Overtime B	Saturdays, commencing on ninth (9th) working hour. Sundays and public holidays, all hours.
Daily rates	Normal rate is applicable for work performed from Monday to Friday and Other rate respectively for all other weekdays and public holidays. Daily rates include ten (10) consecutive hours for all weekdays. Exceeding hours will be charged according to Overtime hours definition. Daily allowances are included in the Daily rates.
Daily allowance	Will be charged according to following fees. Domestic travelling with 650 PHP per day and International travelling with 80 PHP per day.
Travel Hours	Will be charged as Normal hours.
Waiting Time	Will be charged up to max. 8 hours per day as Normal hours for both Normal Weekdays and Other Days.
Preparing & Reporting Time	Will be charged up to max. 8 hours per day as Normal hours for both Normal Weekdays and Other Days.
Special Tools	All Special Tools provided by Wärtsilä Group will be charged according to separately provided price list or quoted price.
Company Car Usage	17 PHP per km.



Field Service Rates 2025

Wärtsilä Philippines Inc

Travelling Expenses	Will be charged at cost plus 10% administrative fee.
Miscellaneous Expenses	Will be charged at cost plus 10% administrative fee.
Working Aboard	If a service worker must stay on board an installation without the possibility of exit after a working day, a minimum of 12 hours per day will be charged according to applicable rate.

C. Reserved rights and charges

C1. Reservation Fee

This Reservation Fee will be applied when the customer specifically requests to put an engineer on "Reserved Status" (making him/her unavailable for other jobs or service assignments) awaiting travel instructions to customers work site. A maximum of five days is permissible for reserving an engineer. When five days have elapsed Wärtsilä reserve the right to re-assign the engineer for other service assignments.

See table in Section C3 for applicable fees.

C2. Rescheduling and Cancellation Fees

If customer requests service work to be rescheduled or cancelled less than 1 week prior to the scheduled job start date, a *Rescheduling Fee*, or a *Cancellation Fee* (for each affected service engineer) will be charged in accordance with Table C3.

Confirmation of the newly requested dates will be subject to the availability of the required engineer(s).

In addition to the Rescheduling or Cancellation fee, customer shall be responsible for all other costs incurred by Wärtsilä as a result of the rescheduling, including, but not limited to, unavoidable additional travel and accommodation costs.

See table in Section C3 for applicable fees.

C3. Table of applicable fees (per affected engineer)

Reservation Fee	Rescheduling Fee	Cancellation Fee
PHP 2500	PHP 2500	PHP 10000

D. General Terms & Conditions

In all other respects, the latest version of "WÄRTSILÄ GENERAL TERMS AND CONDITIONS SERVICES" applicable at the time of order, shall be applied.

All spare parts used for maintenance work will be charged according to Wärtsilä global list price, and the latest version of "WÄRTSILÄ GENERAL TERMS AND CONDITIONS PARTS" applicable at the time of order, shall be applied.



Field Service Rates 2025

Wärtsilä Philippines Inc

E. Validity

Date of revision: **01.01.2025**

This price list is valid from the Date of Revision and continues until further notice.

Wärtsilä reserves the right to revise and amend this price list at any time.

WÄRTSILÄ

GENERAL TERMS AND CONDITIONS

SERVICES (2025)

1. INTRODUCTION, CONTRACT FORMATION, SCOPE, AND CHANGES

1.1 These General Terms and Conditions – Services (2025) (the “Conditions”) shall, unless otherwise agreed in writing, apply to all services performed (“Service Work”) by any authorized member, agent, or representative of the Wärtsilä Group (the “Contractor”) for a customer (the “Customer”).

1.2 Offers are non-binding until accepted and confirmed by a purchase order issued by the Customer in compliance with these Conditions. Upon receipt of the Customer's purchase order, the Contractor may issue an order acknowledgement or begin work, in either case forming a “Contract”. These Conditions shall form an integral part of the Contract.

1.3 Any Customer-introduced terms inconsistent with or additional to the Conditions are hereby disclaimed, shall not be incorporated into the Contract, and shall have no effect unless signed by the Contractor's authorised representative.

1.4 The Contractor's offers are conditional on credit approval and discharge of any existing debts. The Contractor may rescind any offer or suspend or terminate the Contract without liability to the Customer if the Customer does not discharge existing debts or is deemed, at the Contractor's sole discretion, not credit worthy.

1.5 The Customer may not change or cancel any purchase order after it has been received by the Contractor unless the Contractor has agreed in writing to such change or cancellation. The Customer shall pay any applicable rescheduling, cancellation, or variation order fees as per the Contractor's latest rates.

1.6 Depending on conditions encountered or discovered after formation of the Contract, the Contractor may recommend reasonable changes to the scope of the Service Work or Physical Work and the Customer shall pay for any additional Service Work provided by the Contractor because of such changes.

1.7 The Customer shall compensate the Contractor for any increases in the Contractor's cost of performing the Service Work arising after the Contractor's offer because of the actions or omissions of the Customer or a third party not under Contractor's control (such as, but not limited to a change of law or a Force Majeure event) if such increases are not foreseeable at the time of the offer or are not reasonably preventable by the Contractor's actions.

2. SCOPE OF SERVICES

2.1 The Contractor shall perform the Service Work specified in the Contractor's order acknowledgement. Service Work may be delivered onsite or remotely.

2.2 Service Work may include: (1) “**Field Service**”, that is, the attendance of a service technician or technical manpower (“Primary Service Technician”) provided by the Contractor to perform installation, commissioning, repair, reconditioning or maintenance of the Customer equipment; (2) “**Workshop Services**”, that is, the inspection, overhaul, replacement or reconditioning of the Customer's parts at the Contractor's workshop; (3) “**Technical Advisory Services**”, that is, the provision of technical advice by the Contractor's technical expert(s) (“Technical Advisor”); (4) “**Investigation Services**”, that is, the inspection or investigation of the condition or performance of the Customer parts or equipment; (5) “**Underwater Services**”, that is, any Field Service or Investigation Service that is performed underwater or that is wholly or partially performed by diving; or (6) other services as specified in the Contractor's order acknowledgement.

2.3 If the Contractor is providing Technical Advisory Services, the Contractor is not responsible for performing any installation, repair, or maintenance of equipment (the “Physical Work”). The Customer shall provide adequate Primary Service Technician(s) to complete the Physical Work and ensure that they fully cooperate with the Contractor's Technical Advisor(s). The Customer shall have no right to employ the Contractor's personnel for Physical Work unless the Contractor has undertaken that its Technical Advisor(s) will perform such work in its order acknowledgement. A Technical Advisor is not a supervisor or superintendent over the Primary Service Technician(s) or of the Physical Work. Where providing Technical Advisory Services, the Contractor disclaims all responsibility for Physical Work performed by the Customer's Primary Service Technician(s). Any Physical Work directly performed by the Contractor's Technical Advisor(s), and any participation by the Contractor's Technical Advisor(s) in the Physical Work, shall, unless duly recorded in the Service Report as Physical Work performed by the Contractor's Technical Advisor(s), be deemed ancillary and incidental to their role, and shall not give rise to any additional warranty obligations or liability. Physical Work duly recorded in the Service Report as having been performed by or with the involvement of the Contractor's Technical Advisor(s) shall be treated as Field Service.

2.4 Unless otherwise stated in the Contractor's offer or order acknowledgement, Workshop Services does not include transportation of the Customer's parts to and from the Contractor's workshop. The Customer shall

arrange to deliver the parts DDP Contractor's workshop, and to pick up the parts FCA Contractor's workshop once the Service Work is completed.

2.5 Investigation Services do not include any guarantee as to the results or condition of the Customer equipment or part investigated, and do not give rise to a warranty.

2.6 The Contractor may prepare a service report describing, e.g., the Service Work it has performed, the conditions it encountered – including the prior condition of the equipment being serviced – and any relevant observations and recommendations for the Customer (the “**Service Report**”). Service Reports are prepared, shared and stored at the Contractor's sole discretion and for the Contractor's benefit, and the Contractor has no obligation to preserve Service Reports for the Customer's benefit unless separately agreed in writing. Service Reports are not works made for hire, and copyright shall vest and remain with the Contractor. If copyright to such Service Reports vests to the Customer under applicable law, the Customer agrees to take all necessary actions (at its own expense) to assign such copyright to the Contractor. If a Service Report is shared with the Customer, it is provided on an ‘as is’ basis with no warranty whatsoever, express or implied. The Contractor makes no representation that Service Reports are accurate, complete, or timely. Irrespective of any Customer confidential information they may contain, Service Reports shall be deemed solely confidential information of the Contractor under Section 3.1 of these Conditions.

3. CONFIDENTIALITY AND INTELLECTUAL PROPERTY

3.1 Neither party shall copy or disclose to a third party any document or data provided by the other party on a confidential basis (as clearly indicated in writing at the time of the initial disclosure) without the prior written consent of the other party or use them for purposes other than those for which they were provided. Intellectual property rights associated with the Service Work, or any document or data provided by the Contractor in connection therewith shall remain the Contractor's property. The Customer shall defend, indemnify, and hold harmless the Contractor against all claims, losses, and damages, including reasonable attorneys' fees, arising out of, or resulting from any reuse, modification, reproduction or publication of the Contractor's intellectual property documents or data. To the extent there is a conflict between the foregoing provisions regarding confidentiality and intellectual property and any terms or conditions of any software license agreement, the terms and conditions of such software license agreement shall prevail.

3.2 Notwithstanding anything to the contrary, companies belonging to Wärtsilä Group shall have the right to collect data from sensors, instruments, monitors, data collectors, industrial control or SCADA devices located at Customer's sites or on the equipment delivered, or if agreed between the parties through any digital platform managed by the Customer or an authorized third party for storing such data, and use such data, including but not limited, to support and develop its products, solutions and services. Data may be transferred within Wärtsilä Group and to third parties who act for or on its behalf for processing the data. Companies belonging to Wärtsilä Group shall own any enrichment, report or derivative work developed or derived from such data. The rights granted hereunder shall survive any termination or expiration of the Contract.

3.3 Subject to the Customer's compliance with the Contract and these Conditions, the Contractor grants the Customer a non-exclusive license to use any software supplied with the Service Work (“**Software**”) in connection with the normal and proper use of the applicable products. If Software is supplied as part of the Service Work, the term Service Work shall be deemed to include Software whenever used in these Conditions. The Customer may make copies of the Software only where essential for its lawful operation or for necessary back-up purposes. The following terms apply to the Software: (1) Customer shall not copy, modify, create derivative works from, disassemble or otherwise attempt to derive the source code; (2) supply of Software does not include updates, upgrades, maintenance, support or other additional services and any such items shall be subject to separate written agreement and additional cost; (3) the use of the Software may be subject to separate terms of use or third-party software terms as updated from time to time; (4) any onward supply of the Software to the Customer's customers or other end users, shall be subject to the applicable terms of the Contract and these conditions (or substantially equivalent terms). If any cloud-based service is supplied in connection with the Services (“**Cloud Service**”) then the Customer may access the Cloud Service for the duration agreed in the Contract.

4. PERFORMANCE, DELIVERY, ACCEPTANCE

4.1 The Customer shall be deemed to have accepted the Service Work performed by the Contractor and the quality and quantity of any parts delivered as part of the Service Work as being in accordance with the Contract unless the Customer has notified the Contractor of any non-conformity,

shortages, or damage within three (3) days following the last day on which the Service Work was performed. Any date or period for dispatching or completion stipulated or quoted shall be deemed to be an estimate only, and there shall be no express or implied time limit in dispatching or completing any Service Work.

4.2 If the Customer anticipates that the Service Work cannot be commenced or a delivery accepted as agreed in the Contract due to reasons attributable to the Customer, the Customer shall notify the Contractor in writing stating the reason and the time when the Customer anticipates that the Service Work could commence, or the delivery be accepted. The Contractor may by notice require the Customer to set a final reasonable time for when the Service Work should commence, or the delivery be accepted. Any additional costs related to such delay shall be borne by the Customer, including as further described in Clauses 1.6, 1.7 and 9.3.

4.3 All references to trade terms shall be interpreted in accordance with Incoterms® 2020. Any date or period for delivery or completion of services stipulated or quoted by the Contractor shall be deemed to be an estimate only. Packing materials shall not be returned to the Contractor.

4.4 The Contractor has a right to suspend the performance of its obligations under the Contract if it is reasonably clear from the circumstances that the Customer will not be able to perform its obligations as stated in the Contract.

5. COMPENSATION, PAYMENT, AND OWNERSHIP

5.1 If not expressly agreed otherwise in writing, the Contract's price is based on the Service Work performed during normal working hours. Time sheets for each week shall be provided by the Contractor to the Customer and shall be promptly checked and attested by the Customer. The time sheets provided by the Contractor shall be deemed to be evidence of the working hours invoiced by the Contractor. Hourly rates, overtime rates and daily allowances shall be as specified in the Contractor's standard rates then in effect (such rates are subject to change from time to time). The Customer will be charged a daily allowance for each of the Contractor's personnel based on the number of working days from the date of departure of such personnel until their return. Unless otherwise agreed in writing, a normal working week is comprised of forty (40) hours; eight (8) hours per working day, spread over five (5) working days. Local holidays shall be observed. Unless otherwise agreed, any Service Work done outside normal working hours shall be charged to the Customer as overtime. Any waiting and/or stand-by time for which the Contractor is not responsible shall be charged to the Customer as normal working time. Time spent by the Contractor's personnel travelling to and from the Contractor's office, the work site and the Customer-provided lodging shall be for the Customer's account. The daily remuneration and allowances shall be payable during incapacity caused by sickness of or accident to any of the Contractor's personnel if caused by failure of the Customer to maintain safety in the work site environment.

5.2 All travel expenses, plus ten percent (10%) handling cost, incurred in connection with the Contract shall be for the account of the Customer. Travel expenses include: (a) fares for journey by rail, sea, air, car and/or bus; (b) carriage, freight and customs duties as well as insurance due in connection with personal effects, instruments and tools required for the Service Work, including necessary costs for overweight on air freight; and (c) all out-of-pocket expenses incurred by the Contractor for the Service Work ordered by the Customer, such as internet use, facsimile and telephone calls.

5.3 In the event of any illness or accident affecting any of the Contractor's personnel, whether during the performance of Service Work or otherwise, necessitating medical attention or hospital treatment, the Customer shall ensure that the best and appropriate medical facilities and medications are made available to the Contractor's personnel. If it is necessary to repatriate an ill, injured, or deceased member of the Contractor's personnel, the Customer shall assist the Contractor in arranging for such repatriation in the safest and most expedient manner. All costs incurred under this Clause 5.3 shall be borne by the Contractor.

5.4 Unless otherwise agreed, payment shall be made by bank remittance in the currency and to the bank account set forth in the invoice within twenty (20) days following the date of the invoice. Payment shall be made in full without any set off, counterclaim or deduction, all expenses for remitting payments being borne by the Customer. The Customer shall pay interest on overdue payments from the maturity date until the actual date of payment at the rate of one and one quarter percent (1.25%) per month, compounded monthly. The Customer shall pay the Contractor all costs related to the collection of overdue amounts, including reasonable attorneys' fees. In the event any payment is more than thirty (30) days late, the Contractor shall be entitled to suspend or terminate the Contract by written notice to the Customer, and such remedies shall not be exclusive of the Contractor's additional rights under contract or law. Title to any part, material, equipment, supplies, consumables or replacement and any other items furnished, provided, or supplied by the Contractor in performance of the Service Work shall pass to the Customer only when payment in full has been received by the Contractor. The Contractor may as a precondition for the performance of the Service Work, request that the Customer provides the Contractor with security covering any unpaid amount already owed to the Contractor or one of its affiliates.

5.5 Any assistance or work performed by the Contractor outside the scope of Contract shall be charged as extra work in accordance with the Contractor's standard rates then in effect and with these Conditions.

5.6 All prices quoted in the Contractor's offer, order acknowledgement, price lists(s) or invoices are net and exclude taxes, duties, tariffs and similar assessments which are payable in addition as applicable. The Contractor reserves the right to make changes to its price list(s) without prior notice.

6. WARRANTY

6.1 For Service Work where the Contractor is providing Field Service, Underwater Field Service, or Workshop Services, the Contractor shall re-perform, in whole or in part, at its sole discretion, any defective Service Work which appears during the warranty period. If providing Technical Advisory Services, the Contractor shall revise or supplement any erroneous technical advice discovered during the warranty period but provides no warranty or remedy for Physical Work performed by the Customer's Primary Service Technician(s) or warranty as to the general condition of equipment with respect to which the Contractor has provided Technical Advisory Services. Investigation Services do not give rise to any warranty. Service Work does not create a general warranty for the equipment, part or component serviced, and the Contractor's sole warranty obligation is to re-perform any defective Service Work.

6.2 The Customer shall immediately take appropriate steps to prevent any defect from becoming more serious, and to enable the Contractor to perform its warranty obligations under Clause 6.1 in a cost-effective manner either at the original location where the Service Work was performed or at another location acceptable to Contractor.

