

Powell Service Division

Department Manual

Service Guidelines

Field Service Rate Schedule* International

PSD1002-2010

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The POWELL SERVICE DIVISION (PSD) maintains a staff of trained field service technicians and engineers available for installation supervision, startup, testing, inspection, repair and maintenance of apparatus sponsored and sold by POWELL ELECTRICAL SYSTEMS. PSD is also available to perform maintenance, modification, and test and repair services on switchgear and control apparatus of other manufacturers.

Classification of Technical Services:

Class I services are those provided for complex systems or equipment requiring a high degree of training, experience, or specialization by the field engineer. Class I specialist services shall include: complex system studies; relay calibration; system troubleshooting; generator start up; training services performed by Lead Field Engineers. Class I rates will also apply when specific service personnel are requested by the customer.

Class II services are those less complex than Class I. Class II services include: equipment installation; installation supervision; commissioning; acceptance testing; equipment maintenance and repair.

SERVICE RATES

CLASS	PER DIEM	OVERTIME	SUN/HOLIDAY 7 th Day	CONFINED LOCATIONS & OFFSHORE	TRAVEL
I	\$2,400.00/day	\$360.00/hour	\$480.00/hour	\$3,500.00/day	\$2,000.00/day
II	\$1,800.00/day	\$270.00/hour	\$360.00/hour	\$2,800.00/day	\$1,600.00/day

DEFINITION OF RATES

Per Diem rates are based on (10) ten hours per day, (6) six days per week. The seventh day of rest will be determined by local custom. Local travel and living expenses are not included.

Overtime is based on all time worked or traveled after the first ten hour time period, even though the work may continue into the following day.

Payment of mobilization charges which include all travel time to and from facility locations as well as applicable air fare are required to be paid in full before a technician can be dispatched to location.

Seventh Day/Holiday rate includes all time worked or traveled on Sundays or Nationally recognized Holidays.

Confined Locations & Offshore daily rates apply to all service location on fixed or floating ocean vessels and all remote locations where service personnel are confined to the work site. Rates do not include travel and living expenses.

**Rates only apply to travel and service provided outside the continental U.S.*

**HOURLY RATES DO NOT INCLUDE TRAVEL AND LIVING EXPENSES.*

**CONTRACT SERVICES ARE AVAILABLE - QUOTATIONS WILL BE FURNISHED UPON REQUEST.*

**RATES ARE SUBJECT TO CHANGE WITHOUT NOTICE. *LOCATIONS WHERE POLITICAL INSTABILITY OR LOCAL HARDSHIPS MAKE WORK OR TRAVEL DIFFICULT WILL BE SUBJECT TO SPECIFIC RATE SCHEDULES. PSD ALSO RESERVES THE RIGHT TO DECLINE SERVICE IN THESE LOCATIONS. *WRITTEN CONFIRMATION IS REQUIRED AT LEAST TWO WEEKS PRIOR TO FINAL SCHEDULING OF INTERNATIONAL TRIPS. DEMAND DATES MAY APPLY DUE TO INSUFFICIENT NOTICE.*

SERVICE TERMS:

Travel Time will be billed for each day of travel from PSD's headquarters to the job site and return from the job site to the office of origin. Travel time will be billed in full days at the applicable rates listed above. If the customer requires personnel to mobilize during overtime or holiday periods, the applicable premium service rates will apply. Days with combined work and travel will be billed at the daily rate.

Travel Expenses will be billed at cost plus a 10% handling charge. This includes visa application fees, photographs and associated expenses. Business class fares will be used for all airline travel.

Living Expense which includes hotel room charges, meals, incidental living expenses, and local travel cost, will be billed at cost plus a 10% handling charge. This includes all expenses incurred by the technician at the job location and/or while traveling to and from headquarters. Living expenses will be charged for service periods spanning weekends and holidays even if no on site labor is performed during this period.

Equipment Charges on a weekly basis will be billed for use of certain test equipment. (e.g.; D.C. Dielectric Test Sets, Breaker, Overload, and Protective Relay Equipment, etc.). Typical charges are listed below. No charge will be made for test equipment used in normal servicing (e.g.; Multi-meters, Clamp-on Ammeters, 1000V Megger).

Minimum Billing/Standby time: When service personnel are on location, but are unable to perform the services requested due to circumstances beyond Powell's control, the customer will be charged the per diem rate for each day at the applicable rate. No billing will be less than (6) days per week. A (7) day minimum billing will be charged for all time spent in confined locations, (i.e.: remote desert locations, jungle camps, offshore platforms).

