

FirstEnergy
CONTRACTOR PERFORMANCE REQUIREMENTS
Revised: 04-01-2021

Clarifications and additional requirements above and beyond those related to specific topics covered under FirstEnergy Service Company General Terms and Conditions for Purchase of Labor Services are contained within this document. These requirements do not replace the General Terms and Conditions, but rather require additional rigor and performance of the parties. These additional requirements shall be satisfied in conjunction with the General Terms and Conditions.

1. CONNECTIONS FOR ATTACHING EQUIPMENT

Contractor shall cooperate with Purchaser's various equipment suppliers to coordinate the design of connections, to ensure proper fit and assembly in the field.

All pipe connections shall be in accordance with American National Standards Institute (ANSI) standard. Flange faces shall be true and at right angles to the axis of equipment and shall be in accordance with the released drawings as to alignment, level, angle, plane, dimensions and detail.

All bolting materials shall be to the ANSI, heavy classification. All nuts subject to removal shall be casehardened.

2. WELDING REQUIREMENTS

Contractor shall adhere to all of Purchaser's requirements for performing welding at Purchaser's Site as specified in Purchaser's welding policies and procedures, a copy of which shall be provided to Contractor prior to the start of any welding by Contractor. Purchaser shall have the right to modify any of the requirements of its welding policies and procedures at any time, without advance notice.

Note: The below requirements (Sections 3 through 12) are applicable for equipment and material to be furnished by Contractor in those cases for which Purchaser has not provided to Contractor a separate technical specification or other technical guidance addressing such requirements.

3. EQUIPMENT AND MATERIAL REQUIREMENTS

Unless otherwise specified, all equipment and material supplied by Contractor and permanently incorporated in the Work shall be new and both workmanship and material shall be of good quality. Contractor shall warrant that design of equipment does not incorporate any obsolete items.

Contractor shall, if required by Purchaser, furnish satisfactory evidence as to the source of supply and quality of material to be ordered and the delivery date expected for each item for which it is responsible.

Contractor shall furnish test specimens or samples whenever required by the specifications or for proper determination of the qualities of material to be furnished under the Agreement.

Defective material shall not be repaired and used in the construction of the equipment without the prior approval of Purchaser's Representative.

It shall be the responsibility of Contractor to store and protect any equipment or material supplied by Contractor in accordance with manufacturer's recommendations and the requirements of the Agreement.

Any material of foreign manufacturer must meet or surpass all specifications and certifications of domestic manufacturing, including but not limited to, ASME and/or ASTM Code. Contractor must notify Purchaser immediately when Contractor is contemplating utilizing any material manufactured in China, for which Purchaser has the sole right to accept or reject such material. Purchaser requires advanced notification of shipments from foreign sources of any pressure retaining material or components. Asbestos, asbestos products, lead paint, and PCB's shall not be utilized in the fabrication, assembly, or construction of equipment.

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Purchaser expects Contractor to exercise commercially reasonable efforts in purchasing materials, equipment, and services associated with extra/cost reimbursable Work performed in conjunction with firm price and time and material agreements to minimize the cost to Purchaser. Appropriate considerations shall be given to material and equipment quality, as well as established production schedules.

**4. CONTRACTOR'S TECHNICAL ASSISTANCE FOR INSTALLATION AND START-UP
(FOR EQUIPMENT SUPPLIED BY CONTRACTOR ONLY)**

If requested by Purchaser, Contractor shall furnish such personnel to perform the following technical services:

- Advise proper erection of material supplied by Contractor
- Advise start-up and initial operation thereof
- During initial stage of operation instruct Purchaser employees in the proper operation of equipment

Purchaser will notify Contractor in writing in advance of the date on which Purchaser desires any such personnel to report for work and determine current charge rates for such service. Charges for such services will be covered by either a Change Order or a separate purchase order, if not specifically covered in the Agreement.

All such personnel shall report to Purchaser's Representative upon arriving at Work site and prior to assuming duties and upon leaving at completion of duties.

**5. DRAWING AND OPERATING INSTRUCTIONS
(APPLIES TO MATERIAL AND/OR EQUIPMENT ONLY)**

Contractor shall supply three (3) hardcopy sets of drawings and operating and maintenance instructions and one (1) electronic version, unless other specified, to Purchaser within the time stipulated. Payment may be withheld for inadequate or late delivery.

Sets of all necessary installation, operating, and maintenance instructions shall be forwarded as soon as possible, but in no event later than ninety (90) days before initial operation of equipment or shipment date of the material.