6.3 All warranty claims shall be made in writing without delay and not later than fourteen (14) days following discovery of such defect during the warranty period. The Customer shall have the responsibility to establish that its claim is covered by this warranty. Parts replaced by the Contractor under warranty shall become the Contractor's property and upon the Contractor's request, be returned at the Contractor's cost. Delivery of repairs or re-performance under this warranty will be made in accordance with the original Contract delivery terms. The Contractor warrants that any Software shall not contain any material non-conformance with the Contractor's technical specification for such software during the warranty period and that the Cloud Service will perform substantially in accordance with the Contract and the Contractor's technical specifications for the duration of the applicable term provided in the Contract.

6.4 The warranty period for the Service Work begins on the date of delivery and ends six (6) months from the last day of performance of the applicable Service Work. The warranty period in respect of Service Work which has been re-performed under the warranty shall expire six (6) months following the last day on which the Service Work was re-performed under the warranty. The re-performed Service Work, and the warranty for re-performed Service Work, shall be subject to the same terms, conditions, and limitations of liability applicable to the originally-performed Service Work. Under no circumstances shall the warranty period of any Service Work (whether original or re-performed) extend beyond the date that is twelve (12) months following the date of commencement of the original warranty period as stipulated above in the first sentence of this Clause.

6.5 The Contractor shall not be liable for, and the warranty of this Clause does not apply to any defect due to or arising in connection with: (1) any Physical Work performed by Primary Service Technicians provided by the Customer; (2) any materials, components, tools, designs or software provided by the Customer; (3) negligence or wilful misconduct of the Customer or third parties; (4) parts, accessories or attachments other than those supplied by the Contractor in the course of performance of the Service Work; (5) improper service work, installation or alterations carried out by the Customer; (6) normal wear and tear; (7) use of unsuitable material or consumables by the Customer; (8) fluctuation in the grid; (9) any use, service or operation of any equipment, parts or components upon which Service Work was performed which is not in conformity with manuals, instructions or specifications provided by the Contractor or which is otherwise not in accordance with normal industry practice; or (10) any non-conformities, defects (including latent defects), damage, vulnerabilities, or problems with the Customer's equipment or parts which predate the Service Work, even where the Service Work specifically includes Investigative Services intended to identify such pre-existing conditions or Workshop Services to re-condition a part. The Contractor's warranty obligation does not include any craneage, electricity, scaffolding, docking, towage costs, demounting or mounting costs, additional costs and expenses incurred by Contractor as a result of Customer's request to re-perform the Service Work at a location different than the original location, and expenses of the Contractor's personnel or representatives, taxes, and duties, and all such costs and expenses shall be reimbursed by the Customer to the Contractor when applicable. The Contractor's warranty obligation also does not include diving or sub-sea work, except if the Contractor originally provided Underwater Services. If, after the Contractor's warranty investigation, the Contractor (at its sole discretion) concludes that the Customer does not have a warranty claim within the scope of these Conditions, then the Customer shall be responsible for all applicable costs and expenses incurred by the Contractor in investigating or responding to the warranty claim.

6.6 THIS CLAUSE 6 SETS FORTH THE ONLY WARRANTY APPLICABLE TO THE SERVICE WORK AND IS IN LIEU OF ANY OTHER WARRANTIES, GUARANTEES, OBLIGATIONS AND LIABILITIES EXPRESS OR IMPLIED INCLUDING WARRANTIES, GUARANTEES, OBLIGATIONS OR LIABILITIES AGAINST NON-CONFORMITY OR DEFECTS. THE CUSTOMER HEREBY WAIVES ALL OTHER REMEDIES, WARRANTIES, GUARANTEES AND LIABILITIES, EXPRESS OR IMPLIED, ARISING BY LAW OR OTHERWISE (INCLUDING WITHOUT LIMITATION FITNESS FOR PURPOSE, MERCHANTABILITY OR SATISFACTORY QUALITY) WITH RESPECT TO ANY NON-CONFORMITY, DEFECT, ERROR, OR OMISSION ASSOCIATED WITH THE SERVICE WORK. THE CUSTOMER ACCEPTS THE SOFTWARE AND CLOUD SERVICE "AS IS" AND AS AVAILABLE. THE CONTRACTOR DOES NOT GUARANTEE THAT THE SOFTWARE OR CLOUD SERVICE WILL BE ERROR-FREE, VIRUS-FREE,

UNINTERRUPTED OR FREE FROM VULNERABILITIES, OR THAT THE CONTRACTOR WILL CORRECT ALL ERRORS. THE CUSTOMER ACKNOWLEDGES THAT THE CONTRACTOR DOES NOT CONTROL THE TRANSFER OF DATA OVER COMMUNICATIONS FACILITIES, INCLUDING THE INTERNET, AND THAT THE CLOUD SERVICE MAY BE SUBJECT TO LIMITATIONS, DELAYS AND OTHER PROBLEMS INHERENT IN THE USE OF SUCH COMMUNICATIONS FACILITIES. THE CONTRACTOR IS NOT RESPONSIBLE FOR ANY DOWNTIME OR OTHER PROBLEMS IN THE CUSTOMER'S OR ANY OTHER THIRD PARTY'S SYSTEMS. THE CONTRACTOR IS NOT LIABLE FOR DELAYS, DELIVERY FAILURES OR OTHER DAMAGE RESULTING FROM SUCH PROBLEMS.

7. CONTRACTOR'S LIABILITY

7.1 IN NO EVENT, WHETHER AS A RESULT OF BREACH OF CONTRACT, BREACH OF WARRANTY, TORT LIABILITY (INCLUDING NEGLIGENCE OR STRICT LIABILITY), OR OTHERWISE, SHALL THE CONTRACTOR BE LIABLE FOR ANY INDIRECT, CONTINGENT, SPECIAL, CONSEQUENTIAL OR INCIDENTAL DAMAGES, HOWEVER CAUSED OR ARISING (WHETHER ACTUAL OR ANTICIPATED) NOR FOR LOSSES OR DAMAGES (WHETHER ACTUAL OR ANTICIPATED) CAUSED BY REASON OF UNAVAILABILITY OF THE EQUIPMENT OR THE FACILITY, SHUTDOWNS OR SERVICE INTERRUPTIONS, LOSS OF USE, LOSS OF PROFITS OR REVENUE, LOSS OF SAVINGS, LOSS OF REPUTATION, INVENTORY OR USE CHARGES, COST OF PURCHASED OR REPLACEMENT POWER, INTEREST CHARGES OR COST OF CAPITAL, ANY CLAIMS OF THE CUSTOMER'S CUSTOMERS, PUNITIVE OR EXEMPLARY DAMAGES, THE COST OF SUBSTITUTED EQUIPMENT, SPARE PARTS OR SERVICES OR REPLACEMENT, REMOVAL OR REINSTALLATION SERVICE WORK NOT ARISING FROM THE WARRANTY PROVIDED HEREIN, TOWAGE CHARGES, POLLUTION REMEDIATION COSTS, COSTS OF DOCKING, DIVING OR SUB-SEA WORK, DAMAGE TO ANY VESSEL, ENGINE ROOM OR POWER PLANT SITE, YARD OR OTHER PROPERTY (INCLUDING DAMAGE TO GOODS OWNED BY THE CUSTOMER), DAMAGE TO ANY EQUIPMENT OR PROPERTY OTHER THAN THE EQUIPMENT, COMPONENTS OR PARTS ON WHICH SERVICE WORK WAS DIRECTLY PERFORMED HEREUNDER, COSTS FOR ANY ADDITIONAL TESTS, SEA TRIALS, DEBRIS REMOVAL OR FOR LOSS OF TIME OR USE OF ANY EQUIPMENT, INSTALLATION SYSTEM, OPERATION OR SERVICE, LOSS OR CORRUPTION OF DATA.

7.2 NOTWITHSTANDING ANY OTHER PROVISION OF THE CONTRACT, IN NO EVENT SHALL THE CONTRACTOR'S AGGREGATE LIABILITY TO THE CUSTOMER UNDER THIS CONTRACT, WHETHER IN CONTRACT, TORT (INCLUDING NEGLIGENCE OR STRICT LIABILITY) OR ANY OTHER LEGAL THEORY OR EQUITY, EXCEED THIRTY PERCENT (30%) OF THE CONTRACT PRICE.

7.3 The Contractor shall not be liable for any work carried out by the Customer, the Customer's Primary Service Technician(s), or by any third party, even though carried out under the direction or supervision of, with assistance from, or vetted by the Contractor's personnel or Technical Advisor(s). The Customer shall bear the risk of loss of its equipment and other goods in connection with the Service Work, even if such equipment or goods are in facilities used by the Contractor.

7.4 The Contractor shall not be liable for any harm, injury or damages due to or arising in connection with: (1) limited, inaccurate, or insufficient visibility, information or situational awareness where the Service Work is performed remotely; (2) software provided by the Customer; (2) monitoring, digital and/or cybersecurity-related systems other than those provided by the Contractor; or (3) improper service work, installation or alterations carried out by the Customer on any monitoring, digital and/or cybersecurity-related systems. Improper service work includes any act or omission which contradicts the recommendations regarding maintenance, configuration or operation issued by the supplier or manufacturer of the system resulting in detrimental reliability or increased possibility of failure.

8. INSURANCE

Each of the Contractor, the Customer, and any subcontractor of the Customer providing Primary Service Technician(s) to the Customer, shall at its own cost provide for and maintain comprehensive insurance coverage to protect its own property and personnel and cover its general liability.

Each party shall obtain a waiver of all rights of recourse and subrogation against the other party from its insurers as well as indemnify and hold the other party harmless for all claims of or by either of the parties' insurers.

9. FORCE MAJEURE AND OTHER EXCUSABLE DELAYS

9.1 Neither the Contractor nor the Customer shall be liable for any failure or delay in performing its obligations hereunder, or for any loss or damage resulting therefrom, caused by, or arising from an event of force majeure ("Force Majeure"). Force Majeure means any events or circumstances (whether foreseen or unforeseen) which are beyond the reasonable control of the party affected, and includes without limitation acts of God, wars whether declared or not, any events involving armaments of war, civil wars and riots, hostilities, public disorder, acts of terrorism and severe threat of terrorism, cyber incidents, any measures taken by public authorities in connection with threat of terrorism, embargos and import or export restrictions, acts of civil or military authorities, any lawful or unlawful restrictions and actions of any public authority or government, sanctions, boycotts, fire, flood, accidents, strikes, failure of a subcontractor or sub-supplier of the Contractor to provide manpower, materials or goods caused by an event that qualifies under this Clause 9.1, shortage of transportation, the imposition of transport restrictions

or customs clearance problems, epidemics, unusually severe weather affecting either party, or causes beyond their control.

9.2 Once a party is aware that its performance under the Contract is affected by Force Majeure, the affected party shall, without undue delay, give written notice to the other party briefly setting out relevant details of the delay.

9.3 If the Service Work cannot be commenced as agreed or is interrupted due to reasons of Force Majeure or for other reasons not attributable to the Contractor, the costs for maintaining personnel at or near the work site (including, without limitation, wages and lodging) will be borne by the Customer. If the interruption continues for more than one week, the Contractor may, at its own discretion, withdraw such personnel to their home location or another reasonable location. All expenses in relation to such withdrawal and/or subsequent return shall be borne by the Customer. All reasonable additional costs incurred by the Contractor because of the suspension and any subsequent resumption or completion of the Service Work shall be reimbursed by the Customer.

9.4 If the period of suspension exceeds two (2) months, either party may terminate the Contract by three (3) days' notice in writing to the other party without prejudice to the rights of either party up to the date of termination. Any termination because of Force Majeure shall not affect a party's right to receive payment in respect of all costs incurred, as at the date of the termination notice, in pursuit of its obligations.

10. SECURITY AGREEMENT

To the extent permitted by law, the Customer hereby grants to the Contractor a lien on and a continuing security interest, and when applicable a maritime lien for necessities, in and to all equipment, parts and components upon which the Service Work is performed and all products and proceeds derived from the sale or lease thereof as security for the payment in full of such Service Work. The Customer hereby waives all claims, defences, and causes of action that the Customer may have in connection with the exercise of any such lien rights by the Contractor.

11. THE CUSTOMER'S ADDITIONAL PERFORMANCE OBLIGATIONS

The Customer shall comply with all laws, rules, and regulations applicable to the performance of the Service Work. The Customer shall provide or secure for the Contractor, at no cost, all the following facilities, rights and services which must be in English or another language acceptable to the Contractor's personnel, and of sufficient type, quality and/or quantity for the Contractor's performance of the Service Work, unless otherwise agreed to in writing by the parties:

11.1 Ancillary manpower equipped with appropriate tools (such as drills and hand lamps), heavy duty hoisting and transport facilities along with the necessary fuel, lubricants, water, electricity, compressed air and cleaning facilities for the Contractor's performance of the Service Work;

11.2 Heated and/or air-conditioned facilities with available drinking water for the Contractor's personnel near the work site as follows:

- (a) service storage sheds with locks, equipped with shelves and bins for tools, equipment and supplies of the Contractor's personnel;
- (b) changing rooms, provided with locks, toilet and washing facilities for the use of the Contractor's personnel; and
- (c) furnished offices with locks, equipped with telephones, facsimile, internet, and other communication requirements of the Contractor's personnel.

11.3 Heated and/or air-conditioned boarding and lodging facilities for the Contractor's personnel that must:

- (a) be safe, secure, clean, and free of health risks;
- (b) have a satisfactory level of comfort and privacy, allowing for a good rest;
- (c) have a toilet and shower, with privacy, located near the cabin or the lodging facility;
- (d) have freedom to access leisure or social activities after work;
- (e) have access to internet;
- (f) lodge a maximum of 2 persons per cabin or room, without "Hot bedding", and clean laundry provided at regular intervals; and
- (g) have choice of hot meal.

11.4 Assistance requested by the Contractor with the customs formalities required for the import and export of the Customer's parts and the Contractor's equipment and tools, free of all duties and taxes.

11.5 Assistance to ensure that the Contractor's personnel obtain visas and any other official entry, exit, residence, working, or activity-specific permits (e.g. diving permits) that may be required by the authorities or commercial entities controlling the work site, including to secure free ingress to and egress from the work site and freedom to carry out the Service Work.

11.6 Information concerning: (i) the local laws and regulations applicable to the Service Work; (ii) any dangerous conditions or unusual risks that may be encountered in the Customer's country, at the work site or in the use of any equipment or tools provided by the Customer; and any information about specific conditions, including weather and ocean conditions, at the work site that the Contractor may reasonably request.

11.7 Additional safety or accommodation measures reasonably requested by the Contractor, as may be specified in bulletins or minimum work site safety and accommodation requirements for its personnel published by the Contractor from time to time.

11.8 Any reasonable assistance from the Customer's employees and subcontractors as needed for the Contractor to perform its Service Work.

11.9 The right to access the location where the Service Work will be performed, including securing such right from third parties if the premises are owned or controlled by a third party (such as a shipyard), without the need for

the Contractor to undertake any additional obligations or liabilities beyond this Contract as a precondition to access.

11.10 In the event the Customer is unable or unwilling to provide a facility, right or service specified in this Clause 11, the Contractor may, at its option, terminate or suspend the Contract without liability to the Customer, or itself secure such facility or service at the expense of the Customer.

12. ENVIRONMENTAL, HEALTH AND SAFETY RESPONSIBILITIES

12.1 The Customer shall adhere to the Contractor's then-current Safety and Well-Being Pledge, which is available at <https://www.wartsila.com/general-terms-conditions>. The Contractor may support with any remediations needed to bring the Customer into compliance with the Safety and Well-Being Pledge as additional Service Work, and the Customer shall pay for such additional Service Work that it requests the Contractor to perform.

12.2 If, in the Contractor's reasonable opinion, the health, safety, welfare or security of personnel or the work site is, or is apt to be, imperilled by security risks, terrorist acts or threats, the presence of or threat of exposure to hazardous materials or unsafe working conditions or environment (whether or not specific to the site), the Contractor and its representatives have the same responsibility and authority as the Customer to stop the Service Work. The Contractor may, in addition to other rights or remedies available to it, (i) evacuate some or all its personnel from the work site, (ii) suspend performance of all or any part of the Contract, and/or (iii) remotely perform or supervise the Service Work. Any such occurrence shall be considered an excusable event without any liability to the Contractor. The Customer shall reasonably assist in any such evacuation. All reasonable additional costs incurred by the Contractor because of the suspension and any subsequent resumption or completion of the Service Work shall be reimbursed by the Customer.

12.3 Operation of the Customer's equipment is the responsibility of the Customer. The Customer shall ensure sufficient safety measures and procedures are followed, when implementing the Contractor's instructions or advice.

12.4 The Contractor has no responsibility or liability for the pre-existing condition of the Customer's equipment or the work site.

12.5 The Customer shall disclose to the Contractor industrial hygiene and environmental monitoring data regarding conditions that may affect the Contractor's work or personnel at the work site. The Customer shall immediately inform the Contractor of changes in any such conditions.