Night Shift Premium: Any labor performed between 6:00 PM and 6:00 AM will be billed at the applicable "overtime" rate regardless of the hours worked, if any, prior to this starting time.

Demand Service Rates will apply to services required to be performed within five (5) workdays of the request. If personnel are required to transfer from a scheduled assignment for such a request, the appropriate overtime rate will apply for the first five days.

Confined Locations Premium: All work or standby time requiring travel to an offshore facility or confined locations will be billed at the applicable "Confined Locations Daily Rate" or "Holiday" rate. All offshore service exceeding 12 hours, will be billed at the applicable overtime rate.

Security/Safety Concern: Whenever it is deemed by Powell service technician that a project location is not secure or their safety is jeopardized by actions at or around the site location, customer will assist in extracting service personnel from location and aid in their return to Powell's home office upon request.

Miscellaneous Expenses related to customer required safety training or drug testing that exceed Powell's current policy, will be billed at cost plus 10 % handling.

MATERIALS, OTHER CHARGES: Whenever it is necessary to supply material and other charges in connection with service, the following rates will apply: (A) Materials provided or purchased through Powell will be billed at current prices. (B) Materials purchased in the field will be billed at cost, plus 20% handling charge. (C) All third party or independent contract service requested by the customer will be billed at cost, plus 20% handling charge.

TERMS OF PAYMENT are net thirty (30) days from date of invoice. Depending on the length of the project, invoicing will be submitted bi-weekly or on a monthly basis.

LATE PAYMENT: Finance charges of 1 1/2 % per month on the unpaid balance will be added if payments are not made according to terms. If the invoice is contested, the undisputed portion must be paid pending resolution of the issue. A legitimate dispute must be presented in writing within the payment period to avoid finance charges.

TAXES: No taxes are included in any of the rates shown.

EQUIPMENT CHARGES

DESCRIPTION	MODEL	WEEKLY RATE
<u>Current Testing</u>		
Low Current/Voltage	Sverker 750	510.00
Motor Overload	Multiamp MS2	510.00
LVCB Programmer	Digitrip Test Set	510.00
<u>Relay Calibration</u>		
Multifunction Relay	Three phase test set	1900.00
<u>High Potential Testing</u>		
70 kV Biddle 70kV	2200072	825.00
2.5/5 kV Megger	Multiamp MG25A	310.00
<u>General Instrumentation</u>		
Phase Angle Meter	Arbiter	500.00
Current Transformer Tester	Multiamp CTER	500.00
Transformer Turns Ratio	Biddle TTR	500.00
Earth Resistance	Biddle	400.00

NOTE:

1. Test equipment is not available for rental without field personnel.
2. The listed rates apply only to P.S.D. owned equipment.
3. If Powell equipment is not available, third party rental charges, plus 10% handling will be billed.
4. All rates apply portal to portal.
5. Transportation costs are not included. These charges will be billed at cost plus 10%.
6. The actual equipment utilized may vary, as test equipment is updated.
7. Billing is based on full weeks only. The second weeks billing is accrued on the eighth day of equipment use.
8. The customer is responsible for all test equipment from portal to portal. Equipment retained by customs authorities or lost within the destination country will be billed to customer at the equipment replacement cost.

STANDARD CONDITIONS OF SALE

Sale of any of the equipment or services described or referred to in this quotation at the quoted prices is expressly conditioned upon the terms and conditions set forth below. Any order for or any statement of intent to purchase any such equipment or services, or any direction to proceed with engineering, procurement, manufacture or shipment, shall constitute assent to said terms and conditions and a representation that the Purchaser is solvent. Any additional or different terms or conditions set forth in any such communication from the Purchaser are hereby objected to by Powell Electrical Manufacturing Company (the "Company") and shall not be effective or binding unless expressly assented to in writing by an authorized representative of the Company. No contract shall be formed except upon the terms and conditions contained herein and any additional or different terms to which the Company has expressly consented.

RIGHT TO SUBCONTRACT The Company reserves the right to subcontract any or all of the work to one or more subcontractors, but any Field Representative performing the technical or field engineering services specified will be a Company employee.

WARRANTY The Company warrants to the Purchaser that the equipment and services to be delivered hereunder will be free from defects in material or workmanship and will be of the kind and quality designated or specified in the contract.

