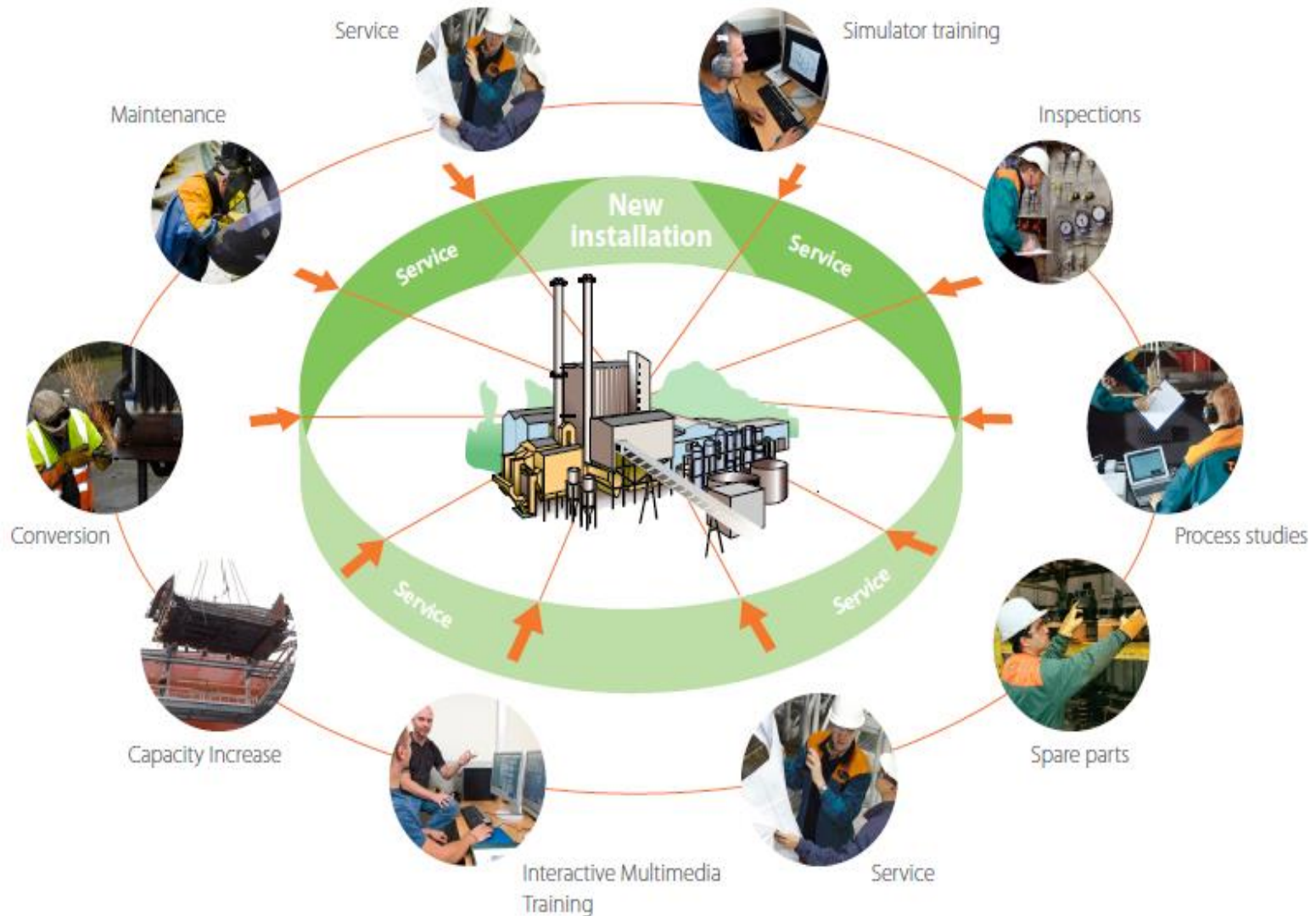




# VALMET Performance Services

FlexServ Service Agreement

# Lifetime Support



# Field Services

- Inspections
  - Recovery Boilers
  - Power Boilers (Stoker, BFB, CFB)
  - Evaporators
  - Auxiliary equipment
  - LignoBoost Plants
- Outage Planning
- Outage Execution
  - NDE services
  - Metallurgical Analysis/Consulting
  - Chemical Cleaning
  - Smelt removal
- Fuel and Ash Analysis/Testing
- System Audits (NFPA/BLRBAC)
- Troubleshooting/RCA

- Tuning and Optimization
  - Boiler re-start assistance
  - LignoBoost Plant Tuning
  - Operational consulting
  - IB MACT/Utility MATS Tuning
  - Online Boiler Gas Analysis Tuning
- Long Term Service Agreements (LTSA)
- Remote Monitoring and Reporting
- Spare parts inventory
- Asset management
- 24/7/365 Service
  - (888) 574-0055

# Maintenance & Engineering Services

## • Maintenance Services

- Boiler hanger rod inspection and maintenance
- Port Rodder maintenance
- Liquor Station maintenance
- Smelt spout maintenance
- Rebuilds and Upgrades
- Outage service
- Manufacturing solutions
- Qualified Welder Services
- Outage 'Kit-Up' assistance
- Project Work (EPC as option)
- Construction Management