12.6 The Customer represents and warrants to the Contractor and agrees to ensure that the work site, surrounding environment, all equipment provided or otherwise made available to the Contractor's representative in connection with the Service Work rendered in connection with this Contract and all products and equipment serviced or otherwise worked on by the Contractor's representatives in connection with this Contract, shall at all times be safe, suitable and sufficient for the designated tasks, free of Hazardous Materials and/or contaminated substances, risks of infectious disease or outbreak of illness, elements or waste of any kind that are restricted by applicable laws or regulations and hazardous to the health or safety of the Contractor's representatives. If the Customer is in breach of any such representation, warranty or covenant, the Contractor may immediately cease performance under this Contract and the Customer shall be liable for the full amount of the fees due under this Contract for all services provided through the date of such termination.

12.7 The Contractor shall notify the Customer if the Contractor becomes aware of: (i) conditions at the work site differing materially from those disclosed by the Customer; or (ii) previously unknown physical conditions at work site differing materially from those ordinarily encountered and generally recognized as inherent in Service Work of the character provided for in the Contract; (iii) changes in conditions, such as metocean or meteorological conditions, that would render it unsafe to continue the Service Work; or (iv) the work assignment extending beyond the acceptable daily limit (as detailed in the Safety and Well-Being Pledge) or the applicable legal limit of work hours, whichever is shorter, in a single work shift. If any such conditions cause an increase in the Contractor's cost of, or the time required for, performance of any part of the Service Work under the Contract, an equitable adjustment in price and schedule and the Contractor's rest cycle shall be made.

12.8 If the Contractor encounters Hazardous Materials in the Customer's equipment or at the work site that require special handling or disposal, the Contractor is not obligated to continue Service Work affected by the hazardous conditions. In such an event, the Customer shall eliminate the hazardous conditions in accordance with applicable laws and regulations so that the Contractor's Service Work under the Contract may safely proceed, and the Contractor shall be entitled to an equitable adjustment of the price and schedule to compensate for any increase in the Contractor's cost of, or time required for, performance of any part of the Service Work. The Customer shall properly store, transport, and dispose of all Hazardous Materials introduced, produced, or generated during the Contractor's Service Work at the work site. The Customer shall be responsible for all costs and expenses related to the management, handling, clean-up, removal and/or disposal of all Hazardous Materials and/or contaminated substances, elements or waste of any kind as defined by applicable laws and regulations or applicable to the Service Work supplied.

12.9 The Customer shall indemnify the Contractor for any and all claims, damages, losses, fines, penalties and expenses arising out of or relating to any unsafe working conditions, hazardous conditions, Hazardous Materials and/or contaminated substances, elements or waste of any kind that are restricted by applicable laws or regulations which are or were: (i) present in or about the Customer's equipment or the work site prior to the commencement

of the Contractor's Service Work; (ii) improperly handled or disposed of by the Customer or the Customer's employees, agents, contractors or subcontractors; or (iii) brought, generated, produced or released on the work site by parties other than the Contractor.

13. PARTS NOT SUPPLIED BY WARTSILA

13.1 The Contractor may inspect the Customer equipment and parts before or during the performance of the Service Work to identify the presence of parts other than those supplied by the Contractor.

13.2 If parts other than those supplied by the Contractor are discovered during the inspection or in the course of performing the Service Work, the Contractor may: (i) immediately cease all work on or using the affected equipment and/or part(s); (ii) require the Customer to provide clear and sufficient evidence that the parts were manufactured in accordance with industry-standard quality assurance processes (e.g. ISO 9001:2015 certification) and, if applicable, comply with emission regulations such as the NOx emission standards under Marpol Annex VI Regulation 13; and/or (iii) with no liability to the Contractor, terminate the Contract or suspend the Contract until such parts are replaced with Wärtsilä parts.

13.3 If the Customer fails to provide the evidence described in Section 13.2(ii) the Contractor may, without liability: (i) refuse to perform any further work on or using the affected equipment and/or parts, and (ii) suspend or terminate the Contract.

13.4 The Customer agrees to fully cooperate with the Contractor in identifying the parts other than those supplied by the Contractor, as well as their origin.

14. CYBERSECURITY PROTECTION

14.1 Unless otherwise agreed, upon delivery of any equipment provided by the Contractor, the Customer shall be solely responsible for system integrations and/or system security engineering for any equipment not provided by the Contractor. It is the Customer's sole responsibility to protect the equipment and its logic-bearing system components (e.g. hardware, firmware, and software hereinafter referred to as the "Critical Components") from any External Cybersecurity Threat or Internal Cybersecurity Threat, including against hardware and software vulnerabilities. In recognition of the foregoing, the Customer agrees and covenants that it shall use the degree of care appropriate to prevent unauthorized access, use, or hacking of the Critical Components provided in connection with any equipment provided by the Contractor and shall do so in a manner that is no less rigorous than any recommendations provided by the Contractor and accepted industry practices. The Contractor is not liable for cyber incidents or breaches, any unauthorized access, interference, intrusion, leakage and/or theft of data or information within the Customer's Information Technology (IT) or Operational Technology (OT) systems. If either party becomes aware of any IT or OT security breach or cyber incident that impacts either party's ability to perform its duties relevant to the scope of work under the Contract, that party shall notify the other party without undue delay.

14.2 "External Cybersecurity Threat" is any threat, act, attack, or other incident which negatively affects the reliable workings of any equipment provided by the Contractor, which originated outside of the physical site housing such equipment.

14.3 "Internal Cybersecurity Threat" is any threat, act, attack, or other incident which negatively affects the reliable workings of any equipment provided by the Contractor, which originated inside of the physical site housing such equipment.

15. DUTIES, TAXES AND FEES

Notwithstanding anything to the contrary, the Customer shall pay all duties, tariffs, withholding and other taxes, customs fees and charges and all charges and fees by a classification or inspection society (collectively, "Taxes, Duties & Fees"). Moreover, notwithstanding the delivery terms, any increases in Taxes, Duties & Fees that occur after the date the Contractor's offer shall be paid by the Customer. All such documentation or approvals which are required by applicable laws, and any applicable modifications of such laws, shall be the responsibility of and paid by the Customer.

16. EXPORT CONTROLS AND TRADE SANCTIONS

16.1 The parties agree that the Service Work shall be provided subject to all applicable export controls, sanctions or restrictions imposed on services and goods by any country or organization or nation which are enforceable in the jurisdiction of the Contractor, its affiliates or parent company, including the Contractor's country, the United Nations, the European Union, and the United States of America. The Customer acknowledges that the Service Work, any parts, or components, and all related technical information, documents and materials may not be imported or exported, re-exported, transhipped, traded, diverted, or transferred, directly or indirectly, contrary to such controls, sanctions, or restrictions. The Customer shall comply with the sanctions detailed in the Wärtsilä Supplemental Export Control and Sanctions Annex available at <https://www.wartsila.com/general-terms-conditions>, and warrants not to place the Contractor in a situation where it would be violating such sanctions.

16.2 Upon request by the Contractor, the Customer shall furnish the Contractor with all the relevant certificates relating to export control laws, regulations, sanctions, and restrictions.

16.3 The Contractor has no liability resulting from any delay, cancellation or amendment of the Service Work resulting from export controls, sanctions, or other applicable restrictive measures.

17. GOVERNING LAW AND DISPUTE RESOLUTION

17.1 The Contract shall be governed by and interpreted in accordance with the laws in force at the registered office of the Contractor, excluding the conflict of law rules applicable in such jurisdiction. Any controversy, claim or dispute between the parties hereto shall be submitted to the International Court of Arbitration of the International Chamber of Commerce for final and binding arbitration in accordance with the Rules of Arbitration of the International Chamber of Commerce by three (3) arbitrators appointed in accordance with the said Rules. The arbitration proceedings shall be in the English language and shall take place in Paris, France.

17.2 Nothing contained in this Clause 17 shall preclude the Contractor from bringing legal action or proceeding against the Customer for purposes of enforcement, injunctive relief or interim or remedial measures in the courts of any jurisdiction where the Customer or any of its property or assets may be found or located, and the Customer hereby irrevocably submits to the jurisdiction of any such court.

17.3 Any and all claims by the Customer for an alleged negligent act, error, or omission by the Contractor in relation with these Conditions or the Service Work shall be presented by Customer to the Contractor in writing, immediately upon discovery by the Customer or as soon as is reasonably practicable and in no event later than fourteen (14) Days thereafter. The liability of the Contractor shall in all cases expire twelve (12) Months after completion of Service Work or termination of the Conditions, whichever occurs earlier.

18. DATA PROTECTION

The Contractor's personal data processing activities are set out in the Contractor's Privacy Notice which is available at: <https://www.wartsila.com/legal-privacy/privacy> and incorporated herein by reference. The parties agree that in relation to any personal data shared between them, unless otherwise provided in the General Data Protection Regulation (EU 2016/679) ("GDPR"), or agreed between the parties, both are acting as data controllers as described in GDPR.

19. ENTIRE AGREEMENT

These Conditions, along with any additional terms, annexes or addendums referenced in these Conditions, referenced in the Contractor's offer or order acknowledgement, or mutually agreed in the Contract contain the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and supersede all prior agreements and understandings relating to such subject matter. The sale of any parts purchased from the Contractor by the Customer shall be in accordance with the Contractor's General Terms and Conditions – Parts (latest version then in effect). If a provision of these Conditions is at variance with necessary requirements of applicable law, then these Conditions shall be deemed to be amended to the minimum extent necessary to comply with such applicable law. No terms, conditions, representations, warranties, or covenants contained in any correspondence, catalogue, or in any other form shall be applicable unless incorporated herein by express written agreement of the parties hereto.



ATTACHMENT B1

COST SUMMARY

The following is a breakdown of contractor and GPA costs based on the Wartsila proposal on Attachment A and the conditions noted within this proposal offer.

	DG1 and DG3 Generator Servicing	
<i>Description</i>		
<i>Generator 1 and 3 Level 4 Inspection</i>	\$	390,000.00
<i>Supervision of Generator 3 Installation on Generator 2</i>	\$	60,000.00
<i>Travel related costs included</i>	\$	-
<i>Shipping costs to GIAA included only</i>	\$	-
<i>Total</i>	USD	450,000.00
<i>GRT</i>	USD	23,683.50
<i>GPA labor charge</i>	USD	50,000.00
<i>Total</i>	USD	523,683.5000
<i>10% Contingency</i>	USD	576,051.85
TOTAL JPMC TO GPA REIMBURSEMENT	USD	576,051.85



RESOLUTION NO. FY2024 - 30

**RELATIVE TO APPROVAL OF THE REPAIR AND OVERHAUL
OF THE NAVY-OWNED OROTE POWERPLANT**

WHEREAS, Guam Power Authority (GPA) and Commander, Joint Region Marianas (CJRM), renewed the Inter-Governmental Support Agreement (IGSA) for another 10- year period in June 2023 for the purpose of providing each other with mutual assistance of electrical power goods and support services; and

WHEREAS, CJRM has requested GPA to assist with the repair and overhaul services for the Orote Power Plant located on Naval Base Guam (NBG); and

WHEREAS, the Orote Power Plant consists of three 6.8MW Wartsila diesel engines; and

WHEREAS, the diesel engines were recently assessed by Wartsila and Navy has justified use of the original equipment manufacturer (OEM) to provide the repair and overhaul services; and

WHEREAS, GPA requests for approval of up to \$3M based on an initial estimate for all work related to the Orote Power Plant which is a reimbursable cost to GPA under the IGSA from Navy that will not produce an increased revenue requirement and as such notice shall be provided to the Guam Public Utilities Commission under its contract review protocol; and

WHEREAS, presently two diesel engines at the Orote Power Plant are operational and have provided support to the Island Wide Power System during GPA generation capacity shortfalls and is a critical capacity reserve resource until the Ukudu Power Plant is commissioned in September 2025; and

WHEREAS, Navy has requested to expedite this service to ensure power supply to the Naval Base Guam at all times especially after typhoons.

NOW, THEREFORE, BE IT RESOLVED, by the Consolidated Commission on Utilities, as follows:


- 1 1. GPA is approved to contract Wartsila, to provide repair and overhaul services on the
2 Orote Power Plant which shall be reimbursed by Navy under the IGSA.
3 2. GPA shall notify the PUC of the contract as required by the contract review protocol.
4

5 **RESOLVED**, that the Chairman certifies and the Board Secretary attests to the adoption
6 of this Resolution.

7 **DULY AND REGULARLY ADOPTED AND APPROVED THIS 27TH DAY OF**
8 **August, 2024.**

9 Certified by:

Attested by:

10 
11


12

12 **JOSEPH T. DUENAS**

PEDRO ROY MARTINEZ

13 Chairperson

Secretary

14 Consolidated Commission on Utilities

Consolidated Commission on Utilities

15
16 **I, Pedro Roy Martinez**, Secretary for the Consolidated Commission on Utilities (CCU), as
17 evidenced by my signature above do certify as follows:

18 The foregoing is a full, true, and accurate copy of the resolution duly adopted at a regular
19 meeting of the members of Guam Consolidated Commission on Utilities, duly and legally held
20 at a place properly noticed and advertised at which meeting a quorum was present and the
21 members who were present voted as follows:

22
23 Ayes:

4

24 Nays:

0

25 Absent:

1

26 Abstain:

0

27 ///



MEMORANDUM FOR RECORD

Subj: AGREEMENT FOR THE INSPECTION AND REPAIR/OVERHAUL OF OROTE POWER PLANT GENERATORS, BLDG 307, NAVAL BASE GUAM BY THE GUAM POWER AUTHORITY

Ref: Intergovernmental Support Agreement (IGSA) for Electrical Power Goods and Support Services N61128-20230608-12554, 9 June 2023

Encl: (1) Guam Power Authority Orote Power Plant Repair/Overhaul Proposal for Additional Services for Orote Generators, 17 December 2025

(2)Guam Consolidated Commission on Utilities Resolution No. FY2024-30 Relative to the Approval of the Repair and Overhaul of the Navy-Owned Orote Power Plant. Please note that Res. No. 2026-08 Relative to the Increase on the Repair and Overhaul of the Navy-Owned Orote Power Plant, will be heard on 22 January 2026.

1. Purpose. The purpose of this memorandum is to document Guam Power Authority's (GPA's) agreement to repair and overhaul the Navy-owned Orote Power Plant generators located at Naval Base Guam (NBG) Apra Harbor. The Navy requested and GPA will provide these support services under the IGSA for Electrical Power Goods and Support Services N61128-20230608-12554.
2. Scope. Activities will be consistent with Encl (1) Generator cleaning and servicing for DG1 and DG3 and Generator repair services for DG2 offsite.
3. Funding. This memorandum documents the obligation of funds, not to exceed \$2,000,000.00, by Commander, Joint Region Marianas (CJRM) for payment to GPA, in accordance with 31 USC § 1501. Following obligation of funds for payment, CJRM will provide full payment in advance in accordance with IGSA article 17.



12/17/2025

John M. Benavente, P.E.
General Manager
Guam Power Authority

Date

A.W. Eichelman, P.E.
Captain, U.S. Navy
By direction of the Commander
Joint Region Marianas

Date



GUAM POWER AUTHORITY

ATURIDÅT ILEKTRESEDÅT GUÅHAN
P.O.BOX 2977 • HAGÅTÑA, GUAM U.S.A. 96932-2977

GM2546

December 17, 2025

Mr. Allen Eichelman, P.E.
Captain, Civil Engineer Corps, U.S. Navy
Regional Engineer
Joint Region Marianas

Via Ms. Maurn McDonald, P.E., maurn.q.mcdonald.civ@us.navy.mil

**Subject: GPA Response for Support Services re. DG2, Orote Power Plant
Project 2**

Dear Captain Eichelman:

This letter is in response to your December 10, 2025 request for support services for the Orote Power Plant, specifically addressing the Orote DG2 Generator (Project 2). A separate letter will address the support services for the Orote DG1 and DG3 Generators (Project 1). These support services are provided by GPA through the Intergovernmental Support Agreement (IGSA) N61128-20230608-12554.

Upon your request GPA has had several discussions with NAVFAC Marianas Utilities Management and with the contractor, Wartsila, the original equipment manufacturer (OEM) of the Orote engine, to clarify scope of work (SOW) and cost proposals. Based on these discussions, the services on the Orote generators were split into two (2) separate projects due to funding availability, hereinafter referred to as Project 1 and Project 2.

As to Project 2, GPA provides the scope of work and service cost below for your consideration and approval.

Scope of Work

Part 2, Offsite Repair of Generator 2, including all parts, major shipping costs, labor services, travel fees, and U.S. visa fees, GPA added labor, and a 10% contingency. Shipping costs from GIAA to NBG are not included and intended to be paid with the contingency funds.

Cost Proposal

A cost summary is provided in the table below. The OEM contractor's proposal is provided as Attachment A.