This warranty shall apply only to defects appearing within one year from the date of shipment by the Company; provided, however, that if Purchaser, in the course of its regular and usual business, transfers title to or leases such products (including equipment incorporating such products) to a third party, such period shall run until one year from such transfer or lease or eighteen (18) months from shipment by the Company, whichever comes first.

If the Company installs the equipment or supplies technical direction of installation by contract, the warranty period shall run from the completion of installation, provided same is not unreasonably delayed by the Purchaser. The conditions of any tests shall be mutually agreed upon and the Company shall be notified of, and may be represented at, all tests that may be made.

If the equipment delivered hereunder does not meet above warranty, and if the Purchaser promptly notifies the Company, the Company shall thereupon correct any defect, including non-conformance with the specifications, either (at its option) by repairing any defective or damaged parts of the equipment, or by making available at the Company's plant necessary repaired or replacement parts. The liability of the Company under this warranty (except as to title), or for any loss or damage to the equipment whether the claim is based on contract or negligence, shall not in any case exceed the cost of correcting defects in the equipment as herein provided and upon the expiration of the warranty period all such liability shall terminate. The foregoing shall constitute the exclusive remedy of the Purchaser and the exclusive liability of the Company.

The foregoing warranty is exclusive and in lieu of all other warranties, whether written, oral, implied or statutory (except as to title). **NO IMPLIED STATUTORY WARRANTY OF MERCHANTABILITY OR OF FITNESS FOR PURPOSE SHALL APPLY.** The Company does not warrant any equipment of other manufacture designed by Purchaser.

PATENTS The Company shall defend any suit or proceeding brought against the Purchaser so far as based on a claim that any equipment, or any part thereof, furnished under this contract constitutes an infringement of any patent of the United States, if notified promptly in writing and given authority, information and assistance (at the Company's expense) for the defense of same, and the Company shall pay all damages and costs awarded therein against the Purchaser. In case said equipment, or any part thereof, is in such suit held to constitute infringement and the use of said

equipment or parts is enjoined, the Company shall, at its own expense and at its option, either procure for the Purchaser the right to continue using said equipment or part; or replace same with non-infringing equipment; or modify it so it becomes non-infringing; or remove said equipment and refund the purchase price and the transportation and installation costs thereof. The foregoing states the entire liability of the Company for patent infringement by said equipment or any part thereof.

The preceding paragraph shall not apply to any equipment, or any part thereof, manufactured to Purchaser's design. As to any such product, part, or use in such combination, the Company assumes no liability whatsoever for patent infringement and Purchaser will hold the Company harmless against any infringement claims arising there from.

DELIVERY Shipping dates are approximate and are based upon prompt receipt of all necessary information from Purchaser. Unless otherwise specified by the Company, delivery will be made and title will pass F.O.B. point of shipment to Purchaser. Risks of loss or damage pass to Purchaser on delivery.

The Company shall not be liable for delays in delivery or in performance or failure to manufacture or deliver, due to (1) causes beyond its reasonable control, or (2) acts of God, acts of the Purchaser, acts of civil or military authority, priorities, fires, strikes or other labor disturbances, floods, epidemics, war, riot, delays in transportation or car shortages, or (3) inability on account of causes beyond its reasonable control to obtain necessary labor, materials, components, or manufacturing facilities. In the event of any such delay, the date of delivery or of performance shall be extended for a period equal to the time lost by reason of the delay.

PAYMENTS Pro rata payments shall become due as shipments are made. If shipments are delayed by the Purchaser, payments shall become due on the date when the Company is prepared to make shipment. If the work to be performed hereunder is delayed by the Purchaser, payments shall be made based on the purchase price and the percentage of completion. Equipment held for the Purchaser shall be at the risk and expense of the Purchaser.

If the financial condition of the Purchaser at any time does not, in the judgment of the Company, justify continuance of the work to be performed by the Company hereunder on the terms of payment agreed upon, the Company may require full or partial payment in advance or shall be entitled to cancel any order then outstanding and shall receive reimbursement for its reasonable and proper cancellation charges. In the event of bankruptcy or insolvency of the Purchaser or in the event any proceeding is brought against the Purchaser, voluntarily or involuntarily, under the bankruptcy or any insolvency laws, the Company shall be entitled to cancel any order then outstanding at any time during the period allowed for filing claims against the estate and shall receive reimbursement for its reasonable and proper cancellation charges. The rights of the Company under this paragraph are cumulative and in addition to all rights available to the Company at law or in equity.

