



A & B ENGINEERING SERVICES LLC 2017 SERVICE POLICY

A. Scope of Work

It is mutually agreed that any personnel furnished by A & B Engineering Services LLC shall be subject to Customer's general supervision during the term of any service done for Customer. A & B Engineering Services LLC shall have no liability for schedule performance or costs incurred by Customer.

B. Personnel

The personnel furnished by A & B Engineering Services LLC shall have the skills and knowledge base required for type of services requested by Customer and will fall into one of the following categories:

1. Installer

- Minimum of (1) one years of experience of field installation.
- Used in reassembling equipment in the field.
- Capable of making mechanical adjustments or electrical wiring.

2. Customer Service Technician (Installation Supervisor)

- Minimum of (1) one years of experience working with mechanical or electrical assemblies as related to packaging machinery;
- Capable of making mechanical or minor electrical adjustments;
- Capable of supervising installation projects for new modernization projects;
- Used in supervising site installations or major modernization projects.
- Used in reassembling equipment in the field, installation of modernization and upgrade kits.

3. Customer Service Engineer

- Minimum of (3) three years of experience in machine controls, line controls or both;
- PLC programming and troubleshooting skills to commission new equipment and/or troubleshoot existing installations;
- Capable of making minor mechanical or electrical adjustments;
- Capable of updating PLC and/or HMI programs as well as implement hand shake between equipment;
- Training skills to perform machine-side informal training;
- Primarily used to commission and start up new machinery, conveyor system or modernization package.

4. Customer Service Engineer/Certified Trainer

- Minimum of (5) five years of experience in machine controls, line controls or both;
- PLC programming and troubleshooting skills to commission new equipment and/or troubleshoot existing installations;
- Capable of making minor mechanical or electrical adjustments;
- Capable of updating PLC and/or HMI programs as well as implement hand shake between equipment;
- Training skills to perform machine-side informal training;
- Trained and certified to perform formal classroom and hands-on training;
- Primarily used to commission and start up new equipment and complete formal training.
- Capable of managing and supervising independent crews;
- Primarily used for major installations of new equipment or major relocation of equipment.

C. Service Rates (US Dollars)

Personnel Type	Labor - Hourly Billing Rates			Travel - Hourly Billing Rates		
	<i>Regular</i>	<i>OT</i>	<i>Holiday</i>	<i>Regular</i>	<i>OT</i>	<i>Holiday</i>
Installer	\$80.00	\$120.00	\$160.00	\$80.00	\$120.00	\$160.00
Customer Service Technician (Installation Supervisor)	\$125.00	\$165.00	\$205.00	\$105.00	\$145.00	\$185.00
Customer Service Engineer	\$185.00	\$225.00	\$265.00	\$160.00	\$200.00	\$240.00
Customer Service Engineer /PMMI Certified Trainer	\$215.00	\$255.00	\$295.00	\$185.00	\$225.00	\$265.00

1. Labor Hours

- Labor hours are the actual billable hours spent onsite at the Customer location.
- Billable Labor Hours and Rates -
 - Regular Hours - are hours worked during normal business hours, Monday through Friday, not exceeding 8 hours per day, not including Holidays as defined in Section E.
 - Overtime Hours - are hours exceeding 8 hours Monday through Friday, and all hours worked Saturday and/or Sunday, not including Holidays as defined in Section E.
 - Holiday Hours - are any hours spent working on Holidays as defined in Section E.

2. Travel Hours

- Travel time is billed as per actual hours incurred in travel. This is defined as the time our personnel leave their home base until the time they arrive at their destination, up to a maximum of 16 hours in any calendar day for Domestic assignments and unlimited hours in any calendar day for Non-Domestic assignments.
- Billable Hours and Rates -
 - Regular Travel - are hours spent in travel on Monday through Friday, not exceeding 8 hours per day, not including recognized A&B Holidays as listed in Section E.
 - Overtime Travel - are hours spent in travel over 8 hours on Monday through Friday, and all hours worked Saturday and/or Sunday, not including recognized A&B Holidays as listed in Section E.
 - Holiday Travel - are any hours spent traveling on Holidays as defined in Section E.

D. Holdover Time & Performance Delays

Should customer request A&B personnel to be held over, or should delays arise due to reasons not related to A&B personnel or equipment while on site, customer shall be billed for each day of the holdover request or delay at the applicable rates as outlined in Section C, including expenses.