Table 1: Project 2 - Cost Summary, Orote Power Plant, FY25-FY26

Item	USD (\$)	Comments
Part 2, Offsite Repair of Generator 2 (DG2)	\$ 1,450,000.00	1. Offsite repair of Generator 2 (DG2) 2. Standard parts included only. Any additional specialty parts will be quoted and requested as additional costs.
GPA Labor Charge (December – Feb)	\$ 150,000.00	
Estimated GRT	\$ 76,313.50	
10% Contingency	\$ 157,631.35	
TOTAL REIMBURSEMENT	\$ 1,843,944.85	<i>Due to GPA from JRM</i>

It is important to note that OEM Wartsila does not guarantee nameplate data/design standards for these units. Wartsila specifically makes the following disclaimer:

“Please note that the engine units may not meet the original design standards or nameplate data. Various factors, such as wear, aging, operational stress, or prior maintenance, may affect performance. Following inspection and assessment, we will provide a detailed report explaining any de-ratings of the units, if applicable.”

Under GPA’s procurement protocol with the Consolidated Commission on Utilities (CCU) and the Public Utilities Commission (PUC), these services are to be reimbursable with no potential rate impacts. Due to contractor requirements for part order mobilization fees and associated costs GPA will require Navy to provide upfront payments for these as indicated in the proposal attached.

We appreciate our ongoing partnership, notably Navy’s trust in GPA to assist the Navy to restore capacity and reliability of the Orote Power Plant.

Please contact me with any questions or concerns regarding this project.

Very Truly Yours,



12/17/2025

for John. M. Benavente, P.E.
General Manager

Enclosure: Attachment A

//

ATTACHMENT A

Attachment A- GPA Scope of Work for Project 2
Attachment A2- Wartsila Quote for Project 2
Attachment B2- Cost estimate for Project 2



**GUAM POWER AUTHORITY
OROTE POWER PLANT PROPOSAL
PART 2: THE REPAIR
OF GENERATOR 2 OFFSITE**

DECEMBER 17, 2025

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ATTACHMENTS

Attachment A2 -Wartsila Proposal for DG2 repair offsite
Attachment B2 - Cost Summary for both projects

1. Overview

This document summarizes the proposed scope of work, cost and schedule for the additional services for the Part 2 of the Additional Services for the Orote Overhaul: Repair of Generator 2 Offsite. GPA has negotiated with the engine OEM, Wartsila, to perform the additional services. All contractor costs and GPA costs for contracting and project management for this Orote overhaul scope shall be reimbursable under the Intergovernmental Support Agreement (IGSA) N61128-20230608-12554 with Navy effective June 9, 2023.

2. Proposal Scope of Work

2.1 Contractor (Wartsila Philippines Inc.)

The original scope of work from Wartsila, shall be to complete the overhaul of two Wartsila engines at the Orote Power Plant and to begin the third engine in fiscal year 2025.

At this time, the overhaul of Unit 2 has been completed and Unit 1 is nearly complete. However, Unit 2 generator has burned and now requires generator services offsite to repair.

To prevent the same major damage from occurring on Units 1 and 3, Wartsila recommends the cleaning and servicing of the generators onsite. This is the Part 1 of the additional services for the Orote overhaul.

Part 2 of the additional services will be the Repair of Generator 2 Offsite.

Please note that the Unit 3 Overhaul is scheduled to commence at the end of December thru January as part of the original scope of work.

Attachment A2 is proposal from the Wartsila, Philippines branch for Part 2: The Repair of Generator 2 Off-site. This Scope excludes any specialty parts. Any additional work shall be discussed with Navy and approved in writing before commencing. All terms and conditions of this proposal are to be transferred to Navy.

2.2 Guam Power Authority (GPA)

GPA shall continue to provide contract management and project management of the contractor Wartsila for any coordination prior to and during onsite activities.

3. Deliverable

Wartsila will provide a complete service work report after completion of the service attendance based on the tasks outlined in **Attachment A2**. This report will include all measurements taken during the service and recommendations.

Please note that the engine units may not meet the original design standards or nameplate data. Various factors, such as wear, aging, operational stress or prior maintenance may affect performance.

Following inspection and assessment, Wartsila will provide a detailed report explaining any deratings of the units, if applicable.

4. Costs

4.1 Contractor Proposal Costs

The Wartsila proposal provided in **Attachment A2** excludes local taxes which are required for Guam Business License holders. This has been included as additional administration costs to the amount shown in Section 4.2 GPA Cost. Additional costs such as shipment from Guam International Airport (GIAA) to Naval Base Guam (NBG) and other potential costs are also applied below as estimates and will be billed at cost plus administrative costs including local tax.

No.	Description	Cost	Schedule
1	Wartsila Engine OH Proposal including shipping and travel related costs ¹	\$ 1,450,000.00	30-weeks: 30 days of on-site work and 25-weeks offsite work. ~7.5months

The Wartsila proposal is based on labor resources from Philippines and/or Indonesia as noted in its proposal. A referenced currency conversion rate is provided and is basis for contract pricing. Cost adjustments may be required due to changes in the conversion rate or Visa or base access denials requiring resources outside of Philippines or Indonesia. This potential issue is considered under the contingency amount along with cost true up of estimates for costs not available at this time. The contingency amount will also be used for any additional scope.

For parts and equipment Wartsila has clarified DAP (Delivery at Place) terms are for Wartsila to ship items to Guam airport. GPA will assist in releasing items from customs and Wartsila will arrange transportation of shipment from Guam airport to Naval Base Guam, however as stated, those costs from GIAA to NBG have not been included and will be charged to Navy.

4.2 GPA Cost

Provided below is an estimate for GPA labor and vehicle use for contract management and project management prior and during the onsite activities

No	Total Quoted amount from Wartsila	USD 1,450,000.00
1	GRT	USD 76,313.50
2	GPA labor charge	USD 150,000.00
3	Estimated with GRT applied to total not just parts	USD 1,676,313.50
4	With 10% contingency	USD 1,843,944.85
	TOTAL JRMC TO GPA REIMBURSEMENT	USD 1,843,944.85

Notes:

- 1 Administrative costs such as GRT are added to this amount for total cost. Additional clarification and offer terms and conditions are provided on the attached Wartsila proposal.

- 2 *This includes estimates for additional requirements such as delivery of shipment from airport as well as contingency for additional scope or adjustments for actual costs.*

This includes engineer and plant personnel of estimated at approximately 550 hours. This is including overtime for 10-hours per day, 7-days per week, per the overhaul schedule, and coordination work prior to the onsite activities.

5. Responsibilities

5.1 Navy Responsibilities

Wartsila does outline requirements under Customer Responsibilities which shall be Navy's responsibility. Please see Customer Responsibilities starting on page 7 of **Attachment A2**. GPA has noted some of the potential costs items in the proposal cost contingency, however other requirements such as isolation, lockout/tagout, fuel, lubrications, manuals, power source, base access, etc. shall be provided or performed by Navy.

Wartsila has provided additional clarification to the Customer Responsibilities as provided below. Any and all tasks under Customer Responsibilities which are assigned to taken up by Wartsila or GPA will be additional costs to the proposal and subject to reimbursement under Additional Cost/Contingency:

- For heavy lifting equipment Wartsila requires a forklift and hoist. Additionally, Wartsila has certified overhead crane operators and is verifying if Navy allows their crane certification.
- For special tools Wartsila will provide certified Engine tools (e.i hydraulic tools). Although, DZSP21 confirmed that they have engine tools at site, they had not been used for some time and were not certified. Wartsila will use their engine tools to avoid delay if tools at site fail. Additional cost to be added in the contingency cost for the use and transportation of engine tools.
- Drilling equipment are drilling hand tools only.
- Wartsila will provide 3 units of 24V DC supply as discussed with Navy personnel.

5.2 Contractor Responsibilities

Wartsila will order and delivery parts, coordinate scheduling of manpower with GPA and Navy, process necessary Visas and coordinate with Navy for base access.

5.3 GPA Responsibilities

GPA will coordinate with Navy and contractor for scheduling, processing additional scope and provide project management.

6. Billing & Payment Terms

Navy will pay in advance for support services before the support services are provided. GPA will notify Navy of payments based the Contractor and GPA billing and payment terms below.

6.1 Contractor Billing & Payment Terms Payment

Wartsila has identified the following terms of payment. GPA shall submit processed invoices and payment confirmation to Navy promptly when executed.

Payment schedule for the generator services:

- 30% mobilization (parts/services)

- 20% upon shipment of parts
- 20% upon delivery of parts
- 10% after completion of first generator
- 10% after completion of second Generator
- 10% within 30 days after completion (retainage)

Payment schedule for the Repair of Unit 1 Generator:

- 30% mobilization (parts/services)
- 20% upon shipment of parts
- 20% upon delivery of parts
- 10% upon Off-site repair completion
- 10% after delivery of alternator
- 10% Upon Testing and Commissioning

6.2 GPA Billing and Payment Terms

GPA shall bill Navy based on actual labor, equipment, and materials used plus overhead. Equipment used in the execution of the work include machinery as well as heavy and light duty equipment/vehicles. Overhead costs are administrative costs associated with the equipment/vehicles and material GPA utilizes for the job. All rates are subject to adjustment based on updates to GPA's operational costs.

Actual GPA labor and equipment costs will be billed at most quarterly.

7. Schedule

Contractor has provided an estimated schedule based on the proposed scope in Attachment A and is subject to adjustment depending on parts availability, Visa and base security access, scheduling of the onsite activities and additional scope. A sample schedule of Project 2 will be provided by the contractor.

Description	Two Units
Schedule	~7.5 months
- Repair of Generator 2 offsite	~30 days onsite work and ~25 weeks offsite work

Contractor has indicated the work will be scheduled for 10-hour days, 7 days per week for the overhaul activities. Access to the facility and required resources will be required for this work schedule.

ATTACHMENT A2

**Wartsila Proposal Generator 2 Repair Offsite
OFFER FOR OROTE- Quotation
Dated 17 December 2025**

Customer

Guam Power Authority
Hagatna
Guam

Your Contact

Your Inquiry Date 16 Dec 2025

Your Reference

Terms of Payment 30

Downpayment

40 Upon mobilization

10 Completion 1st Generator

10 Completion 2nd Generator

10 - 30 days upon completion

Valid To 15 Feb 2026

Wärtsilä Contact Michael Flores

Budgetary proposal

No Purchase Order accepted against Budgetary Proposal.

The scope of supply is based on the totality of the information about the equipment configuration known by Wärtsilä and is subject to correction or supplementation based on modifications that have been carried out without written notice to Wärtsilä or actual condition of the equipment discovered upon eventual inspection.

Summary

1. SERVICES

5100000 Stork-Werkspoor 16TM410D

DG2 Generator Repair - Offsite

USD 1,450,000.00

BUDGETARY ESTIMATE (EXCLUDING VAT) TOTAL

USD 1,450,000.00

TOTAL BUDGETARY ESTIMATE

USD 1,450,000.00

2. Optional Items

(Not included in the above total estimate)

5100000 Stork-Werkspoor 16TM410D

Additional Scope

USD 362,000.00

Additional Parts:

RE-Babbit Pedestal Bearings

Rectifier/Diode

Rewind Exciter Rotor and Stator

Surge arrestor
Voltage Regulator
Space Heater / Thermostat
Screen/Filters
Winding temperature detector
Bearing temperature detector
Budgetary quote subject to dimensional/technical detail confirmation. Any additional work or required replacement parts identified during the initial inspection will be quoted as an adder. Approval will be required prior to proceeding with additional work

Scope of supply

1. SERVICES

Delivery Time and Location

The service work will take place at site, as a yet to be confirmed date.

The expected duration of the work is 20-30 days Onsite Works and estimated 25 weeks Offsite Work. This quotation does not guarantee availability. Availability can only be confirmed on receipt of a firm purchase order. Prices for overseas personnel, if required, may vary to the quoted prices.

Please note that the given duration for the described scope is to be considered an estimation only and is subject to the situation at site, rendered assistance and arranged logistics. Any additional (repair) activities that result from the inspection(s) are excluded from the given lead time

Scope of work:

5100000 Stork-Werkspoor 16TM410D

DG2 Generator Repair - Offsite

Onsite Work

- Removal of Generator prior for Transport

Offsite Work

- Remove stator windings
- Clean and inspect stator core,
- Loop test stator core
- Rewind stator with special high voltage coils
- Remove Rotor coils and inspect amortissour bars
- Rewind fourteen rotor coils with epoxy system
- Test and inspect exciter rotor and stator
- Test diode assembly
- Assemble complete rotor and balance.

Onsite Work

- Installation, Testing and Commissioning

2. Spare parts

Standard Repair Parts only, required replacement parts identified during the initial inspection will be quoted as an adder. Approval will be required prior to proceeding with additional parts

3. Optional Items

5100000 Stork-Werkspoor 16TM410D

Additional Scope

Terms of offer

General

Delivery and Transportation

- The Generator shall be delivered under FCA (Free Carrier) Incoterms® 2020 at the agreed delivery point. Title and risk shall transfer to the Buyer once the Goods are handed over to the carrier nominated by the Customer at the named place of delivery.
- The above-stated price excludes transportation costs beyond the FCA delivery point.
- The Customer shall be responsible for arranging and bearing all costs of main carriage, insurance, and import formalities, unless otherwise expressly agreed in writing.
- Should Wartsila Philippines, at the Customer's request, arrange transportation on the Customer's behalf, such costs shall be invoiced separately at actual cost plus a ten percent (10%) handling fee.

Notes:

- Offer is for one-time mobilization-demobilization only.
- The scope of supply is limited to the items listed herein and as described in this proposal. No assumption is made for items not listed or expressed explicitly in the proposal.
- Wärtsilä reserves the right to split and assign any or all portions of the scope of works to any company or affiliate of Wärtsilä group, if deemed necessary. Note that the final executing company of the scope of work may be an affiliate of Wärtsilä, at Wärtsilä's discretion.
- Wartsila is responsible for permitting and visas and then GRT is applied by GPA.
- Shipping of tools and equipment is included.

Exclusions

- Spare parts identified for replacement is not included and will be offered separately.
- Additional services and/or repair not included on scope of works will be offered separately.
- Waiting time not caused by Wartsila including but not limited to delay of lifting activities, waiting for additional spare parts and services, timeline for decision making, etc will be charged

accordingly as per rates based on allotted resources assigned.

- Shipping of alternator components/parts is not yet included

Customer responsibilities

- Generator lifting manpower and resources will be under customer responsibility.
- All related Heavy Lifting Equipment will be Customer's responsibility, e.g., Overhead Cranes, Fork Lifts and Pallet Jacks.
- Customer is responsible to ensure proper isolation, lockout and tagout of the system where the re-termination work will take place.
- Customer to provide fuel, lube oil, water, electricity, ventilation and 7 bar air supply during working hours.
- Special tools, manuals, and other related materials (e.g., compressed air, electricity, etc.) required for the work will be provided by Customer.

Appendices

- Appendices 1. Energy-Austral Asia-WPH-FS Rates-Incl Daily Rates-PHP-01-2025
- Appendices 2. EN-EN General Terms and Conditions - Services 2025
- Appendices 3. EN-EN General Terms and Conditions - Parts 2025

Sincerely,

Wärtsilä Philippines, Inc.
Michael Angelo Flores
Account Manager
michael.flores@wartsila.com

Wärtsilä Philippines, Inc.
Rey Eugenio
Sales Support Manager
+63495430382
reynaldo.eugenio@wartsila.com

SERVICE WORK CHARGES VALID FOR 4-Stroke, 2-Stroke, Propulsion, Electrical & Automation

A. RATES in PHP excl. VAT

Applicable Rates:	Hourly Rates			Daily Rates	
Performed by	Normal Rate	Overtime A Rate	Overtime B Rate	Normal Rate	Other Rate
Service Technician	2440	3060	3910	25610	39050
Service Engineer	2890	3710	4590	30480	45910
Superintendent	3710	4980	5880	39640	58850
Technical Advisor	4081	5478	6468	43604	64735

B. Terms and conditions

Normal Hourly Rate	Monday to Friday up to eight (8) consecutive hours for work performed between 7:00 AM and 7:00 PM.
Overtime A	Monday to Friday, commencing on ninth (9th) working hour for work performed between 7:00am and 7:00pm (daytime) and for work performed between 7:00pm and 7:00am (night-time). Saturdays, up to first eight (8) consecutive hours.
Overtime B	Saturdays, commencing on ninth (9th) working hour. Sundays and public holidays, all hours.
Daily rates	Normal rate is applicable for work performed from Monday to Friday and Other rate respectively for all other weekdays and public holidays. Daily rates include ten (10) consecutive hours for all weekdays. Exceeding hours will be charged according to Overtime hours definition. Daily allowances are included in the Daily rates.
Daily allowance	Will be charged according to following fees. Domestic travelling with 650 PHP per day and International travelling with 80 PHP per day.
Travel Hours	Will be charged as Normal hours.
Waiting Time	Will be charged up to max. 8 hours per day as Normal hours for both Normal Weekdays and Other Days.
Preparing & Reporting Time	Will be charged up to max. 8 hours per day as Normal hours for both Normal Weekdays and Other Days.
Special Tools	All Special Tools provided by Wärtsilä Group will be charged according to separately provided price list or quoted price.
Company Car Usage	17 PHP per km.