Installation, operating, maintenance and instruction manuals shall incorporate the following:

- Manufacturer's mechanical parts list of all functional components of system
- Drawing and wiring control diagrams

List shall give system unit number, manufacturer's model number, drawing number, spare parts data, and expected life for each item of equipment. The manual shall have sufficient information that qualified personnel without previous training or information can install and operate the equipment/system without assistance from manufacturer's representative.

6. MANUFACTURE AND STANDARDS

All equipment, no matter where manufactured, shall be manufactured, shop assembled and tested to United States standards unless prior written approval to the contrary is obtained from Purchaser's Representative.

Contractor shall submit for review to the Purchaser's Representative a specific list of equipment and/or material contemplated to be or foreign manufacture thirty (30) days prior to ordering such material. All foreign produced material must meet and be tested to U.S. standards, and all testing documentation must be submitted.

Lubricants, hydraulic fluids, coolants, etc. shall be of United States manufacture.

Wherever equipment is manufactured, all screw threads, bolts, nuts, fasteners, bearings, seals, couplings, gear, lubrication fittings, pipe, hose, pipe fittings, valves, conduit fittings, electrical connectors, and any other parts of similar nature shall be according to English units to United States standards.

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7. PREPARATION FOR SHIPMENT

Contractor shall be responsible for shipment preparation, shipment, and delivery. Any material requiring special temperature or climate control shall be identified in writing to Purchaser's Representative ninety (90) days prior to shipment. The basic equipment shall be shop assembled, fitted, match marked and then dismantled to the extent necessary for shipping in largest practical sections. Complete assemblies requiring the least possible field assembly are required. Sufficient notice shall be given to Purchaser's Representative prior to the time of dismantling and shipping so that Purchaser's Representative or its third party designated representative may inspect the completed shop work.

Contractor shall tender the Work for acceptance to ship by notifying Purchaser's Representative, in writing, that the Work is ready to leave Contractor's premises. Such notification shall be forwarded to Purchaser together with three (3) copies or more of all specified inspection and ship test reports as required by the Agreement. Purchaser, after assuring that the Work has met the shop test and other requirements as specified by the Agreement, shall notify Contractor that the equipment is acceptable to ship. If Purchaser considers the Work unfit for acceptance to ship, Purchaser shall promptly, after receipt of inspection reports, so notify Contractor and list the reasons therefore. Contractor shall remedy any faults that are described, provide a revised shipping schedule for Purchaser's approval, and again tender the equipment for acceptance to ship. If, prior to receipt of the acceptance to ship from Purchaser, the equipment is disassembled, relocated, or removed from Contractor's premises or otherwise rendered unfit for inspection or test, any expense required to make the equipment again ready for acceptance to ship shall be paid by Contractor, unless agreed otherwise.

All nozzle ends, gasket surfaces, flange faces and exposed threaded parts shall be cleaned, greased, and protected with suitable material; all female threaded openings shall be closed with protective plugs. All equipment shall have suitable weather protection, blocking, straps and skids to avoid damage in transit, unloading, and during work site storage.

All nuts, bolts, gaskets and miscellaneous loose erection materials are to be bagged or boxed, securely attached to the equipment piping, etc., weather protected for open field storage, and clearly marked as to content.

Purchaser may elect to have Contractor store equipment at its facility for shipment considerations, or other reasons. Contractor and Purchaser shall mutually agree on storage cost. However, Contractor may invoice for the Agreement price less the cost for delivery of equipment, contingent on receipt by Purchaser of documentation that equipment will be stored properly, is properly insured and Purchaser has copies of all forms regarding shipment taxes, etc. Contractor shall also specify notification requirements to allow Purchaser to schedule deliveries.

8. QUALITY ASSURANCE

Contractor shall have a documented Quality Program that provides, in sufficient detail, an effective methodology for controlling quality for Contractor's scope of supply as detailed in the specification, and results in a product of service that meets specification requirements.

The Quality Program shall describe, as a minimum, the following activities as applicable to Contractor's scope of supply.

