



INTRODUCTORY NOTE

ORGALIME SUPPLEMENTARY CONDITIONS

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

SCOPE OF USE

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

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

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

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

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

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

SOME MAIN FEATURES OF ORGALIME MI 18

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

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

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