

1. Purpose and coverage of this document

Generally Wärtsilä General Terms and Conditions Parts (2023) is applied. This document describes the specific terms related only to Exchange Parts. In case of contradiction between the terms and conditions set out below and Wärtsilä General Terms and Conditions Parts (2023), this document prevails.

2. Part Definition and Exchange Part Program

Exchange Part is a new or reconditioned part, that is sold to a customer with the requirement that the Exhausted Part will be returned to Wärtsilä after the installation of such new or reconditioned part is completed.

Exhausted Part is a used part, that is disassembled when an Exchange Part is installed.

After installation of an Exchange Part, the Exhausted Part shall be delivered to Wärtsilä as partial payment. However, Customer has title to the Exhausted Part and is responsible for ensuring safe storage and insurance of such Exhausted Part, both in transit and when stored on-board. Title to the Exhausted Part is transferred to Wärtsilä after the Exhausted Part has been received by Wärtsilä, successfully inspected and accepted by Wärtsilä as returned.

When buying Exchange Parts, the following is to be taken into account:

- Exhausted Part, which will be returned to Wärtsilä in accordance with these conditions, is a partial payment for the Exchange Part. If acceptable Exhausted Part is not returned in agreed timeframe, additional payment for delay will be applied.
- Sale of Exchange Part is always a single transaction: When a component is overhauled using an Exchange Part, the Exhausted Part must be returned to a named Wärtsilä location. The Exhausted Part cannot be transferred directly to another installation.
- Exchange Parts program is dependent on availability and cannot always be guaranteed.
- Exchange Part cannot be bought to stock spare parts as Exhausted Part is needed to be returned back to Wärtsilä in a defined time-frame.

3. Ordering an Exchange Part

When ordering an Exchange Part the following information must be mentioned in the Purchase Order:

- Customer/Operator name
- Vessel/Installation Name
- Engine number (Only Engine related Exchange Parts)
- Product Number (In frontpage of Wärtsilä Spare Part Catalogue)
- Requested delivery date of exchange parts

4. Conditions for approving Exhausted Part as a partial payment for Exchange Part

Subject to these terms, Wärtsilä accepts Exhausted Parts, even if these are at the end of their lifecycle, as a partial payment for Exchange Parts if such Exhausted Parts meet the following conditions:

1. Exhausted parts are originally delivered either by Wärtsilä or by the licensee of Wärtsilä or WinGD. Exception: For cylinder head it is required only that cylinder head frame (casting) is originally delivered by Wärtsilä.
2. Exhausted Part has been installed to operating Wärtsilä Product until overhaul. If exhausted part is clearly damaged or inner components are missing, Wärtsilä considers that acceptable exhausted part has not been returned, and maximum delay penalty is invoiced.
3. Exhausted Part is packed according to Wärtsilä's returning instructions and in the same box in which the Exchange Part was delivered, with the same assembly level as the delivered Exchange Part.

5. Delivery Terms for Exhausted Part

After overhaul, the Customer sends Exhausted Parts, that were disassembled, to a named Wärtsilä location in accordance with Wärtsilä's Returning Instructions and Incoterm that is mentioned in document Exchange Order. Applied incoterm is either DAP or DDP Incoterms 2020®, depending on returning location. Exhausted parts must be delivered at named Wärtsilä location within twelve (12) calendar weeks from actual delivery date of Exchange Part. Actual delivery date is the date when sellers obligation ends according to applied incoterm. Customer is required to inform the delivery tracking number by sending an e-mail to the e-mail address mentioned in the Returning Instructions.

6. Exhausted parts not delivered in due time

The Exhausted Parts should be returned to Wärtsilä at first convenience once the installation of the Exchange Part is completed and in any event, the Exhausted Parts must be received back within twelve (12) calendar weeks from the requested Exchange Part delivery date as stated in the Purchase Order. Exhausted Parts which have not been returned within this time will be subject to additional payment according to steps defined below. Additional payment is counted from each starting four (4) week period, when Exhausted Part(s) is/are not received by Wärtsilä until the maximum amount of delay penalty has been reached.

Delay of 1-4 starting calendar weeks: 25% of maximum delay penalty

Delay of 5-8 starting calendar weeks: 50% of maximum delay penalty

Delay of 9-12 starting calendar weeks: 75% of maximum delay penalty

Delay of 13 starting calendar weeks or more: maximum delay penalty

The maximum amount of delay penalty is defined in the Quotation and in the Order Acknowledgement.

When the maximum delay penalty has been paid, the Customer does not have to return such Exhausted Part to Wärtsilä.

Specific Transport box for an Exchange Part is owned by Wärtsilä. If the Exhausted Part is returned in anything other than the same transport box, Wärtsilä will invoice additional fee per missing transport box. In cases where specific transport box is applied, this fee is defined in the Quotation and in the Order Acknowledgement.

7. Invoicing the delay penalty

In case delay penalty will be invoiced, the respective invoice will be sent either by the contracting Wärtsilä Company or by Wärtsilä Services Switzerland Ltd/Wärtsilä Global Logistics Services.