

GENERAL RENTAL PROVISIONS FOR CRANES

– AHK 18

These general provisions shall apply to agreements for rental and work with cranes. The provisions apply to rental of operated or non-operated stationary cranes provided by the rental company and for the rental of operated mobile cranes provided by the rental company.

The provisions are issued by the Swedish Mobile Crane Association and have been formulated in cooperation with contractors in the construction industry and take effect on May 1, 2018.

1 TERMINOLOGY

For the purposes of these provisions, the following terminology and definitions apply:

1.1 WORK

All forms of work including set-up/provisioning, inspections, education, etc. within the assignment and all related transportation.

1.2 AGREEMENT/CONTRACT

Any verbal or written agreement (signed contract, settlement protocol, purchase order, order confirmation tender/acceptance, call-off) for the execution of work or rental.

1.3 CLIENT

The party that has ordered a crane or crane work, or the party that will pay for the crane or crane work or another party that orders work to be carried out at the worksite.

1.4 RENTAL COMPANY

The party that supplies the crane and is to perform work at the worksite following the tender, receipt of an order or other supporting documentation. For operated **mobile cranes**, for operated or non-operated **stationary cranes**.

1.5 RENTAL OBJECT

A **stationary crane** is normally a tower crane, attached or permanently fixed, that is assembled, erected and controlled by the rental company on site. A **mobile crane** is a type of telescopic crane, crawler crane or a truck mounted crane.

1.6 TIME OF COMMISSIONING

The agreed time when the crane is rigged and ready for operation, has an electrical connection if applicable, has the crane operator provided by the party on site and has been inspected.

1.7 RECURRING BILLING

A contract under which the rental company receives compensation based on the agreed hourly, daily or monthly billing charges, all exclusive of VAT.

1.8 FIXED-RATE BILLING

A contract under which the rental company is to perform a work task that is clearly and unambiguously defined by the client, at a fixed rate agreed by the parties, all exclusive of VAT.

1.9 EXTRAS

Additional work beyond the original work ordered.

2. GENERAL PROVISIONS

2.1 These provisions shall apply between the parties, the client and the rental company, and are supplemented by the parties rental agreement. The provisions shall apply without any modifications or additions unless otherwise agreed in writing between the parties.

2.2 These provisions shall apply to all rental objects, associated goods components, and the work agreed between the parties, and require that each party uses the rental object in accordance with applicable instructions, provisions and requirements given by manufactures and authorities. The rental object may not be used in such a way as to jeopardize the rental company's right of ownership. The client shall keep the rental object available for inspections and maintenance during normal working hours.

2.3 The tender submitted by the rental company is binding for 30 days unless otherwise agreed separately.

2.4 A binding agreement between the parties is considered concluded when the rental company verbally or in writing has notified the client that a rental or work can be carried out.

2.5 If the project requires specific training of personnel, the client is liable for any applicable expenses, such as wage costs or additional remuneration to personnel.

2.6 The party that provides any information, research data or technical solution that constitutes the basis for assessing the nature and scope of the work is responsible for its correctness and completeness, in accordance with paragraphs 5 to 7. A party is entitled to compensation for disruptions and additional costs due to any false or incomplete information provided by the counterparty. A party is entitled to cease work if it determines that the work cannot be carried out in an acceptable manner on the basis of this information. In the event of a substantial deviation, a party is also entitled to terminate the contract in accordance with section 10.3.

2.7 The rental company is entitled to compensation for the costs incurred because of interruptions, obstructions, delays or other disturbances beyond its control during assembly/disassembly or execution of the work. The rental company is entitled to adjust charges in the event that unforeseen costs emerge after the contract is concluded. Such costs may arise in connection with modifications to the order, uncertainties or ambiguities regarding the client's request with respect to paragraph 5, or taxes and government decisions that are not covered by the agreed charge.

2.8 When the contract is concluded, the rental company is entitled to request that the client provides collateral or other adequate security corresponding to the agreed charge specified in the rental company's quotation for each crane or piece of equipment.

2.9 The client is responsible for ensuring that what is to be lifted is sufficiently packaged and protected against the weather and other risks in order to avoid damage during lifting. The designated lifting points, attachments, lifting eyes or other lifting accessories fitted to the item to be lifted shall comply with manufacturer and statutory requirements. If the rental company with provided crane operator believes that the working conditions are not satisfactory, it is entitled to cease work. The rental company also reserves the right to take the necessary measures on the client's behalf.