## • Engineering Studies/Services

- CFD
- RBD (Recovery Boiler Design)
- PBD (Power Boiler Design)
- FEA
- Debottlenecking
- Capacity upgrades
- Feasibility studies
  - Gas conversions
  - Boiler upgrade/rebuild/conversion
  - Process improvement
- Corrosion studies
- Engineering Design

# Training

- **WebAcademy**
  - Online Training Portal using Interactive Media Training
  - Learning Management System (LMS)
  - Pulp Mill and Power Plants
  - Self paced courses
- **VirtualSite™ Simulators**
  - DCS coupled – Fully dynamic
    - Look and feel of DCS
  - Stand-Alone – Medium
    - Uses replicated DCS display
  - Generic
- **Classroom Training**

## Training throughout the plant's lifecycle



# FlexServ Service Agreements

## Overview

- The FlexServ package is an annual agreement between Valmet Service and the customer to provide field services.
- FlexServ package includes a mutually agreed amount of hours of service to be used within the agreement period. All hours must be used within the agreement period.
- Customer commits to a specific level of hours. For that commitment, they receive a substantial discount. The higher the commitment level, the higher the discount.
- Expenses such as airfares, hotels, meal per diems, shipping costs, consumables, and equipment rental are not included in the package price and will be included as a variable expense monthly at cost plus 10%.
- Customer does not have to commit to Valmet for all field service activities during agreement period.

# FlexServ Service Agreements

## Benefits

- **Large discount off of regular price:** up to 10% off regular price of Valmet regular service rates.
- **Ease of budgeting:** monthly cost is fairly consistent; only varies by actual expenses.
- **Predictable maintenance costs:** since monthly FlexServ cost is consistent, monthly maintenance costs are less variable.
- **Ease of scheduling:** allows mill/plant to schedule well in advance of projects to ensure preferred service person is available.
- **Ease of payment:** one monthly invoice covers all costs of the program.
- **Lock in at current rates for agreement period:** pay for package at current rate even if rates increase during the agreement period.
- **Can create agreement for up to three years:** can lock in at current rates and spread hours over up to 3 years.

# FlexServ Service Agreements

## Packages


PACKAGE	Annual Hours	FlexServ Cost	Discount	FlexServ Price	Hr Price
FlexServ Basic	500	\$ 85,000.00	4.0%	\$ 81,600.00	\$ 163.20
FlexServ Plus	750	\$ 127,500.00	6.0%	\$ 119,850.00	\$ 159.80
FlexServ Gold	1000	\$ 170,000.00	8.0%	\$ 156,400.00	\$ 156.40
FlexServ Platinum	2000	\$ 340,000.00	10.0%	\$ 306,000.00	\$ 153.00

Type Of Hour	Hours Multiplier
Normal 8 hour day	1
8 to 12 hour day	1.5
12 to 16 hour day	2
All hours on Saturday	1.5
All hours on Sunday or Holiday	2
Travel	1
Reports	1
24 hour phone service	no charge



# FlexServ Service Agreements

## Accounting/Planning

Valmet 		Your Mill							Actual		
		Valmet Project Number 110002							Planned		
Month	Service Completed	Date of Service	Valmet Engineer	Work Hours (Staright Time) (8 hour day)	Overtime OT1 (8 to 12 hour) (All Saturday)	Overtime OT2 (12 to 16 hour) (Sunday/Holiday)	Travel Hours (In & Out)	Report/Prep Time	Total Hours	Expenses	
				Service Multiplier							1.0
Aug	Training Prep	8/4/2014	Will Giesler	24					24	\$ -	
Aug	Emergency Response - SCAH (36 hrs)	8/15/2014	Tony Gravel	24	12	2	16	8	70	\$ 1,205	
Aug	Remote Monitoring & Report	8/15/2014	Ed Harris	4				1	5		
<b>Total</b>									<b>99</b>	<b>\$ 1,205</b>	
Sep	Operator Training - 2 crews	9/1/2014	Will Giesler	40					40		
Sep	Operator Training - 2 crews	9/8/2014	Will Giesler	40					40		
Sep	Outage Planning	9/15/2014	Will Giesler	40					40		
Sep	Troubleshooting - ID Fan Controls	9/16/2014	Kevin Pollinger	24	6	0	16	8	57	\$ 857	
Sep	Remote Monitoring & Report	9/15/2014	Ed Harris	4				1	5		
<b>Total</b>									<b>182</b>	<b>\$ 857</b>	
Oct	Remote Monitoring & Report	10/6/2014	Ed Harris	4				1	5		
Oct	Boiler Shutdown	10/17/2014	Ed Harris	8	4			1	15		
Oct	Boiler Inspection & Outage (2 weeks)	10/18/2014	Will Giesler	80	56	16		24	220		
Oct	Boiler Inspection & Outage (1 weeks)	10/19/2014	Jarkko Hyvarinen	40	20		16	24	110	\$ -	
<b>Total</b>									<b>350</b>	<b>\$ -</b>	
Nov	Boiler Restart Assistance	11/1/2014	Will Giesler	8	8				20		
Nov	Remote Monitoring & Report	11/6/2014	Ed Harris	4				1	5		
Dec	Remote Monitoring & Report	12/6/2014	Ed Harris	4				1	5		
Jan-Jul	Remote Monitoring & Report (7 Mo)	12/7/2014	Ed Harris	4				1	35		
Open	Boiler Optimization & Tuning	Open	Ed Harris	24	12		16	2	60	\$ -	
Open	Boiler Optimization & Tuning	Open	Will Giesler	24	12				42		
Open	Emergency Response/Troubleshooting	Open	Will Giesler	24	12				42		
Open	Annual review of SOPs	Open	Will Giesler	40					40		
Open	RATA/Stack Testing	Open	Will Giesler	32	16				56		
Open	Project Work (TBD)	Open	Will Giesler	40	16				64		
<b>Total</b>									<b>369</b>	<b>\$ -</b>	
									<b>FlexServ Gold</b>	<b>1000</b>	<b>\$ 2,062</b>