SALES AND SIMILAR TAXES The Company's prices do not include sales, use, excise or similar taxes. Consequently, in addition to the price specified herein, the amount of any present or future sales, use, excise, or other similar tax applicable to the sale or use of the equipment hereunder shall be paid by the Purchaser, or in lieu thereof the Purchaser shall provide the Company with a tax-exemption certificate acceptable to the taxing authorities.

DISCLOSURE OF INFORMATION Any information, suggestions or ideas transmitted by Purchaser to the Company in connection with performance hereunder are not to be regarded as secret or submitted in confidence except as may be otherwise provided in a writing signed by a duly authorized representative of the Company.

CANCELLATION The Purchaser may cancel his order only upon

written notice and upon payment to the Company of reasonable and proper cancellation charges, which may take into account, without limitation (costs of materials incurred through the date of cancellation, charges for labor for work done through the date of cancellation, and the Company's margin on such materials and labor).

LIMITATION OF LIABILITY Unless otherwise agreed in writing by a duly authorized representative of the Company, products sold hereunder are not intended for use in connection with any nuclear facility or activity. If so used, the Company disclaims any liability for any nuclear damage, injury or contamination, and Purchaser shall indemnify the Company against any such liability, whether as a result of breach of the contract, warranty, tort (including negligence) or otherwise.

In no event, whether as a result of breach of contract, warranty, tort (including negligence) or otherwise, shall the Company or its suppliers be liable for any special, consequential, incidental or penal damages, including but not limited to, loss of profit or revenues, loss of use of the products or any associated equipment, damage to associated equipment, cost of capital, cost of substitute products, facilities, services or replacement power, down-time costs, or claims of Purchaser's customers for such damages. Any additional or different terms specifically relating to or addressing the subject matter of this paragraph shall be deemed material alterations within the meaning of Section 2.207(b)(2) of the Texas Business and Commerce Code.

The Company agrees to indemnify Purchaser for costs or damages suffered by Purchaser arising solely or principally by reason of the negligence or intentional wrongful act of the Company in connection with its performance of this contract. Except as provided in the section entitled "PATENTS", in no event, whether as a result of breach of contract (including the provision of the preceding sentence), warranty, tort (including negligence and intentional wrongful act) or otherwise, shall the Company's liability to Purchaser for any loss or damage arising out of, or resulting from, this contract, or from the Company's performance or breach, or from the products or services furnished hereunder, exceed the price of the specific product or service which gives rise to the claim. Except as to title, any such liability shall terminate upon the expiration of the warranty period specified in the section "WARRANTY".

If the Company furnishes Purchaser with advice or other assistance which concerns any products supplied hereunder or any system or equipment in which any such product may be installed and which is not required pursuant to this agreement, the furnishing of such advice or assistance will not subject the Company to any liability, whether in contract, warranty, tort (including negligence) or otherwise.

GENERAL The Company represents that any goods to be delivered hereunder will be produced in compliance with the requirements of the Fair Labor Standards Act of 1938, as amended.

Any assignment of this contract or any rights hereunder, by the Purchaser without written consent of the Company shall be void.

The provisions of this contract are for the benefit of the parties thereto and not for any other person.

No understanding, promise or representation, and no waiver, alteration or modification of any of the provisions hereof, shall be binding upon the Company unless assented to in writing by an authorized representative of the Company.

The invalidity, in whole or part, of any of the foregoing paragraphs will not affect the remainder of such paragraph or any other paragraph contained herein.

The validity, performance and all matters relating to the interpretation and effect of this agreement and any amendments

hereto shall be governed by the law of the State of Texas, without giving effect to choice of law principles thereof.

CUSTOMER RESPONSIBILITIES The customer must provide at least one (1) individual to be present and to act as their representative at all times that Powell personnel are working on the customers premises.

Powell will not perform power switching unless specifically requested by the customer. By such request the customer indemnifies and holds Powell harmless for any damages or injury resulting from switching errors. Powell reserves the right to refuse to perform switching if the action is deemed unsafe by the technician.

Powell engineers and technicians are non-union professional personnel. The customer shall pay for any charges or wages where Union personnel are required by jurisdictional dispute to assist or stand by during performance of work.

ARBITRATION Any disputes or differences concerning the performance, breach or interpretation of any of the provisions of this quote shall be resolved only by binding arbitration to be conducted in accordance with its commercial arbitration rules and judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof will be governed by the statutes of the State of Texas and the proceeding will be held in Houston, Harris County, Texas.