3. RENTAL SCOPE FOR RECURRING BILLING

- 3.1 In all projects for which the parties have not reached a special agreement concerning billing, charges shall be billed by the hour, day or month in accordance with these provisions. Recurring billing for crane rentals include the crane as ordered, together with the equipment, as well as administrative costs and fees.
- 3.2 **Mobile cranes** are rented at the hourly rates stated in the rental company's price list, unless otherwise agreed, unless subject to payment in accordance with sections 2.5 to 2.7. Crane rental includes the costs of crane operators, fuel and lubricants, as well as costs resulting from normal wear and tear. The rental period is defined as the time when the crane leaves the rental company's depot or other agreed location up to and including the time when the crane returns to the agreed location, in which connection part of an hour should be calculated as a full hour. The minimum rental period shall be three hours.
- 3.3 **Stationary cranes** are rented at the daily rental rate stated in the quotation. The rental period shall always be agreed in writing. The agreed daily rental rate is the rental charge per rental object and day. For partial-day rentals, the rent is charged for a full day. If the rental object is used for more than a shift of eight hours, an additional charge will be billed as stated in the rental company's quotation. When a stationary crane is rented with a crane operator, the costs of the operator is stated separately and is billed in accordance with the current contract.
- 3.4 For Saturdays, Sundays, the eves of public holidays and public holidays, rent will not be charged if the equipment is not in use. However, rent is charged for all rental objects during holiday periods and other similar leaves, unless otherwise agreed. In the event of downtime caused by weather conditions, the rental charge is not reduced. For a description of downtime for which the rental company is responsible, see section 11.2.
- 3.5 Additional costs are charged in accordance with the rental company's price list or verified expenses, including administrative expenses and fees, or in accordance with other billing forms agreed between the parties. This includes the costs of:
- Transportation, loading and unloading of ordered equipment, e.g. transportation of counterweights and lifting accessories.
 - Ordered equipment, e.g. lifting accessories such as chains, lifting yokes, concrete buckets and test weights.
 - Required escort and extra personnel.
 - Supplemental wages for personnel, such as overtime pay, shift allowances, per diems, and travel expenses.
 - Provisioning and decommissioning of rental objects and personnel as well as expenses beyond normal wear and tear.
 - Required permits and inspections.

4. RENTAL SCOPE FOR FIXED-RATE BILLING

- 4.1 The fixed price submitted by the rental company shall, where applicable, include the following:
- All costs associated with the crane, including equipment used in the work and required additional equipment ordered by the client.
 - The costs of fuel and lubricants, as well as costs resulting from normal wear and tear.
 - The costs of transporting the crane with equipment, escorts, any accompanying vehicle, as well as loading and unloading.
 - All payroll costs for the rental company's crane operator.
 - Administrative costs and fees.
 - Costs due to foreseeable statutory requirements, e.g. transportation and erection permits.
- 4.2 Compensation for costs over and above those specified in section 4.1 shall be regulated in accordance with the provisions of paragraph 3. This also includes the additional costs stated in section 4.1 relating to whether the client's request was unclear or ambiguous as regarding the nature and scope of the project, in accordance with paragraph 2.