Travelling Expenses	Will be charged at cost plus 10% administrative fee.
Miscellaneous Expenses	Will be charged at cost plus 10% administrative fee.
Working Aboard	If a service worker must stay on board an installation without the possibility of exit after a working day, a minimum of 12 hours per day will be charged according to applicable rate.

C. Reserved rights and charges

C1. Reservation Fee

This Reservation Fee will be applied when the customer specifically requests to put an engineer on "Reserved Status" (making him/her unavailable for other jobs or service assignments) awaiting travel instructions to customers work site. A maximum of five days is permissible for reserving an engineer. When five days have elapsed Wärtsilä reserve the right to re-assign the engineer for other service assignments.

See table in Section C3 for applicable fees.

C2. Rescheduling and Cancellation Fees

If customer requests service work to be rescheduled or cancelled less than 1 week prior to the scheduled job start date, a *Rescheduling Fee*, or a *Cancellation Fee* (for each affected service engineer) will be charged in accordance with Table C3.

Confirmation of the newly requested dates will be subject to the availability of the required engineer(s).

In addition to the Rescheduling or Cancellation fee, customer shall be responsible for all other costs incurred by Wärtsilä as a result of the rescheduling, including, but not limited to, unavoidable additional travel and accommodation costs.

See table in Section C3 for applicable fees.

C3. Table of applicable fees (per affected engineer)

Reservation Fee	Rescheduling Fee	Cancellation Fee
PHP 2500	PHP 2500	PHP 10000

D. General Terms & Conditions

In all other respects, the latest version of "WÄRTSILÄ GENERAL TERMS AND CONDITIONS SERVICES" applicable at the time of order, shall be applied.

All spare parts used for maintenance work will be charged according to Wärtsilä global list price, and the latest version of "WÄRTSILÄ GENERAL TERMS AND CONDITIONS PARTS" applicable at the time of order, shall be applied.

E. Validity

Date of revision: **01.01.2025**

This price list is valid from the Date of Revision and continues until further notice.

Wärtsilä reserves the right to revise and amend this price list at any time.

1. INTRODUCTION, CONTRACT FORMATION, SCOPE, AND CHANGES

1.1 These General Terms and Conditions – Services (2025) (the “Conditions”) shall, unless otherwise agreed in writing, apply to all services performed (“Service Work”) by any authorized member, agent, or representative of the Wärtsilä Group (the “Contractor”) for a customer (the “Customer”).

1.2 Offers are non-binding until accepted and confirmed by a purchase order issued by the Customer in compliance with these Conditions. Upon receipt of the Customer's purchase order, the Contractor may issue an order acknowledgement or begin work, in either case forming a “Contract”. These Conditions shall form an integral part of the Contract.

1.3 Any Customer-introduced terms inconsistent with or additional to the Conditions are hereby disclaimed, shall not be incorporated into the Contract, and shall have no effect unless signed by the Contractor's authorised representative.

1.4 The Contractor's offers are conditional on credit approval and discharge of any existing debts. The Contractor may rescind any offer or suspend or terminate the Contract without liability to the Customer if the Customer does not discharge existing debts or is deemed, at the Contractor's sole discretion, not credit worthy.

1.5 The Customer may not change or cancel any purchase order after it has been received by the Contractor unless the Contractor has agreed in writing to such change or cancellation. The Customer shall pay any applicable rescheduling, cancellation, or variation order fees as per the Contractor's latest rates.

1.6 Depending on conditions encountered or discovered after formation of the Contract, the Contractor may recommend reasonable changes to the scope of the Service Work or Physical Work and the Customer shall pay for any additional Service Work provided by the Contractor because of such changes.

1.7 The Customer shall compensate the Contractor for any increases in the Contractor's cost of performing the Service Work arising after the Contractor's offer because of the actions or omissions of the Customer or a third party not under Contractor's control (such as, but not limited to a change of law or a Force Majeure event) if such increases are not foreseeable at the time of the offer or are not reasonably preventable by the Contractor's actions.

2. SCOPE OF SERVICES

2.1 The Contractor shall perform the Service Work specified in the Contractor's order acknowledgement. Service Work may be delivered onsite or remotely.

2.2 Service Work may include: (1) “**Field Service**”, that is, the attendance of a service technician or technical manpower (“Primary Service Technician”) provided by the Contractor to perform installation, commissioning, repair, reconditioning or maintenance of the Customer equipment; (2) “**Workshop Services**”, that is, the inspection, overhaul, replacement or reconditioning of the Customer's parts at the Contractor's workshop; (3) “**Technical Advisory Services**”, that is, the provision of technical advice by the Contractor's technical expert(s) (“Technical Advisor”); (4) “**Investigation Services**”, that is, the inspection or investigation of the condition or performance of the Customer parts or equipment; (5) “**Underwater Services**”, that is, any Field Service or Investigation Service that is performed underwater or that is wholly or partially performed by diving; or (6) other services as specified in the Contractor's order acknowledgement.

2.3 If the Contractor is providing Technical Advisory Services, the Contractor is not responsible for performing any installation, repair, or maintenance of equipment (the “Physical Work”). The Customer shall provide adequate Primary Service Technician(s) to complete the Physical Work and ensure that they fully cooperate with the Contractor's Technical Advisor(s). The Customer shall have no right to employ the Contractor's personnel for Physical Work unless the Contractor has undertaken that its Technical Advisor(s) will perform such work in its order acknowledgement. A Technical Advisor is not a supervisor or superintendent over the Primary Service Technician(s) or of the Physical Work. Where providing Technical Advisory Services, the Contractor disclaims all responsibility for Physical Work performed by the Customer's Primary Service Technician(s). Any Physical Work directly performed by the Contractor's Technical Advisor(s), and any participation by the Contractor's Technical Advisor(s) in the Physical Work, shall, unless duly recorded in the Service Report as Physical Work performed by the Contractor's Technical Advisor(s), be deemed ancillary and incidental to their role, and shall not give rise to any additional warranty obligations or liability. Physical Work duly recorded in the Service Report as having been performed by or with the involvement of the Contractor's Technical Advisor(s) shall be treated as Field Service.

2.4 Unless otherwise stated in the Contractor's offer or order acknowledgement, Workshop Services does not include transportation of the Customer's parts to and from the Contractor's workshop. The Customer shall

arrange to deliver the parts DDP Contractor's workshop, and to pick up the parts FCA Contractor's workshop once the Service Work is completed.

2.5 Investigation Services do not include any guarantee as to the results or condition of the Customer equipment or part investigated, and do not give rise to a warranty.

2.6 The Contractor may prepare a service report describing, e.g., the Service Work it has performed, the conditions it encountered – including the prior condition of the equipment being serviced – and any relevant observations and recommendations for the Customer (the “**Service Report**”). Service Reports are prepared, shared and stored at the Contractor's sole discretion and for the Contractor's benefit, and the Contractor has no obligation to preserve Service Reports for the Customer's benefit unless separately agreed in writing. Service Reports are not works made for hire, and copyright shall vest and remain with the Contractor. If copyright to such Service Reports vests to the Customer under applicable law, the Customer agrees to take all necessary actions (at its own expense) to assign such copyright to the Contractor. If a Service Report is shared with the Customer, it is provided on an ‘as is’ basis with no warranty whatsoever, express or implied. The Contractor makes no representation that Service Reports are accurate, complete, or timely. Irrespective of any Customer confidential information they may contain, Service Reports shall be deemed solely confidential information of the Contractor under Section 3.1 of these Conditions.

3. CONFIDENTIALITY AND INTELLECTUAL PROPERTY

3.1 Neither party shall copy or disclose to a third party any document or data provided by the other party on a confidential basis (as clearly indicated in writing at the time of the initial disclosure) without the prior written consent of the other party or use them for purposes other than those for which they were provided. Intellectual property rights associated with the Service Work, or any document or data provided by the Contractor in connection therewith shall remain the Contractor's property. The Customer shall defend, indemnify, and hold harmless the Contractor against all claims, losses, and damages, including reasonable attorneys' fees, arising out of, or resulting from any reuse, modification, reproduction or publication of the Contractor's intellectual property documents or data. To the extent there is a conflict between the foregoing provisions regarding confidentiality and intellectual property and any terms or conditions of any software license agreement, the terms and conditions of such software license agreement shall prevail.

3.2 Notwithstanding anything to the contrary, companies belonging to Wärtsilä Group shall have the right to collect data from sensors, instruments, monitors, data collectors, industrial control or SCADA devices located at Customer's sites or on the equipment delivered, or if agreed between the parties through any digital platform managed by the Customer or an authorized third party for storing such data, and use such data, including but not limited, to support and develop its products, solutions and services. Data may be transferred within Wärtsilä Group and to third parties who act for or on its behalf for processing the data. Companies belonging to Wärtsilä Group shall own any enrichment, report or derivative work developed or derived from such data. The rights granted hereunder shall survive any termination or expiration of the Contract.

3.3 Subject to the Customer's compliance with the Contract and these Conditions, the Contractor grants the Customer a non-exclusive license to use any software supplied with the Service Work (“Software”) in connection with the normal and proper use of the applicable products. If Software is supplied as part of the Service Work, the term Service Work shall be deemed to include Software whenever used in these Conditions. The Customer may make copies of the Software only where essential for its lawful operation or for necessary back-up purposes. The following terms apply to the Software: (1) Customer shall not copy, modify, create derivative works from, disassemble or otherwise attempt to derive the source code; (2) supply of Software does not include updates, upgrades, maintenance, support or other additional services and any such items shall be subject to separate written agreement and additional cost; (3) the use of the Software may be subject to separate terms of use or third-party software terms as updated from time to time; (4) any onward supply of the Software to the Customer's customers or other end users, shall be subject to the applicable terms of the Contract and these conditions (or substantially equivalent terms). If any cloud-based service is supplied in connection with the Services (“Cloud Service”) then the Customer may access the Cloud Service for the duration agreed in the Contract.

4. PERFORMANCE, DELIVERY, ACCEPTANCE

4.1 The Customer shall be deemed to have accepted the Service Work performed by the Contractor and the quality and quantity of any parts delivered as part of the Service Work as being in accordance with the Contract unless the Customer has notified the Contractor of any non-conformity,

shortages, or damage within three (3) days following the last day on which the Service Work was performed. Any date or period for dispatching or completion stipulated or quoted shall be deemed to be an estimate only, and there shall be no express or implied time limit in dispatching or completing any Service Work.

4.2 If the Customer anticipates that the Service Work cannot be commenced or a delivery accepted as agreed in the Contract due to reasons attributable to the Customer, the Customer shall notify the Contractor in writing stating the reason and the time when the Customer anticipates that the Service Work could commence, or the delivery be accepted. The Contractor may by notice require the Customer to set a final reasonable time for when the Service Work should commence, or the delivery be accepted. Any additional costs related to such delay shall be borne by the Customer, including as further described in Clauses 1.6, 1.7 and 9.3.

4.3 All references to trade terms shall be interpreted in accordance with Incoterms® 2020. Any date or period for delivery or completion of services stipulated or quoted by the Contractor shall be deemed to be an estimate only. Packing materials shall not be returned to the Contractor.

4.4 The Contractor has a right to suspend the performance of its obligations under the Contract if it is reasonably clear from the circumstances that the Customer will not be able to perform its obligations as stated in the Contract.

5. COMPENSATION, PAYMENT, AND OWNERSHIP

5.1 If not expressly agreed otherwise in writing, the Contract's price is based on the Service Work performed during normal working hours. Time sheets for each week shall be provided by the Contractor to the Customer and shall be promptly checked and attested by the Customer. The time sheets provided by the Contractor shall be deemed to be evidence of the working hours invoiced by the Contractor. Hourly rates, overtime rates and daily allowances shall be as specified in the Contractor's standard rates then in effect (such rates are subject to change from time to time). The Customer will be charged a daily allowance for each of the Contractor's personnel based on the number of working days from the date of departure of such personnel until their return. Unless otherwise agreed in writing, a normal working week is comprised of forty (40) hours; eight (8) hours per working day, spread over five (5) working days. Local holidays shall be observed. Unless otherwise agreed, any Service Work done outside normal working hours shall be charged to the Customer as overtime. Any waiting and/or stand-by time for which the Contractor is not responsible shall be charged to the Customer as normal working time. Time spent by the Contractor's personnel travelling to and from the Contractor's office, the work site and the Customer-provided lodging shall be for the Customer's account. The daily remuneration and allowances shall be payable during incapacity caused by sickness of or accident to any of the Contractor's personnel if caused by failure of the Customer to maintain safety in the work site environment.

5.2 All travel expenses, plus ten percent (10%) handling cost, incurred in connection with the Contract shall be for the account of the Customer. Travel expenses include: (a) fares for journey by rail, sea, air, car and/or bus; (b) carriage, freight and customs duties as well as insurance due in connection with personal effects, instruments and tools required for the Service Work, including necessary costs for overweight on air freight; and (c) all out-of-pocket expenses incurred by the Contractor for the Service Work ordered by the Customer, such as internet use, facsimile and telephone calls.

5.3 In the event of any illness or accident affecting any of the Contractor's personnel, whether during the performance of Service Work or otherwise, necessitating medical attention or hospital treatment, the Customer shall ensure that the best and appropriate medical facilities and medications are made available to the Contractor's personnel. If it is necessary to repatriate an ill, injured, or deceased member of the Contractor's personnel, the Customer shall assist the Contractor in arranging for such repatriation in the safest and most expedient manner. All costs incurred under this Clause 5.3 shall be borne by the Contractor.

5.4 Unless otherwise agreed, payment shall be made by bank remittance in the currency and to the bank account set forth in the invoice within twenty (20) days following the date of the invoice. Payment shall be made in full without any set off, counterclaim or deduction, all expenses for remitting payments being borne by the Customer. The Customer shall pay interest on overdue payments from the maturity date until the actual date of payment at the rate of one and one quarter percent (1.25%) per month, compounded monthly. The Customer shall pay the Contractor all costs related to the collection of overdue amounts, including reasonable attorneys' fees. In the event any payment is more than thirty (30) days late, the Contractor shall be entitled to suspend or terminate the Contract by written notice to the Customer, and such remedies shall not be exclusive of the Contractor's additional rights under contract or law. Title to any part, material, equipment, supplies, consumables or replacement and any other items furnished, provided, or supplied by the Contractor in performance of the Service Work shall pass to the Customer only when payment in full has been received by the Contractor. The Contractor may as a precondition for the performance of the Service Work, request that the Customer provides the Contractor with security covering any unpaid amount already owed to the Contractor or one of its affiliates.

5.5 Any assistance or work performed by the Contractor outside the scope of Contract shall be charged as extra work in accordance with the Contractor's standard rates then in effect and with these Conditions.

5.6 All prices quoted in the Contractor's offer, order acknowledgement, price lists(s) or invoices are net and exclude taxes, duties, tariffs and similar assessments which are payable in addition as applicable. The Contractor reserves the right to make changes to its price list(s) without prior notice.

6. WARRANTY

6.1 For Service Work where the Contractor is providing Field Service, Underwater Field Service, or Workshop Services, the Contractor shall re-perform, in whole or in part, at its sole discretion, any defective Service Work which appears during the warranty period. If providing Technical Advisory Services, the Contractor shall revise or supplement any erroneous technical advice discovered during the warranty period but provides no warranty or remedy for Physical Work performed by the Customer's Primary Service Technician(s) or warranty as to the general condition of equipment with respect to which the Contractor has provided Technical Advisory Services. Investigation Services do not give rise to any warranty. Service Work does not create a general warranty for the equipment, part or component serviced, and the Contractor's sole warranty obligation is to re-perform any defective Service Work.

6.2 The Customer shall immediately take appropriate steps to prevent any defect from becoming more serious, and to enable the Contractor to perform its warranty obligations under Clause 6.1 in a cost-effective manner either at the original location where the Service Work was performed or at another location acceptable to Contractor.

6.3 All warranty claims shall be made in writing without delay and not later than fourteen (14) days following discovery of such defect during the warranty period. The Customer shall have the responsibility to establish that its claim is covered by this warranty. Parts replaced by the Contractor under warranty shall become the Contractor's property and upon the Contractor's request, be returned at the Contractor's cost. Delivery of repairs or re-performance under this warranty will be made in accordance with the original Contract delivery terms. The Contractor warrants that any Software shall not contain any material non-conformance with the Contractor's technical specification for such software during the warranty period and that the Cloud Service will perform substantially in accordance with the Contract and the Contractor's technical specifications for the duration of the applicable term provided in the Contract.

6.4 The warranty period for the Service Work begins on the date of delivery and ends six (6) months from the last day of performance of the applicable Service Work. The warranty period in respect of Service Work which has been re-performed under the warranty shall expire six (6) months following the last day on which the Service Work was re-performed under the warranty. The re-performed Service Work, and the warranty for re-performed Service Work, shall be subject to the same terms, conditions, and limitations of liability applicable to the originally-performed Service Work. Under no circumstances shall the warranty period of any Service Work (whether original or re-performed) extend beyond the date that is twelve (12) months following the date of commencement of the original warranty period as stipulated above in the first sentence of this Clause.