E. Holiday Hours

Hours worked on Holidays, as defined in the 2016 A & B Engineering Services LLC Recognized Holiday Schedule outlined below:

- January 1 - New Year's Day
- March 25 - Good Friday
- May 30 - Memorial Day

- July 4 - Independence Day
- September 5 - Labor Day
- November 24 and November 25 - Thanksgiving
- December 23 and December 26 - Christmas

F. Taxes, Permits, Licenses

All taxes, duties, tariffs, permits, local work licenses, etc. are the responsibility of the Customer.

G. Travel and Living Expenses

- Actual Travel and Living expenses are incurred by our field service engineers from the time they leave their home base to the time of their return to that base.
- With the exception of Per Diem and mileage reimbursement, all other travel and living expenses are billed at Cost plus a 25% Service and Handling Fee.
- Per Diem is billed according to the annual published rates as per DOS, GSA, and DTMO.
- For privately owned vehicles; mileage is billed according to the annual published rates per GSA.

H. Other Billable Expenses

As applicable to the specific assignment, other billable expense may be incurred that are subject to the 25% Service and Handling fee. This includes, but is not limited to:

- Heavy equipment rental and fuel
- Gang tool box shipping

I. Short Notice Expedite Fee

A fee of \$750 may be charged on non-emergency service requested within 48 hours of desired dispatch day.

J. Receipts

Copies of receipts for living and travel expenses which individually exceed \$25.00 will be sent with our invoices. Copies of receipts for individual expenses of less than \$25.00 are not available.

K. Dangerous Conditions and Hold Harmless

It is the Customer's responsibility to determine if there is a safety risk or other potentially dangerous conditions on their premises and to ensure that all necessary safety and preventative measures are provided for. A & B Engineering Services LLC reserves the right to refuse to proceed with work if, in its' judgment, an unsafe condition exists.

If the Customer requires A & B Engineering Services LLC to work while the Customer's existing machinery and systems are operating, the Customer hereby agrees to indemnify and hold harmless A & B Engineering Services LLC, its parent and affiliated companies, its subcontractors and the employees and agents of each, against all loss, damage, claims, cost and expense (including attorneys' fees) due to personal injury, death, or property damage which arise out of work being performed while A & B Engineering Services LLC, its parent and affiliated companies, its subcontractors and the employees and agents of each are on the Customer's premises.

L. Insurance

A & B Engineering Services LLC will comply with applicable Workers Compensation or Employers Liability laws under this Agreement and will carry general liability, bodily injury and property damage insurance applicable to its operations indemnifying Customer against a loss from claims for personal injury or death, or injury to or destruction of property arising in connection with A & B Engineering Services LLC work where A & B Engineering Services LLC is negligent and Customer is not contributory negligent. In the event that Customer requires that A & B Engineering Services LLC provide additional insurance coverage which is not provided under A & B Engineering Services LLC regular insurance contracts, the additional cost of such insurance shall be paid by Customer. Upon request, A & B Engineering Services LLC will furnish a Certificate of Insurance.

M. Contact Information

Field Service Quotes and Scheduling:

Field Service Coordinator
800-882-4995
Email: service@abengservices.com

Aftermarket Support & Technical Assistance:

Customer Service Engineer
800-882-4995
Email: service@abengservices.com

Billing Questions:

Billing Coordinator
608-235-0740
Email: GStringfield@ABEngServices.com

Customer Service Concerns:

Field/Customer Service Manager (s)
800-882-4995
Email: service@abengservices.com

Purchase Order Address:

A&B Engineering Services LLC
124 N. Columbus Street
Randolph, WI 53956
Email: service@abengservices.com

Electronic Funds Remittance:

JP Morgan Chase Bank N A
Beneficiary (f/b/o) Arrowhead Systems Inc
Account #643620305
ABA Routing #021000021
Swift Address: CHASUS33 (for International)

N. Applicable Terms and Conditions

In the event of a difference in the Terms and Conditions (including Service Rates) between this Service Bulletin and the Customer's Purchase Order, the Terms and Conditions (including Service Rates) of this Service Bulletin will apply.

Payment Terms are Net 30, unless previously agreed upon in writing or if alternative Terms apply per specific Proposal.