5. CLIENT RESPONSIBILITIES

- 5.1 The client shall in good time and prior to commencement of the work, provide the rental company with all such information as is necessary for planning and implementation of the work. For long-term projects, information should be updated as necessary. The following information shall normally always be submitted:
- The client's contact information, such as name, phone number, project number, project site address, email address, billing address and any other information the client believes the rental company needs. The client is jointly and severally liable for payments made by another party for the project, referred to in paragraph 8.
 - The owner and recipient of the rental objects.
 - The site where the work is to be performed, the location for loading and unloading and the place for erecting and disposition of machinery and fuel.
 - The nature, value, weight, center of gravity, size (length, width, height) and lift height of the rental object.
 - The time when work shall be performed.
 - Whether additional insurances are required.
 - Whether there are any particular obstacles, risks or circumstances likely to present a possible hindrance during transport or lifting, e.g. wires, cables, barriers, bridges or narrow passages or other obstacles or circumstances that could cause difficulties during transport, unloading and erection of the crane or in the performance of work.
 - Whether there is a need for special equipment, extra work, aides, signalmen or other extras.
 - Information concerning that person or those persons responsible for coordinating operations and the applicable rules at the worksite.
- 5.2 The client is responsible for obtaining the necessary permits for erecting and removing the crane, such as building permits and air navigation obstacles, and is liable for any additional costs for complying with statutory requirements as a result. The client is responsible for ensuring that designated roads, lifting sites and locations for erecting are accessible, have sufficient bearing capacity and are otherwise fit for executing the project. The client indicates the areas within the worksite where the rental object may be transported, erected and stored.
- 5.3 The client is responsible for ensuring that all required permits and calculations are made for the execution of the work, e.g. strain on building parts, interference of the building or plant, design of structures, as well as the strength/stability of the foundation or in the construction that the crane is erected on or set into.
- 5.4 The client is responsible for developing a health and safety assessment for the project. Crane-related incident and accident reports shall be submitted to the rental company.
- 5.5 If the execution of the work requires assistance of aides for slinging, load securing, cordoning, signaling, etc., then it is the full responsibility of the client to provide personnel with adequate competence for the tasks they will perform. Any personnel who is slinging a load shall have documented theoretical and practical education in the safe operation of the equipment.
- 5.6 The client shall provide, free of charge, space in existing site hut or the like for the rental company's staff.

6. RESPONSIBILITIES FOR MOBILE CRANE RENTAL

- 6.1 The rental company has the following responsibilities:
- At the request of the client, provide information about the crane's operating range, axle load, supporting leg pressure, total weight, height, maximum boom height and other technical information.
 - Ensure that the crane and related equipment and accessories are in good working order, comply with applicable health and safety requirements and have a valid certificate of inspection.

- c) Ensure that the crane is operated by competent, educated personnel in accordance with manufacturer and statutory requirements and that the work is done according to professional standards.
- d) Ensure that the crane operator performs a general risk assessment on the work note or equivalent, as well as follows the designated work preparation according to the client's instructions.
- e) Ensure that the crane operator follows the client's communication instructions.

6.2 For complicated lifting procedures, both parties shall, within their area of responsibility, pay special attention to soil conditions, barriers, risk assessments for lifting devices, obstacles, etc. within the work area.

6.3 If it is the rental company's professional assessment that a larger or different type of crane is required for the work than what was ordered or indicated from the information provided, then the client is required to pay the rental company for all additional costs in accordance with sections 2.6 and 2.7, including waiting times and lost profits for the ordered crane. The rental company is obliged to perform the work only under the condition that the required crane can be obtained within a reasonable time.

7. RESPONSIBILITIES FOR STATIONARY CRANE RENTAL

7.1 During provisioning, the rental company is responsible for transportation, assembly and disassembly. Assembly, disassembly and maintenance work are assumed to occur during normal working hours without interruption. For assembly or disassembly, the call-off time is twenty (20) working days after the signed contract date.

7.2 The rental company is responsible for providing information on the specific weight and force as a basis for the design of the erection site/foundation and fixing/rigging points. During provisioning, the rental company is not responsible for delays or downtime that can result from the manufacturer's safety instructions, e.g. regarding the weather and wind conditions, accessibility or bearing capacity of the ground.

7.3 The rental company is responsible for ensuring that the crane and associated equipment and accessories comply with applicable health and safety requirements and have a valid certificate of inspection upon delivery. The client is responsible for maintaining the rental object in satisfactory operating condition during the rental period. The client shall keep the rental object available for inspections and maintenance during normal working hours.

7.4 The party providing the crane operator has the following responsibilities:

- a) Ensure that the crane is operated by competent, educated personnel and that the work is done according to professional standards.
- b) Ensure that the crane operator performs a daily inspection, operational control and general risk assessment on the work note or equivalent, as well as follow the designated work preparation according to the client's instructions.
- c) Ensure that the crane operator follows the client's communication instructions.

7.5 For complicated lifting procedures, both parties shall, within their area of responsibility, pay special attention to barriers, risk assessments for lifting devices, obstacles, etc. within the work area.

7.6 The client does not have the right to re-mark or otherwise modify identification markings, instructions, safety devices or equivalent.