6.5 The Contractor shall not be liable for, and the warranty of this Clause does not apply to any defect due to or arising in connection with: (1) any Physical Work performed by Primary Service Technicians provided by the Customer; (2) any materials, components, tools, designs or software provided by the Customer; (3) negligence or wilful misconduct of the Customer or third parties; (4) parts, accessories or attachments other than those supplied by the Contractor in the course of performance of the Service Work; (5) improper service work, installation or alterations carried out by the Customer; (6) normal wear and tear; (7) use of unsuitable material or consumables by the Customer; (8) fluctuation in the grid; (9) any use, service or operation of any equipment, parts or components upon which Service Work was performed which is not in conformity with manuals, instructions or specifications provided by the Contractor or which is otherwise not in accordance with normal industry practice; or (10) any non-conformities, defects (including latent defects), damage, vulnerabilities, or problems with the Customer's equipment or parts which predate the Service Work, even where the Service Work specifically includes Investigative Services intended to identify such pre-existing conditions or Workshop Services to re-condition a part. The Contractor's warranty obligation does not include any craneage, electricity, scaffolding, docking, towage costs, demounting or mounting costs, additional costs and expenses incurred by Contractor as a result of Customer's request to re-perform the Service Work at a location different than the original location, and expenses of the Contractor's personnel or representatives, taxes, and duties, and all such costs and expenses shall be reimbursed by the Customer to the Contractor when applicable. The Contractor's warranty obligation also does not include diving or sub-sea work, except if the Contractor originally provided Underwater Services. If, after the Contractor's warranty investigation, the Contractor (at its sole discretion) concludes that the Customer does not have a warranty claim within the scope of these Conditions, then the Customer shall be responsible for all applicable costs and expenses incurred by the Contractor in investigating or responding to the warranty claim.

6.6 THIS CLAUSE 6 SETS FORTH THE ONLY WARRANTY APPLICABLE TO THE SERVICE WORK AND IS IN LIEU OF ANY OTHER WARRANTIES, GUARANTEES, OBLIGATIONS AND LIABILITIES EXPRESS OR IMPLIED INCLUDING WARRANTIES, GUARANTEES, OBLIGATIONS OR LIABILITIES AGAINST NON-CONFORMITY OR DEFECTS. THE CUSTOMER HEREBY WAIVES ALL OTHER REMEDIES, WARRANTIES, GUARANTEES AND LIABILITIES, EXPRESS OR IMPLIED, ARISING BY LAW OR OTHERWISE (INCLUDING WITHOUT LIMITATION FITNESS FOR PURPOSE, MERCHANTABILITY OR SATISFACTORY QUALITY) WITH RESPECT TO ANY NON-CONFORMITY, DEFECT, ERROR, OR OMISSION ASSOCIATED WITH THE SERVICE WORK. THE CUSTOMER ACCEPTS THE SOFTWARE AND CLOUD SERVICE "AS IS" AND AS AVAILABLE. THE CONTRACTOR DOES NOT GUARANTEE THAT THE SOFTWARE OR CLOUD SERVICE WILL BE ERROR-FREE, VIRUS-FREE,

UNINTERRUPTED OR FREE FROM VULNERABILITIES, OR THAT THE CONTRACTOR WILL CORRECT ALL ERRORS. THE CUSTOMER ACKNOWLEDGES THAT THE CONTRACTOR DOES NOT CONTROL THE TRANSFER OF DATA OVER COMMUNICATIONS FACILITIES, INCLUDING THE INTERNET, AND THAT THE CLOUD SERVICE MAY BE SUBJECT TO LIMITATIONS, DELAYS AND OTHER PROBLEMS INHERENT IN THE USE OF SUCH COMMUNICATIONS FACILITIES. THE CONTRACTOR IS NOT RESPONSIBLE FOR ANY DOWNTIME OR OTHER PROBLEMS IN THE CUSTOMER'S OR ANY OTHER THIRD PARTY'S SYSTEMS. THE CONTRACTOR IS NOT LIABLE FOR DELAYS, DELIVERY FAILURES OR OTHER DAMAGE RESULTING FROM SUCH PROBLEMS.

7. CONTRACTOR'S LIABILITY

7.1 IN NO EVENT, WHETHER AS A RESULT OF BREACH OF CONTRACT, BREACH OF WARRANTY, TORT LIABILITY (INCLUDING NEGLIGENCE OR STRICT LIABILITY), OR OTHERWISE, SHALL THE CONTRACTOR BE LIABLE FOR ANY INDIRECT, CONTINGENT, SPECIAL, CONSEQUENTIAL OR INCIDENTAL DAMAGES, HOWEVER CAUSED OR ARISING (WHETHER ACTUAL OR ANTICIPATED) NOR FOR LOSSES OR DAMAGES (WHETHER ACTUAL OR ANTICIPATED) CAUSED BY REASON OF UNAVAILABILITY OF THE EQUIPMENT OR THE FACILITY, SHUTDOWNS OR SERVICE INTERRUPTIONS, LOSS OF USE, LOSS OF PROFITS OR REVENUE, LOSS OF SAVINGS, LOSS OF REPUTATION, INVENTORY OR USE CHARGES, COST OF PURCHASED OR REPLACEMENT POWER, INTEREST CHARGES OR COST OF CAPITAL, ANY CLAIMS OF THE CUSTOMER'S CUSTOMERS, PUNITIVE OR EXEMPLARY DAMAGES, THE COST OF SUBSTITUTED EQUIPMENT, SPARE PARTS OR SERVICES OR REPLACEMENT, REMOVAL OR REINSTALLATION SERVICE WORK NOT ARISING FROM THE WARRANTY PROVIDED HEREIN, TOWAGE CHARGES, POLLUTION REMEDIATION COSTS, COSTS OF DOCKING, DIVING OR SUB-SEA WORK, DAMAGE TO ANY VESSEL, ENGINE ROOM OR POWER PLANT SITE, YARD OR OTHER PROPERTY (INCLUDING DAMAGE TO GOODS OWNED BY THE CUSTOMER), DAMAGE TO ANY EQUIPMENT OR PROPERTY OTHER THAN THE EQUIPMENT, COMPONENTS OR PARTS ON WHICH SERVICE WORK WAS DIRECTLY PERFORMED HEREUNDER, COSTS FOR ANY ADDITIONAL TESTS, SEA TRIALS, DEBRIS REMOVAL OR FOR LOSS OF TIME OR USE OF ANY EQUIPMENT, INSTALLATION SYSTEM, OPERATION OR SERVICE, LOSS OR CORRUPTION OF DATA.

7.2 NOTWITHSTANDING ANY OTHER PROVISION OF THE CONTRACT, IN NO EVENT SHALL THE CONTRACTOR'S AGGREGATE LIABILITY TO THE CUSTOMER UNDER THIS CONTRACT, WHETHER IN CONTRACT, TORT (INCLUDING NEGLIGENCE OR STRICT LIABILITY) OR ANY OTHER LEGAL THEORY OR EQUITY, EXCEED THIRTY PERCENT (30%) OF THE CONTRACT PRICE.

7.3 The Contractor shall not be liable for any work carried out by the Customer, the Customer's Primary Service Technician(s), or by any third party, even though carried out under the direction or supervision of, with assistance from, or vetted by the Contractor's personnel or Technical Advisor(s). The Customer shall bear the risk of loss of its equipment and other goods in connection with the Service Work, even if such equipment or goods are in facilities used by the Contractor.

7.4 The Contractor shall not be liable for any harm, injury or damages due to or arising in connection with: (1) limited, inaccurate, or insufficient visibility, information or situational awareness where the Service Work is performed remotely; (2) software provided by the Customer; (2) monitoring, digital and/or cybersecurity-related systems other than those provided by the Contractor; or (3) improper service work, installation or alterations carried out by the Customer on any monitoring, digital and/or cybersecurity-related systems. Improper service work includes any act or omission which contradicts the recommendations regarding maintenance, configuration or operation issued by the supplier or manufacturer of the system resulting in detrimental reliability or increased possibility of failure.

8. INSURANCE

Each of the Contractor, the Customer, and any subcontractor of the Customer providing Primary Service Technician(s) to the Customer, shall at its own cost provide for and maintain comprehensive insurance coverage to protect its own property and personnel and cover its general liability.

Each party shall obtain a waiver of all rights of recourse and subrogation against the other party from its insurers as well as indemnify and hold the other party harmless for all claims of or by either of the parties' insurers.

9. FORCE MAJEURE AND OTHER EXCUSABLE DELAYS

9.1 Neither the Contractor nor the Customer shall be liable for any failure or delay in performing its obligations hereunder, or for any loss or damage resulting therefrom, caused by, or arising from an event of force majeure ("Force Majeure"). Force Majeure means any events or circumstances (whether foreseen or unforeseen) which are beyond the reasonable control of the party affected, and includes without limitation acts of God, wars whether declared or not, any events involving armaments of war, civil wars and riots, hostilities, public disorder, acts of terrorism and severe threat of terrorism, cyber incidents, any measures taken by public authorities in connection with threat of terrorism, embargos and import or export restrictions, acts of civil or military authorities, any lawful or unlawful restrictions and actions of any public authority or government, sanctions, boycotts, fire, flood, accidents, strikes, failure of a subcontractor or sub-supplier of the Contractor to provide manpower, materials or goods caused by an event that qualifies under this Clause 9.1, shortage of transportation, the imposition of transport restrictions

or customs clearance problems, epidemics, unusually severe weather affecting either party, or causes beyond their control.

9.2 Once a party is aware that its performance under the Contract is affected by Force Majeure, the affected party shall, without undue delay, give written notice to the other party briefly setting out relevant details of the delay.

9.3 If the Service Work cannot be commenced as agreed or is interrupted due to reasons of Force Majeure or for other reasons not attributable to the Contractor, the costs for maintaining personnel at or near the work site (including, without limitation, wages and lodging) will be borne by the Customer. If the interruption continues for more than one week, the Contractor may, at its own discretion, withdraw such personnel to their home location or another reasonable location. All expenses in relation to such withdrawal and/or subsequent return shall be borne by the Customer. All reasonable additional costs incurred by the Contractor because of the suspension and any subsequent resumption or completion of the Service Work shall be reimbursed by the Customer.

9.4 If the period of suspension exceeds two (2) months, either party may terminate the Contract by three (3) days' notice in writing to the other party without prejudice to the rights of either party up to the date of termination. Any termination because of Force Majeure shall not affect a party's right to receive payment in respect of all costs incurred, as at the date of the termination notice, in pursuit of its obligations.

10. SECURITY AGREEMENT

To the extent permitted by law, the Customer hereby grants to the Contractor a lien on and a continuing security interest, and when applicable a maritime lien for necessities, in and to all equipment, parts and components upon which the Service Work is performed and all products and proceeds derived from the sale or lease thereof as security for the payment in full of such Service Work. The Customer hereby waives all claims, defences, and causes of action that the Customer may have in connection with the exercise of any such lien rights by the Contractor.

11. THE CUSTOMER'S ADDITIONAL PERFORMANCE OBLIGATIONS

The Customer shall comply with all laws, rules, and regulations applicable to the performance of the Service Work. The Customer shall provide or secure for the Contractor, at no cost, all the following facilities, rights and services which must be in English or another language acceptable to the Contractor's personnel, and of sufficient type, quality and/or quantity for the Contractor's performance of the Service Work, unless otherwise agreed to in writing by the parties:

11.1 Ancillary manpower equipped with appropriate tools (such as drills and hand lamps), heavy duty hoisting and transport facilities along with the necessary fuel, lubricants, water, electricity, compressed air and cleaning facilities for the Contractor's performance of the Service Work;

11.2 Heated and/or air-conditioned facilities with available drinking water for the Contractor's personnel near the work site as follows:

- (a) service storage sheds with locks, equipped with shelves and bins for tools, equipment and supplies of the Contractor's personnel;
- (b) changing rooms, provided with locks, toilet and washing facilities for the use of the Contractor's personnel; and
- (c) furnished offices with locks, equipped with telephones, facsimile, internet, and other communication requirements of the Contractor's personnel.

11.3 Heated and/or air-conditioned boarding and lodging facilities for the Contractor's personnel that must:

- (a) be safe, secure, clean, and free of health risks;
- (b) have a satisfactory level of comfort and privacy, allowing for a good rest;
- (c) have a toilet and shower, with privacy, located near the cabin or the lodging facility;
- (d) have freedom to access leisure or social activities after work;
- (e) have access to internet;
- (f) lodge a maximum of 2 persons per cabin or room, without "Hot bedding", and clean laundry provided at regular intervals; and
- (g) have choice of hot meal.

11.4 Assistance requested by the Contractor with the customs formalities required for the import and export of the Customer's parts and the Contractor's equipment and tools, free of all duties and taxes.

11.5 Assistance to ensure that the Contractor's personnel obtain visas and any other official entry, exit, residence, working, or activity-specific permits (e.g. diving permits) that may be required by the authorities or commercial entities controlling the work site, including to secure free ingress to and egress from the work site and freedom to carry out the Service Work.

11.6 Information concerning: (i) the local laws and regulations applicable to the Service Work; (ii) any dangerous conditions or unusual risks that may be encountered in the Customer's country, at the work site or in the use of any equipment or tools provided by the Customer; and any information about specific conditions, including weather and ocean conditions, at the work site that the Contractor may reasonably request.

11.7 Additional safety or accommodation measures reasonably requested by the Contractor, as may be specified in bulletins or minimum work site safety and accommodation requirements for its personnel published by the Contractor from time to time.

11.8 Any reasonable assistance from the Customer's employees and subcontractors as needed for the Contractor to perform its Service Work.

11.9 The right to access the location where the Service Work will be performed, including securing such right from third parties if the premises are owned or controlled by a third party (such as a shipyard), without the need for

the Contractor to undertake any additional obligations or liabilities beyond this Contract as a precondition to access.

11.10 In the event the Customer is unable or unwilling to provide a facility, right or service specified in this Clause 11, the Contractor may, at its option, terminate or suspend the Contract without liability to the Customer, or itself secure such facility or service at the expense of the Customer.

12. ENVIRONMENTAL, HEALTH AND SAFETY RESPONSIBILITIES

12.1 The Customer shall adhere to the Contractor's then-current Safety and Well-Being Pledge, which is available at <https://www.wartsila.com/general-terms-conditions>. The Contractor may support with any remediations needed to bring the Customer into compliance with the Safety and Well-Being Pledge as additional Service Work, and the Customer shall pay for such additional Service Work that it requests the Contractor to perform.

12.2 If, in the Contractor's reasonable opinion, the health, safety, welfare or security of personnel or the work site is, or is apt to be, imperilled by security risks, terrorist acts or threats, the presence of or threat of exposure to hazardous materials or unsafe working conditions or environment (whether or not specific to the site), the Contractor and its representatives have the same responsibility and authority as the Customer to stop the Service Work. The Contractor may, in addition to other rights or remedies available to it, (i) evacuate some or all its personnel from the work site, (ii) suspend performance of all or any part of the Contract, and/or (iii) remotely perform or supervise the Service Work. Any such occurrence shall be considered an excusable event without any liability to the Contractor. The Customer shall reasonably assist in any such evacuation. All reasonable additional costs incurred by the Contractor because of the suspension and any subsequent resumption or completion of the Service Work shall be reimbursed by the Customer.

12.3 Operation of the Customer's equipment is the responsibility of the Customer. The Customer shall ensure sufficient safety measures and procedures are followed, when implementing the Contractor's instructions or advice.

12.4 The Contractor has no responsibility or liability for the pre-existing condition of the Customer's equipment or the work site.

12.5 The Customer shall disclose to the Contractor industrial hygiene and environmental monitoring data regarding conditions that may affect the Contractor's work or personnel at the work site. The Customer shall immediately inform the Contractor of changes in any such conditions.

12.6 The Customer represents and warrants to the Contractor and agrees to ensure that the work site, surrounding environment, all equipment provided or otherwise made available to the Contractor's representative in connection with the Service Work rendered in connection with this Contract and all products and equipment serviced or otherwise worked on by the Contractor's representatives in connection with this Contract, shall at all times be safe, suitable and sufficient for the designated tasks, free of Hazardous Materials and/or contaminated substances, risks of infectious disease or outbreak of illness, elements or waste of any kind that are restricted by applicable laws or regulations and hazardous to the health or safety of the Contractor's representatives. If the Customer is in breach of any such representation, warranty or covenant, the Contractor may immediately cease performance under this Contract and the Customer shall be liable for the full amount of the fees due under this Contract for all services provided through the date of such termination.

12.7 The Contractor shall notify the Customer if the Contractor becomes aware of: (i) conditions at the work site differing materially from those disclosed by the Customer; or (ii) previously unknown physical conditions at work site differing materially from those ordinarily encountered and generally recognized as inherent in Service Work of the character provided for in the Contract; (iii) changes in conditions, such as metocean or meteorological conditions, that would render it unsafe to continue the Service Work; or (iv) the work assignment extending beyond the acceptable daily limit (as detailed in the Safety and Well-Being Pledge) or the applicable legal limit of work hours, whichever is shorter, in a single work shift. If any such conditions cause an increase in the Contractor's cost of, or the time required for, performance of any part of the Service Work under the Contract, an equitable adjustment in price and schedule and the Contractor's rest cycle shall be made.