# FlexServ Service Agreements

## Gold Example

FlexServ Gold	Basis	Hours
Training	2 weeks, 8 hour days	80
Training Prep	3 - 8 hour days	24
Boiler Outage & Inspection	2 engineers, 12 hour days	330
Boiler Restart Assist	2 Shifts	20
Boiler Shutdown Assist	1.5 Shifts	15
Remote Monitoring	5 hours per month	60
Troubleshooting	as needed	169
Boiler Tuning	2 engineers, 3-12 hour days, with report	102
Outage Planning	1 week, 8 hr days	40
RATA/Stack Testing	1 week	56
Project Work	2 week	64
Review SOPs	3 week	40
<b>Total</b>		<b>1000</b>



# Service Agreement Recommendations

- Outage Field Service Inspections/Re-Start Assist
- Outage Planning Assistance
- Outage Management (Boiler Island)
- Training Services (Annual/Refresher/Qualification)
- Emergency Response – RCFA
- Troubleshooting/Consulting
- Optimization/Tuning
- Remote Monitoring/Reporting
- Spare Parts Management

# FlexServ Service Agreements

## 2014 Service Rates



Effective Date – June 1, 2014

### 2014 STANDARD RATES FIELD SERVICE AND EQUIPMENT\*\*\* US FUNDS

CLASS	BASE RATE*	SATURDAY / OVERTIME*	SUNDAY / OVERTIME (2)*	HOLIDAY OR EMERGENCY*	TRAVEL Power & Energy	PREPARATION/ REPORT WRITING Power & Energy	TRAVEL & LIVING EXP
PROCESS SPECIALIST MAINTENANCE CONSULTANT TRAINING INSTRUCTOR	\$195.00	\$292.50	\$390.00	\$390.00	\$1,500/Day Mobilization/ Demobilization	\$1,500/Day Max 3 Days	Travel and accommodations at cost +10% plus \$55 / day allowance
FIELD SERVICE ENGINEER PROCESS ANALYST MACHINE SPECIALIST ENGINEERING CALCULATIONS & ANALYSIS INSTALLATION/START-UP ALIGNMENT SPECIALIST METALLURGIST	\$170.00	\$255.00	\$340.00	\$340.00	\$1,300/Day Mobilization/ Demobilization	\$1,300/Day Max 3 Days	
TRAVEL(Pulp & Paper) SAFETY TRAINING*** PREP & REPORT WRITING*****	\$180.00	\$210.00	\$280.00	\$280.00			
WOODYARD FIELD SERVICE*****	\$140.00	\$180.00	\$230.00	\$230.00	\$140.00	\$80.00 Max 8 Hours	

- \* All rates per hour unless otherwise specified.
- \*\* Schedule for special equipment rental available upon request.
- \*\*\* Mill Specific safety training is not included & will be billed accordingly
- \*\*\*\* For Woodyard Field Service the travel rate will be fixed at \$140/hour regardless of Day and Time
- \*\*\*\*\* A minimum prep and post charge will be applied as follows: (1) working day – 4 hrs; (2) working days – 8 hrs; (3+) working days – 16 hrs.

Rates are subject to change at any time and do not apply to customers that have service agreements.



# FlexServ Service Agreements

## Details

- If all hours are used before agreement period ends, mill can either pay off remainder of agreement and start a new one or get same discount for remainder of year (each job invoiced separately).
- Annual agreement can begin/end at any time during the year.
- Entire program is paid in 12 monthly invoices per year. Monthly invoices include expenses and extras and statement detailing how the hours have been used.
- Can contract for up to three years at current price. For example, customer can purchase 3 years of the 1000 hour package and receive 8% off the 3000 hours to be used over 3 years. Advantages are frozen rate and longer time to use hours.
- Hours are counted the same as any time and material project utilizing Valmet's current rate sheet. For example, Process Engineer straight time hours count as one hour, OT and DT hours count as 1.5 and 2.0 hours respectively. In house hours count as 1.0 hours.
- FlexServ can be used for any Valmet service.