7.7 Smoking is prohibited in all crane cabs. If the client rents a non-operated crane, any cleaning of a smoky cab will be charged separately.

8. PAYMENT TERMS AND CONDITIONS

8.1 If the project is ordered by multiple clients, these are jointly and severally liable for payment to the rental company.

8.2 Payment is made according to the payment schedule agreed by the parties or when an invoice is received after the work is completed. Unless otherwise agreed, invoices shall be paid within 30 days of invoice receipt.

8.3 If the invoice is not paid by the due date, the rental company may charge penalty interest under applicable law, unless otherwise agreed.

9. CANCELLATION OR CHANGE OF RENTAL PERIOD

9.1 When renting a **mobile crane** with up to 80 tons of lifting capacity, no cost is charged beyond the associated expenses, e.g. the transport of counterweights, if the rental is cancelled at least twenty-four (24) hours prior to the time of commissioning. If the client delays or cancels the project too late, then the rental company is entitled to compensation amounting to 10 percent of the estimated charges, but no less than SEK 5,000.

9.2 When renting a **mobile crane** with 90 to 130 tons lifting capacity, no cost is charged beyond the associated expenses, e.g. the transport of counterweights, if the rental is cancelled at least five (5) working days prior to the time of commissioning. If the client delays or cancels the project too late, then the rental company is entitled to compensation amounting to 10 percent of the estimated charges, but no less than SEK 10,000.

9.3 When renting a **mobile crane** with more than 130 tons lifting capacity, the rental company is entitled to compensation amounting to 10 percent of the estimated charges, but no less than SEK 10,000, if the client delays or cancels the project. For hourly rentals, the rental company is entitled to compensation for preparatory measures taken in accordance with the applicable hourly rates, but at a minimum of a five-hour charge.

9.4 When renting a **stationary crane**, any change to the rental period (cancellation, delay, shortening or extension of the rental period) shall be agreed in writing. If a change to the agreed rental period is requested, a change notification shall be made in writing at least sixty (60) working days prior to the end of the contract period. The rental company shall respond in writing within ten (10) days after a change notification is received.

10. RESCISSION

10.1 The client shall fulfil its obligations to provide detailed information in accordance with paragraph 5 at the latest before the contract is signed, unless otherwise agreed. In the event that such period is exceeded, or if information is missing or incorrect, the rental company is entitled to terminate the contract after submitting a notice of termination.

10.2 A party is entitled to terminate the contract with immediate effect if the other party is in serious breach of its obligations in accordance with these provisions or the contract, in the event of repeated breaches of safety regulations at work, or otherwise takes or neglects to take actions, that pose a risk of injury to persons or damage to equipment.

10.3 A party is entitled to terminate the contract if the other party is guilty of breach of contract, e.g. regarding substandard procedures for inspections, maintenance, communication or other agreed contractual relationship, and does not within three days, take corrective action after receiving a reminder.

10.4 If the client during work in progress fails in good time to perform its payment obligations, as well as paying taxes, social charges and other payment obligations by law or contract, or if the party suspends its payments, initiates restructuring measures or composition proceedings or becomes bankrupt or in any other manner neglects to perform its obligation under this contract, then the rental company can terminate the contract with immediate effect.

10.5 A party may not, however, invoke breach of the contract against the other party if performance of the contract is impeded as a result of circumstances beyond the control of the parties in accordance with paragraph 12 or other events that do not materially affect the performance of the contract and which the party was not able to anticipate or whose detrimental effect the party could not reasonably have avoided. If the obstacle is present for more than two weeks, however, each party is entitled to terminate the contract with immediate effect. Labor disputes and similar circumstances do not relieve the client from the contractual obligations under the rental agreement. Labor disputes releases the rental company of its obligation to fulfil performance of, e.g. delivery or assembly. A party wishing to invoke grounds for release should promptly notify the other party in writing about the current times.

10.6 If the rental contract is terminated prematurely, the client's right to use the rental object is terminated and the rental company's right to rental payment for the period following termination is terminated. If the rental company terminates the rental contract, the rental company can repossess the rental object at the client's expense. If the client terminates the rental contract, the rental company is obliged to repossess the rental object at its own expense; in other cases, the client is entitled to return the rental object at the expense of the rental company.