12.8 If the Contractor encounters Hazardous Materials in the Customer's equipment or at the work site that require special handling or disposal, the Contractor is not obligated to continue Service Work affected by the hazardous conditions. In such an event, the Customer shall eliminate the hazardous conditions in accordance with applicable laws and regulations so that the Contractor's Service Work under the Contract may safely proceed, and the Contractor shall be entitled to an equitable adjustment of the price and schedule to compensate for any increase in the Contractor's cost of, or time required for, performance of any part of the Service Work. The Customer shall properly store, transport, and dispose of all Hazardous Materials introduced, produced, or generated during the Contractor's Service Work at the work site. The Customer shall be responsible for all costs and expenses related to the management, handling, clean-up, removal and/or disposal of all Hazardous Materials and/or contaminated substances, elements or waste of any kind as defined by applicable laws and regulations or applicable to the Service Work supplied.

12.9 The Customer shall indemnify the Contractor for any and all claims, damages, losses, fines, penalties and expenses arising out of or relating to any unsafe working conditions, hazardous conditions, Hazardous Materials and/or contaminated substances, elements or waste of any kind that are restricted by applicable laws or regulations which are or were: (i) present in or about the Customer's equipment or the work site prior to the commencement

of the Contractor's Service Work; (ii) improperly handled or disposed of by the Customer or the Customer's employees, agents, contractors or subcontractors; or (iii) brought, generated, produced or released on the work site by parties other than the Contractor.

13. PARTS NOT SUPPLIED BY WARTSILA

13.1 The Contractor may inspect the Customer equipment and parts before or during the performance of the Service Work to identify the presence of parts other than those supplied by the Contractor.

13.2 If parts other than those supplied by the Contractor are discovered during the inspection or in the course of performing the Service Work, the Contractor may: (i) immediately cease all work on or using the affected equipment and/or part(s); (ii) require the Customer to provide clear and sufficient evidence that the parts were manufactured in accordance with industry-standard quality assurance processes (e.g. ISO 9001:2015 certification) and, if applicable, comply with emission regulations such as the NOx emission standards under Marpol Annex VI Regulation 13; and/or (iii) with no liability to the Contractor, terminate the Contract or suspend the Contract until such parts are replaced with Wärtsilä parts.

13.3 If the Customer fails to provide the evidence described in Section 13.2(ii) the Contractor may, without liability: (i) refuse to perform any further work on or using the affected equipment and/or parts, and (ii) suspend or terminate the Contract.

13.4 The Customer agrees to fully cooperate with the Contractor in identifying the parts other than those supplied by the Contractor, as well as their origin.

14. CYBERSECURITY PROTECTION

14.1 Unless otherwise agreed, upon delivery of any equipment provided by the Contractor, the Customer shall be solely responsible for system integrations and/or system security engineering for any equipment not provided by the Contractor. It is the Customer's sole responsibility to protect the equipment and its logic-bearing system components (e.g. hardware, firmware, and software hereinafter referred to as the "Critical Components") from any External Cybersecurity Threat or Internal Cybersecurity Threat, including against hardware and software vulnerabilities. In recognition of the foregoing, the Customer agrees and covenants that it shall use the degree of care appropriate to prevent unauthorized access, use, or hacking of the Critical Components provided in connection with any equipment provided by the Contractor and shall do so in a manner that is no less rigorous than any recommendations provided by the Contractor and accepted industry practices. The Contractor is not liable for cyber incidents or breaches, any unauthorized access, interference, intrusion, leakage and/or theft of data or information within the Customer's Information Technology (IT) or Operational Technology (OT) systems. If either party becomes aware of any IT or OT security breach or cyber incident that impacts either party's ability to perform its duties relevant to the scope of work under the Contract, that party shall notify the other party without undue delay.

14.2 "External Cybersecurity Threat" is any threat, act, attack, or other incident which negatively affects the reliable workings of any equipment provided by the Contractor, which originated outside of the physical site housing such equipment.

14.3 "Internal Cybersecurity Threat" is any threat, act, attack, or other incident which negatively affects the reliable workings of any equipment provided by the Contractor, which originated inside of the physical site housing such equipment.

15. DUTIES, TAXES AND FEES

Notwithstanding anything to the contrary, the Customer shall pay all duties, tariffs, withholding and other taxes, customs fees and charges and all charges and fees by a classification or inspection society (collectively, "Taxes, Duties & Fees"). Moreover, notwithstanding the delivery terms, any increases in Taxes, Duties & Fees that occur after the date the Contractor's offer shall be paid by the Customer. All such documentation or approvals which are required by applicable laws, and any applicable modifications of such laws, shall be the responsibility of and paid by the Customer.

16. EXPORT CONTROLS AND TRADE SANCTIONS

16.1 The parties agree that the Service Work shall be provided subject to all applicable export controls, sanctions or restrictions imposed on services and goods by any country or organization or nation which are enforceable in the jurisdiction of the Contractor, its affiliates or parent company, including the Contractor's country, the United Nations, the European Union, and the United States of America. The Customer acknowledges that the Service Work, any parts, or components, and all related technical information, documents and materials may not be imported or exported, re-exported, transhipped, traded, diverted, or transferred, directly or indirectly, contrary to such controls, sanctions, or restrictions. The Customer shall comply with the sanctions detailed in the Wärtsilä Supplemental Export Control and Sanctions Annex available at <https://www.wartsila.com/general-terms-conditions>, and warrants not to place the Contractor in a situation where it would be violating such sanctions.

16.2 Upon request by the Contractor, the Customer shall furnish the Contractor with all the relevant certificates relating to export control laws, regulations, sanctions, and restrictions.

16.3 The Contractor has no liability resulting from any delay, cancellation or amendment of the Service Work resulting from export controls, sanctions, or other applicable restrictive measures.

17. GOVERNING LAW AND DISPUTE RESOLUTION

17.1 The Contract shall be governed by and interpreted in accordance with the laws in force at the registered office of the Contractor, excluding the conflict of law rules applicable in such jurisdiction. Any controversy, claim or dispute between the parties hereto shall be submitted to the International Court of Arbitration of the International Chamber of Commerce for final and binding arbitration in accordance with the Rules of Arbitration of the International Chamber of Commerce by three (3) arbitrators appointed in accordance with the said Rules. The arbitration proceedings shall be in the English language and shall take place in Paris, France.

17.2 Nothing contained in this Clause 17 shall preclude the Contractor from bringing legal action or proceeding against the Customer for purposes of enforcement, injunctive relief or interim or remedial measures in the courts of any jurisdiction where the Customer or any of its property or assets may be found or located, and the Customer hereby irrevocably submits to the jurisdiction of any such court.

17.3 Any and all claims by the Customer for an alleged negligent act, error, or omission by the Contractor in relation with these Conditions or the Service Work shall be presented by Customer to the Contractor in writing, immediately upon discovery by the Customer or as soon as is reasonably practicable and in no event later than fourteen (14) Days thereafter. The liability of the Contractor shall in all cases expire twelve (12) Months after completion of Service Work or termination of the Conditions, whichever occurs earlier.

18. DATA PROTECTION

The Contractor's personal data processing activities are set out in the Contractor's Privacy Notice which is available at: <https://www.wartsila.com/legal-privacy/privacy> and incorporated herein by reference. The parties agree that in relation to any personal data shared between them, unless otherwise provided in the General Data Protection Regulation (EU 2016/679) ("GDPR"), or agreed between the parties, both are acting as data controllers as described in GDPR.

19. ENTIRE AGREEMENT

These Conditions, along with any additional terms, annexes or addendums referenced in these Conditions, referenced in the Contractor's offer or order acknowledgement, or mutually agreed in the Contract contain the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and supersede all prior agreements and understandings relating to such subject matter. The sale of any parts purchased from the Contractor by the Customer shall be in accordance with the Contractor's General Terms and Conditions – Parts (latest version then in effect). If a provision of these Conditions is at variance with necessary requirements of applicable law, then these Conditions shall be deemed to be amended to the minimum extent necessary to comply with such applicable law. No terms, conditions, representations, warranties, or covenants contained in any correspondence, catalogue, or in any other form shall be applicable unless incorporated herein by express written agreement of the parties hereto.



1. INTRODUCTION

These General Terms and Conditions – Parts (2025) (the “Conditions”) shall, unless otherwise agreed in writing, apply to all sales of parts (the “Parts”) by any authorized member, agent or representative of the Wäartsilä Group (the “Supplier”) to a purchaser (the “Customer”). The Supplier’s offers are non-binding until accepted and confirmed by a purchase order issued by the Customer in compliance with these Conditions which is acknowledged by the Supplier (any such acknowledged purchase order, a “Contract”). These Conditions shall form an integral part of the Contract. The Customer may not change or cancel any purchase order after it has been received by the Supplier unless the Supplier has agreed in writing to such change or cancellation.

2. CONFIDENTIALITY AND INTELLECTUAL PROPERTY

2.1 Neither party shall copy or disclose to a third party any document or data provided by the other party without the prior written consent of the other party or use them for purposes other than those for which they were provided. Intellectual property rights associated with the Parts or any document or data provided by the Supplier in connection therewith shall remain the Supplier’s property. The Customer shall defend, indemnify and hold harmless the Supplier against all claims, losses and damages, including reasonable attorneys’ fees, arising out of or resulting from any reuse, modification, reproduction or publication of the Supplier’s intellectual property documents or data. To the extent there is a conflict between the foregoing provisions regarding confidentiality and intellectual property and any terms or conditions of any software license agreement, the terms and conditions of such software license agreement shall prevail.

2.2 Notwithstanding anything to the contrary, companies belonging to Wäartsilä Group shall have the right to collect data from sensors, instruments, monitors, data collectors, industrial control or SCADA devices located at Customer’s sites or on the equipment delivered, or if agreed between the parties through any digital platform managed by Customer or an authorised third party for

storing such data, and use such data, including but not limited, to support and develop its products, solutions and services. Data may be transferred within Wäartsilä Group and to third parties who act for or on its behalf for processing the data. Companies belonging to Wäartsilä Group shall own any enrichment, report or derivative work developed or derived from such data. The rights granted hereunder shall survive any termination or expiration of the Contract.

2.3 Subject to Customer’s compliance with the Contract and these Conditions, Supplier grants Customer a non-exclusive licence to use any software supplied with the Parts (“Software”) in connection with the normal and proper use of the Parts. If Software is supplied with the Parts, the term Parts shall be deemed to include Software whenever used in these Conditions. Customer may make copies of the Software only where essential for its lawful operation or for necessary back-up purposes. The following terms apply to the Software: (1) Customer shall not copy, modify, create derivative works from, disassemble or otherwise attempt to derive the source code; (2) supply of Software does not include updates, upgrades, maintenance, support or other additional services and any such items shall be subject to separate written agreement and additional cost; (3) the use of the Software may be subject to separate terms of use or third-party software terms as updated from time to time; (4) any onward supply of the Software to Customer’s customers or other end users, shall be subject to the applicable terms of the Contract and these (or substantially equivalent terms). If any cloud-based service is supplied in connection with the Parts (“Cloud Service”) then the Customer may access the Cloud Service for the duration agreed in the Contract.

3. CYBERSECURITY PROTECTION

3.1 Unless otherwise agreed, upon delivery of any equipment provided by the Supplier, the Customer shall be solely responsible for system integrations and/or system security engineering for any equipment not provided by the Supplier. It is the Customer’s sole responsibility to protect the equipment and its logic-bearing system components (e.g. hardware, firmware, and software hereinafter referred to as the “Critical Components”) from any External Cybersecurity Threat or Internal Cybersecurity Threat, including against hardware and software vulnerabilities. In recognition of the foregoing, the Customer agrees and covenants that it shall use the degree of care appropriate to prevent unauthorized access, use, or hacking of the Critical Components provided in connection with any equipment provided by the Supplier and shall do so in a manner that is no less rigorous than any recommendations provided by the Supplier and accepted industry practices. Supplier is not liable for cyber incidents or breaches, any unauthorized access, interference, intrusion, leakage and/or theft of data or information within Customer’s Information Technology (IT) or Operational Technology (OT) systems. In the event that either party becomes aware of any IT or OT security breach or cyber incident that impacts either party’s ability to perform its duties relevant to the scope of work under the Contract, that party shall notify the other party without undue delay.

3.2 “External Cybersecurity Threat” is any threat, act, attack or other incident which negatively affects the reliable workings of any equipment provided by the Supplier, which originated outside of the physical site housing such equipment.

3.3 “Internal Cybersecurity Threat” is any threat, act, attack or other incident which negatively affects the reliable workings of any equipment provided by the Supplier, which originated inside of the physical site housing such equipment.

4. DELIVERY, ACCEPTANCE AND RETURNS

4.1 All references to trade terms shall be interpreted in accordance with Incoterms® 2020. Unless otherwise agreed in writing, the Parts shall be deemed to be sold “FCA”. Any date or period for delivery stipulated or quoted shall be deemed to be an estimate only. Packing materials shall not be returned to the Supplier. The Customer shall be deemed to have accepted the quantity and quality of the Parts delivered by the Supplier as being in accordance with the Contract unless the Customer has notified the Supplier of any shortages or damage within three (3) days following delivery of the Parts. No returns of Parts will be permitted or allowed by the Supplier.

4.2 If the Customer anticipates that it will be unable to accept the delivery of Parts at the time set forth in the Contract, the Customer shall notify The Supplier in writing stating the reason and the time when the Customer anticipates being able to accept the delivery. The Customer shall pay the part of the Contract price that becomes due at the delivery as if the delivery had taken place. The Supplier may by notice require the Customer to accept the delivery within a final reasonable time. Any costs and expenses related to such delay or non-acceptance of the delivery shall be borne by the Customer.

4.3 The Supplier has the right to suspend the performance of its obligations under the Contract if it is reasonably clear from the circumstances that the Customer will not be able to perform its obligations as stated in the Contract. The Contractor may rescind any offer or suspend or terminate the Contract if Customer does not discharge existing debts or is deemed, at Contractor’s sole discretion, not credit worthy.

5. PAYMENT AND OWNERSHIP

Unless otherwise agreed, payment shall be made by bank remittance in the currency and to the bank account set forth in the Supplier’s invoice within twenty (20) days following the date of the invoice. Payment shall be made in full without any set off, counterclaim or deduction. The Customer is not entitled to withhold payment in case documentation, such as but not limited to certification, has not been provided by the Supplier. The Customer shall pay interest on overdue payments from the maturity date until the actual date of payment at the rate of one and one quarter percent (1.25%) per month, compounded monthly. The Customer shall pay the Supplier all costs related to the collection of overdue amounts, including reasonable attorneys’ fees. In the event any payment is more than thirty (30) days late, the Supplier shall be entitled to suspend or terminate the Contract by written notice to the Customer, and such remedies shall not be exclusive of the Supplier’s additional rights under contract or law. Title to the Parts shall pass to the Customer only when payment in full has been received by the Supplier. The Supplier may as a precondition for delivery of Parts, request: (i) advance payment; and/or (ii) that the Customer pays or provides security covering any unpaid amount already owed to the Supplier or one of its affiliates.

6. WARRANTY

6.1 The Supplier shall repair or replace, at its sole discretion, any defect in the Parts which appears during the warranty period as a result of defective material or manufacturing, provided that any replaced Part shall upon the Supplier’s request be returned to the Supplier at the Supplier’s cost. The Customer shall immediately take appropriate steps to prevent any defect from becoming more serious, and all warranty claims with respect to this warranty shall be made in writing without delay and not later than fourteen (14) days following discovery of such defect during the warranty period. The Customer shall have the responsibility to establish that its claim is covered by this warranty. Replaced Parts shall become the Supplier’s property. Delivery of replaced or repaired Parts will be made in accordance with the original Contract delivery terms. Supplier warrants that any Software shall not contain any material non-conformance with the Supplier’s technical specification for such software during the warranty period and that the Cloud Service will perform substantially in accordance with the Contract and Supplier’s technical specifications for the duration of the applicable term provided in the Contract.

6.2 The warranty period for the Parts begins on the date of delivery and ends eighteen (18) months from the date of delivery. If the Parts are inspected and installed within the above mentioned eighteen (18) months by authorized Wäartsilä personnel, the warranty period will be twelve (12) months from the date when the Parts were placed in Service or eighteen (18) months from the date of delivery, whichever occurs later. The warranty period in respect of Parts which have been repaired or replaced under the warranty shall expire six (6) months following the date when: (i) the repaired or replacement Part is

placed in service; or (ii) upon the expiration of the warranty period applicable to the originally supplied Part as set forth above in this Clause 6.2, whichever occurs later. The warranty for repaired or replacement Parts shall be subject to the same terms, conditions and limitations of liability as those applicable to the originally-supplied Part. Under no circumstances shall the warranty period of any Part (whether as originally supplied or as repaired or replaced) extend beyond the date that is thirty-six (36) months following the date of commencement of the original warranty period as stipulated above in this Clause 6.2.