- Document Control System
- Procurement Control System
- Special Process Control (welding, NDT, etc.)
- Identification of Materials and Parts
- Calibration of Measuring and Test Equipment
- Control of Nonconforming Material

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9. QUALITY RECORDS

As applicable, the following information shall be submitted by Contractor to Purchaser's Representative for review and concurrence, prior to the start of manufacturing:

- Quality Program
- Welding procedures, procedure qualification, and welders' qualification requirements
- Nondestructive test procedures, acceptance criteria, personnel qualification requirements
- Description of acceptance inspections and tests to be performed
- Performance test procedure with acceptance criteria
- Types of records and reports to be submitted with the finished product

Contractor shall submit the following information when requested by Purchaser's Representative:

- Material test reports
- Inspection, NDT and performance test reports

10. FINAL/AS-BUILT DRAWINGS

Contractor shall indicate "as-built" dimensions for mating parts furnished others (anchor bolts, flange location, bolt hold size, etc.). Should modifications be required to materials/equipment after shipment is made to the Work site, Contractor shall revise "as-built" drawings within thirty (30) days to document "as-installed" dimensions and shall be submitted as required by Purchaser.

Contractor shall maintain throughout the duration of the project a complete set of construction issue drawings marked up showing "as-built" conditions. The drawings are to be distinctly marked as the project progresses to show all deviations, revisions, additions, or deletions performed by the Contractor during the project. Purchaser reserves the right to review the condition of these as-built drawings at any time. Failure of the Contractor to maintain these drawings updated throughout the project may be cause for the Purchaser to withhold progress payment until the condition is satisfied. Within thirty (30) calendar days of the completion of the project, the Contractor shall submit to the Purchaser one (1) complete set of "as-built" drawings. If Contractor has authorized changes in the field or has modified equipment in the field, drawings shall reflect those changes/modifications. Payment retention may be held until such time that the "as-built" drawings are received and it has been verified by the Purchaser that all "as-built" conditions are recorded.

Contractor submitted final drawings/as-builts shall comply with all of the requirements specified in the Purchaser provided specifications addressing drawings requirements.

11. DRAWINGS AND SPECIFICATIONS FURNISHED BY PURCHASER'S REPRESENTATIVE

Any discrepancies in the drawings and/or specifications shall be referred to the Purchaser's Representative for interpretation and decision; otherwise, Contractor shall furnish everything called for by either drawings or specifications even though not called for by both.

Figured dimensions shall take precedence over scaled dimensions; detailed drawings over general drawings.

Contractor and his suppliers shall not use any design drawings, specifications or documents for other than the purpose intended under this Agreement, without the prior written approval of the Purchaser.

12. RIGHT OF ACCESS/INSPECTION FOR SHOP FABRICATED EQUIPMENT/MATERIAL

Contractor hereby agrees to an inspection by Purchaser's Representative or its third party designated representative of all Work and material furnished under the Agreement.

Contractor shall at all times furnish access to Purchaser's Representative or its third party designated representative to the Work and to the premises used by Contractor and shall provide it every reasonable facility for the purpose of inspection, even to the extent of discontinuing a portion of the Work temporarily.

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Purchaser's Representative or its third party designated representative shall at all times have access to the Work whenever it is in preparation. Contractor shall provide facilities, test equipment, tools or instruments that are necessary to facilitate inspection or survey. These inspections will include, but not be limited to, the verification and implementation of Contractor's standard material control and in-house inspection procedures.

Shop surveillance will be performed by Purchaser's Representative or its third party designated representative, however, these surveillance efforts will not relieve Contractor of its responsibilities under the Agreement and shall not be considered a waiver of warranty or other rights.

Since the intent is for Purchaser's Representative or its third party designated representative to perform shop surveillance, no acceptance of the equipment or material by Purchaser's Representative or its third party designated representative shall be made during such shop surveillance in Contractor's plant. Any lack of rejection of the equipment or material by Purchaser Representative or its third party designated representative during shop surveillance shall not constitute acceptance of the equipment or material.

If the specifications, law, ordinances, or any public authority require any Work to be specially tested or approved, Contractor shall assume the cost thereof, unless stated otherwise, and shall give Purchaser's Representative or its third party designated representative ten (10) calendar days written notice and seventy-two (72) hour telephone confirmation of its readiness for inspection or testing for which a Purchaser requirement to witness has been stipulated. If any such Work should be covered up without the consent of Purchaser, the Work shall be uncovered for inspection at Contractor's expense.

If the results of the tests conducted indicate that the equipment or material does not comply with the performance requirements set forth in the drawings or specifications, Contractor shall, at Contractor's expense, make all necessary adjustments, repairs, replacements or changes in order to obtain the required performance level. Until the required performance level is achieved, all subsequent tests, to be witnessed by Purchaser's Representatives or its third party designated representative, shall be made at Contractor's expense, unless said testing failure is determined not to be the fault of, or beyond the control of Contractor, in which case the tests shall be treated as extra work.

All equipment or material produced by Contractor shall undergo site-receiving inspection.