10.7 The rental company is entitled to receive compensation for all justified expenses that incurs as a result of the termination, unless the client immediately provides adequate security for its contractual obligation and is entitled to repossess the rental object at the client's expense. If the termination is due to circumstances beyond the client's control, the rental company is entitled to receive compensation for all justified costs incurred as a result of the project. Work performed shall be compensated for in accordance with agreed charging standard.

11. LIABILITY

11.1 A party is liable only for the direct loss or damage caused by its negligence. A party is not liable for consequential loss or pure pecuniary loss.

11.2 The rental company is thus not liable for any loss due to delay in delivery or equipment downtime. In case of crane downtime that is not caused by the client and which have a duration of more than 24 hours, no rent is normally charged for excess time up until the equipment is repaired.

11.3 If the client rents a non-operated crane, the client is liable during the rental period for damage to the rental object that is not normal wear and tear, or that is incurred, through the rental object, by the client himself or a third party. Damage shall be reported to the rental company, who decides how the rental object will be repaired. Rental objects that are lost or damaged beyond repair shall be paid for by the client with amounts equivalent to the replacement cost. In the case of theft, the client is responsible to contact the police and file a police report.

11.4 A party that provides a signaller or other aide in accordance with section 5.5 is liable for insurance and any damages arising as a result of any defective securing of load or incorrect slinging, or as a result of inaccurate, incomplete and/or unclear signaling, or any other loss or caused by such persons.

11.5 For personal injury and property damage, compensation will be limited to a maximum of SEK 10 million for each case of injury or damage. Unless otherwise agreed, the rental company's liability for compensation in respect of property being lifted or transported will be limited to SEK 1 million for each damaging event. Several cases of loss, injury or damage attributable to the same cause shall be considered as one single case.

11.6 The rental company will not be liable for any loss or damages within the meaning of the applicable Swedish Environmental Code, unless it can be shown that the same

is attributable to negligence or carelessness on the part of the rental company. If, despite this, claims for damages are directed against the rental company, then the rental company is entitled to full recourse against the client. This also applies to any consequential damages in connection therewith.

12. REASONS FOR EXEMPTION – FORCE MAJEURE

12.1 In the event that performance of the agreement is prevented, hindered or becomes an unfair burden as a result of circumstances beyond a party's control including, but not limited to, war, terrorist acts, riots, labor disputes, blockades, natural disasters, fire, orders or omissions of authorities, new or amended legislation, exchange restrictions, reductions in the supply of goods or fuel, and defective or delayed deliveries from suppliers caused by such circumstances, then a party may invoke the circumstance as grounds for release. The above-mentioned circumstances constitute reasons for exemption only if their impact on the performance of the agreement could not be foreseen when the contract was concluded.

12.2 A party who seeks to rely on a reason for exemption under section 12.1 shall, without delay, inform the other party of the occurrence thereof, the effect of same on the performance of the agreement and when it has ceased.

12.3 Where, in the event of a situation arising in accordance with section 12.1, and if a party invokes that situation and it is clear that circumstances will not cease within two months and it can be assumed that the agreement cannot be performed later without significant inconvenience, then both parties have the right to terminate the contract in writing.

13. INSURANCE

13.1 Both parties shall sign a customary liability insurance, unless otherwise agreed.

13.2 If the client wishes to have an additional liability and/or rental object insurance, this must be agreed separately. In such a case, insurance is included as part of the contract between the parties and is paid for by the client as a supplement to the charge imposed under paragraphs 3 and 4. The rental company ensures the crane is covered by motor insurance, where necessary. However, the insurance deductible is to be paid by the client.

13.3 The client keeps **stationary cranes** insured with a comprehensive insurance equivalent to the replacement cost, as of the day the rental object or its parts are delivered to the worksite until it leaves the worksite, unless otherwise agreed. The rental company is liable for insurance relating to transport and assembly/disassembly of stationary cranes in cases where this is carried out by the rental company.

13.4 The parties shall provide proof of insurance at the request of the other party.

14. DISPUTES

14.1 Any disputes arising under the contract shall be referred to the general courts, except where the parties have agreed in writing that any dispute will be settled by arbitration proceedings.

14.2 All disputes arising from the contract shall be settled in accordance with the applicable national legislation in that country which the rental company has its registered office/headquarters.

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