In case the Parts are ready for delivery but the Supplier is not able to deliver the Parts due to reason attributable to the Customer, the warranty period as stated above in this Clause 6.2 shall commence from date the delivery should have taken place according to the Contract.

6.3 The Supplier shall not be liable for any defect due to or arising in connection with: (1) any materials, components, tools, designs or software provided by the Customer; (2) negligence or wilful misconduct of the Customer; (3) parts, accessories or attachments other than those supplied as Parts by the Supplier; (4) improper service work, installation or alterations carried out by the Customer; (5) normal wear and tear; (6) use of unsuitable material or consumables by the Customer; (7) fluctuation in the grid; or (8) any use, service or operation of the Parts which is not in conformity with manuals, instructions or specifications provided by the Supplier or which is otherwise not in accordance with normal industry practice. The Supplier's warranty obligation does not include any craneage, electricity, scaffolding, docking, diving, sub-sea work, towage costs, demounting or mounting costs, expenses of the Supplier's personnel or representatives, taxes and duties, and all such costs and expenses shall be reimbursed by the Customer to the Supplier when applicable. If after the Supplier's warranty investigation it is found that the Customer does not have a warranty claim within the scope of these Conditions, then the Customer shall be responsible for all applicable costs and expenses for such inspection, repaired or replaced components or other service work.

6.4 THIS CLAUSE 6 SETS FORTH THE ONLY WARRANTY APPLICABLE TO THE PARTS AND IS IN LIEU OF ANY OTHER WARRANTIES, GUARANTEES, OBLIGATIONS AND LIABILITIES EXPRESS OR IMPLIED INCLUDING WARRANTIES, GUARANTEES, OBLIGATIONS OR LIABILITIES AGAINST NON-CONFORMITY OR DEFECTS. THE CUSTOMER HEREBY WAIVES ALL OTHER REMEDIES, WARRANTIES, GUARANTEES AND LIABILITIES, EXPRESS OR IMPLIED, ARISING BY LAW OR OTHERWISE (INCLUDING WITHOUT LIMITATION FITNESS FOR PURPOSE, MERCHANTABILITY OR SATISFACTORY QUALITY). CUSTOMER ACCEPTS THE SOFTWARE AND CLOUD SERVICE "AS IS" AND AS AVAILABLE. SUPPLIER DOES NOT GUARANTEE THAT THE SOFTWARE OR CLOUD SERVICE WILL BE ERROR-FREE, VIRUS-FREE, UNINTERRUPTED OR FREE FROM VULNERABILITIES, OR THAT SUPPLIER WILL CORRECT ALL ERRORS. CUSTOMER ACKNOWLEDGES THAT SUPPLIER DOES NOT CONTROL THE TRANSFER OF DATA OVER COMMUNICATIONS FACILITIES, INCLUDING THE INTERNET, AND THAT THE CLOUD SERVICE MAY BE SUBJECT TO LIMITATIONS, DELAYS AND OTHER PROBLEMS INHERENT IN THE USE OF SUCH COMMUNICATIONS FACILITIES. SUPPLIER IS NOT RESPONSIBLE FOR ANY DOWNTIME OR OTHER PROBLEMS IN CUSTOMER'S OR ANY OTHER THIRD PARTY'S SYSTEMS. SUPPLIER IS NOT LIABLE FOR DELAYS, DELIVERY FAILURES OR OTHER DAMAGE RESULTING FROM SUCH PROBLEMS.

7. SUPPLIER'S LIABILITY

7.1 IN NO EVENT, WHETHER AS A RESULT OF BREACH OF CONTRACT, BREACH OF WARRANTY, TORT LIABILITY (INCLUDING NEGLIGENCE OR STRICT LIABILITY), OR OTHERWISE, SHALL THE SUPPLIER BE LIABLE FOR ANY INDIRECT, CONTINGENT, SPECIAL, CONSEQUENTIAL OR INCIDENTAL DAMAGES, HOWEVER CAUSED OR ARISING (WHETHER ACTUAL OR ANTICIPATED) NOR FOR LOSSES OR DAMAGES (WHETHER ACTUAL OR ANTICIPATED) CAUSED BY REASON OF UNAVAILABILITY OF THE EQUIPMENT OR THE FACILITY, SHUTDOWNS OR SERVICE INTERRUPTIONS, LOSS OF USE, LOSS OF PROFITS OR REVENUE, LOSS OF SAVINGS, LOSS OF REPUTATION, INVENTORY OR USE CHARGES, COST OF PURCHASED OR REPLACEMENT POWER, INTEREST CHARGES OR COST OF CAPITAL ANY CLAIMS OF THE CUSTOMER'S CUSTOMERS, PUNITIVE OR EXEMPLARY DAMAGES, THE COST OF SUBSTITUTED EQUIPMENT, SPARE PARTS OR SERVICES OR REPLACEMENT, REMOVAL OR REINSTALLATION SERVICE WORK NOT ARISING FROM THE WARRANTY PROVIDED HEREIN, TOWAGE CHARGES, POLLUTION REMEDIATION COSTS, COSTS OF DOCKING, DIVING OR SUB-SEA WORK, DAMAGE TO ANY VESSEL, ENGINE ROOM OR POWER PLANT SITE, YARD OR OTHER PROPERTY (INCLUDING DAMAGE TO GOODS OWNED BY THE CUSTOMER), DAMAGE TO ANY EQUIPMENT OR PROPERTY OTHER THAN THE EQUIPMENT, COMPONENTS AND PARTS DELIVERED HEREUNDER, COSTS FOR ANY ADDITIONAL TESTS, SEA TRIALS, DEBRIS REMOVAL OR FOR LOSS OF TIME OR USE OF ANY EQUIPMENT, INSTALLATION SYSTEM, OPERATION OR SERVICE, OR FOR LOSS OR CORRUPTION OF DATA.

7.2 NOTWITHSTANDING ANY OTHER PROVISION OF THE CONTRACT, IN NO EVENT SHALL THE SUPPLIER'S AGGREGATE LIABILITY TO THE CUSTOMER UNDER THIS CONTRACT, WHETHER IN CONTRACT, TORT

(INCLUDING NEGLIGENCE OR STRICT LIABILITY) OR ANY OTHER LEGAL OR EQUITTABLE THEORY, EXCEED THIRTY PERCENT (30%) OF THE CONTRACT PRICE.

7.3 Each party shall obtain a waiver of all rights of recourse and subrogation against the other party from its insurers as well as indemnify and hold the other party harmless for all claims of or by either of the parties' insurers.

7.4 The Supplier shall not be liable for any harm, injury or damages due to or arising in connection with: (1) software provided by the Customer; (2) monitoring, digital and/or cybersecurity-related systems other than those provided by the Supplier; (3) any recommendation provided as part of the Software or Cloud Service; or (4) improper service work, installation or alterations carried out by the Customer on any monitoring, digital and/or cybersecurity-related systems. **"Improper Service Work"** is any act or failure to act which contradicts the OEM recommended maintenance, configuration and advisable operations resulting in detrimental reliability or increased possibility of failure.

8. EXPORT CONTROLS AND TRADE SANCTIONS

8.1 The Parts shall be delivered subject to all applicable export controls imposed on technology and products and trade restrictions by any country or organisation or nation, including the United Nations, European Union and United States of America, which are enforceable in the jurisdiction of the Supplier or any Wartsilä Company. The Customer acknowledges that the Parts and all related technical information, documents and materials may not be imported or exported, re-exported, transshipped, traded, diverted or transferred, directly or indirectly, contrary to such controls or trade restrictions. The Customer shall comply with the sanctions detailed in Wartsilä Supplemental Export Control and Sanctions Annex available at <https://www.wartsila.com/general-terms-conditions>, and warrants not to bring Supplier in a situation where it would be violating such sanctions.

8.2 On the Supplier's request the Customer shall furnish the Supplier with all relevant information, documentation and certificates relating to export control laws, regulations and trade restrictions in the form and content specified by the Supplier. The Customer warrants and represents that it and the end-user are not on any sanctions or denied parties lists, and that the end-use is not restricted

8.3 Should it become apparent during execution of the Contract that the Parts cannot be delivered on the agreed delivery date or at all due to export controls or trade restrictions, which would prevent the Supplier from fulfilling its contractual obligations for more than ninety (90) calendar days, Supplier shall be entitled to terminate the Contract in whole or in part. The Supplier has no liability resulting from any delay or termination resulting from export controls or trade restrictions. In the event of termination of the Contract under this clause, the Customer shall not be entitled to recover from the Supplier any costs, damages or losses incurred by the Customer in connection with or as a result of such termination. The Customer shall indemnify the Supplier against all third-party claims in this regard.

9. FORCE MAJEURE

9.1 Neither the Supplier nor the Customer shall be liable for any failure or delay in performing its obligations hereunder, or for any loss or damage resulting therefrom, caused by or arising from an event of force majeure ("Force Majeure"). Force Majeure means any events or circumstances (whether foreseen or unforeseen) which are beyond the reasonable control of the Party affected, and includes, without limitation, acts of God, wars whether declared or not, any events involving armaments of war, civil wars and riots, hostilities, public disorder, acts of terrorism and severe threat of terrorism, cyber incidents, any measures taken by public authorities in connection with threat of terrorism, embargos and import or export restrictions, acts of civil or military authorities, any lawful or unlawful restrictions and actions of any public authority or government, sanctions, boycotts, fire, flood, accidents, strikes, failure of a subcontractor or sub-supplier to provide manpower, materials or goods caused by an event that qualifies under this Clause 9, undue transportation or customs clearance problems, epidemics, unusually severe weather affecting either party, or causes beyond their control.

9.2 Once a Party is aware that its performance under the Contract is affected by Force Majeure, the affected Party shall, without undue delay, give written notice to the other Party briefly setting out relevant details of the delay.

9.3 In the event that such Force Majeure event continues uninterrupted for two (2) months after receipt of any notice in accordance with Clause 9.2 above, either Party may terminate the Contract by giving one (1) month written notice.

9.4 Any termination as a result of Force Majeure shall not affect a Party's right to receive payment in respect of all costs incurred, as at the date of the termination notice, in pursuit of its obligations.

10. SECURITY AGREEMENT

The Customer hereby grants to the Supplier a continuing security interest, and when applicable a maritime lien for necessities, in and to the Parts, together with all goods into which the Parts are attached at any time, and all products and proceeds derived from the sale or lease thereof as security for the payment in full of such Parts.

11. DUTIES, TAXES, FEES AND COMPLIANCE WITH LAWS

Notwithstanding anything to the contrary, the Customer shall pay, all duties, tariffs, withholding and other taxes, customs fees and charges and all charges and fees by a classification or inspection society (collectively, "Taxes, Duties & Fees"). Moreover, notwithstanding the delivery terms, any increases in

Taxes, Duties & Fees that occur after the date Supplier's offer shall be paid by the Customer. All such documentation or approvals which are required by applicable laws, and any applicable modifications of such laws, shall be the responsibility of and paid by the Customer. Supply out of the European Union (EU) is exempted from Value Added Tax (VAT) on the condition that the Parts are exported out of the EU within one hundred and fifty (150) days from the supply. In accordance with the EU Customs and VAT laws, the Customer must provide the Supplier with valid proof of exportation. If the Customer does not provide the Supplier with such proof within one hundred and fifty (150) days, the Supplier has the right to charge VAT according to national laws which shall be immediately remitted by the Customer.

12. GOVERNING LAW AND ARBITRATION

12.1 Unless the parties agree otherwise in writing, the Contract shall be governed by and interpreted in accordance with the laws in force in principal place of business of the Supplier, excluding the conflict of law rules applicable in such jurisdiction. Any controversy, claim or dispute between the parties hereto arising out of or related to this Contract shall be submitted to the International Court of Arbitration of the International Chamber of Commerce for final and binding arbitration in accordance with the Rules of Arbitration of the International Chamber of Commerce by three (3) arbitrators appointed in accordance with the said Rules. The arbitration proceedings shall be in the English language and shall take place in Paris, France.

12.2 Nothing contained in this Clause shall preclude the Supplier from bringing legal action or proceeding against the Customer for purposes of enforcement, injunctive relief or interim or remedial measures in the courts of any jurisdiction where the Customer or any of its property or assets may be found or located,

and the Customer hereby irrevocably submits to the jurisdiction of any such court.

13. ENTIRE AGREEMENT

These Conditions, along with any additional terms, annexes or addendums referenced in these Conditions, referenced in the Contractor's offer or order acknowledgement, or mutually agreed in the Contract, contain the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and supersede all prior agreements and understandings relating to such subject matter. Any service work to be provided by the Supplier to the Customer shall be in accordance with the Supplier's General Terms and Conditions Services (latest version then in effect). If a provision of these Conditions is at variance with necessary requirements of applicable law, then these Conditions shall be deemed to be amended to the minimum extent necessary to comply with such applicable law. No terms, conditions, representations, warranties or covenants contained in any correspondence, catalogue, or in any other form shall be applicable unless incorporated herein by express written agreement of the parties hereto.

14. DATA PROTECTION

Supplier's personal data processing activities are set out in Supplier's Privacy Notice which is available at: <https://www.wartsila.com/legal-privacy/privacy> and incorporated herein by reference. The parties agree that in relation to any personal data shared between them, unless otherwise provided in the General Data Protection Regulation (EU 2016/679) ("GDPR"), or agreed between the parties, both are acting as data controllers as described in GDPR.



ATTACHMENT B2

COST SUMMARY

The following is a breakdown of contractor and GPA costs based on the Wartsila proposal on Attachment A and the conditions noted within this proposal offer.

	DG2 Generator Repair offsite	
<i>Description</i>		
<i>Generator 2 repair offsite</i>	\$	1,450,000.00
<i>Travel Related Costs included</i>	\$	-
<i>Shipping to GIAA included. Shipping to NBG is not included.</i>	USD	-
<i>Total</i>	USD	1,450,000.00
<i>Total Quoted amount from Wartsila</i>	USD	1,450,000.00
<i>GRT</i>	USD	76,313.50
<i>GPA labor charge</i>	USD	150,000.00
<i>Estimated with GRT applied to total not just parts</i>	USD	1,676,313.50
<i>10% contingency</i>	USD	1,843,944.85
TOTAL JPMC TO GPA REIMBURSEMENT	USD	1,843,944.85



RESOLUTION NO. FY2024 - 30

**RELATIVE TO APPROVAL OF THE REPAIR AND OVERHAUL
OF THE NAVY-OWNED OROTE POWERPLANT**

WHEREAS, Guam Power Authority (GPA) and Commander, Joint Region Marianas (CJRM), renewed the Inter-Governmental Support Agreement (IGSA) for another 10- year period in June 2023 for the purpose of providing each other with mutual assistance of electrical power goods and support services; and

WHEREAS, CJRM has requested GPA to assist with the repair and overhaul services for the Orote Power Plant located on Naval Base Guam (NBG); and

WHEREAS, the Orote Power Plant consists of three 6.8MW Wartsila diesel engines; and

WHEREAS, the diesel engines were recently assessed by Wartsila and Navy has justified use of the original equipment manufacturer (OEM) to provide the repair and overhaul services; and

WHEREAS, GPA requests for approval of up to \$3M based on an initial estimate for all work related to the Orote Power Plant which is a reimbursable cost to GPA under the IGSA from Navy that will not produce an increased revenue requirement and as such notice shall be provided to the Guam Public Utilities Commission under its contract review protocol; and

WHEREAS, presently two diesel engines at the Orote Power Plant are operational and have provided support to the Island Wide Power System during GPA generation capacity shortfalls and is a critical capacity reserve resource until the Ukudu Power Plant is commissioned in September 2025; and

WHEREAS, Navy has requested to expedite this service to ensure power supply to the Naval Base Guam at all times especially after typhoons.

NOW, THEREFORE, BE IT RESOLVED, by the Consolidated Commission on Utilities, as follows:

- 1 1. GPA is approved to contract Wartsila, to provide repair and overhaul services on the
2 Orote Power Plant which shall be reimbursed by Navy under the IGSA.
3 2. GPA shall notify the PUC of the contract as required by the contract review protocol.
4

5 **RESOLVED**, that the Chairman certifies and the Board Secretary attests to the adoption
6 of this Resolution.

7 **DULY AND REGULARLY ADOPTED AND APPROVED THIS 27TH DAY OF**
8 **August, 2024.**

9 Certified by:

Attested by:

10 
11


12

12 **JOSEPH T. DUENAS**

PEDRO ROY MARTINEZ

13 Chairperson

Secretary

14 Consolidated Commission on Utilities

Consolidated Commission on Utilities

15
16 **I, Pedro Roy Martinez**, Secretary for the Consolidated Commission on Utilities (CCU), as
17 evidenced by my signature above do certify as follows:

18 The foregoing is a full, true, and accurate copy of the resolution duly adopted at a regular
19 meeting of the members of Guam Consolidated Commission on Utilities, duly and legally held
20 at a place properly noticed and advertised at which meeting a quorum was present and the
21 members who were present voted as follows:

22
23 Ayes:

4

24 Nays:

0

25 Absent:

1

26 Abstain:

0

27 ///

