
THE RED BOOK

STATSBYGG'S GENERAL AND SPECIAL CONDITIONS OF CONTRACT FOR THE PURCHASE OF LARGE GOODS

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Changes and clarifications in respect of the Norwegian Sale of Goods Act can be divided into two: the general contractual provisions in Part I, which are identical for all contracts where the Red Book is used, and the special contractual provisions in Part II, which may vary from contract to contract.

PART I

GENERAL CONDITIONS OF CONTRACT

The general conditions of contract are as set out in the Sale of Goods Act of 13 May 1988 (Act No. 27) with the clarifications and changes stated below.

1. Contract documents

Unless otherwise agreed, the following documents form part of the contract:

1. The contract document, if such a document has been executed
2. Minutes and other written material from negotiations or clarifying discussions held after submission of tenders and approved by both parties
3. The Supplier's tender
4. Written clarifications and any minutes or written material from inspections or conferences held before submission of tenders
5. The Client's tender documents, including Statsbygg's Red Book (Rødboka).

If there is any conflict in the provisions of these documents, the order of precedence will be in accordance with the above list.

In the case of deliverables described by means of both codes and text, the text takes precedence over the code.

2. Contract price

Contract price means the originally agreed payment for the Supplier's contractual obligations, including VAT, and the originally agreed estimate for deliverables to be invoiced on the basis of unit prices.

3: Assignment of rights and obligations

The Client may assign his rights and obligations under the contract to another state or public institution.

The Supplier may only assign his rights and obligations under the contract with the Client's written consent.

4. Security for performance of the contract

4.1 Provision of security

The Supplier must provide security for correct fulfilment of his contractual obligations during the execution and rectification periods. Security from the Supplier must be provided in the form of a principal liability guarantee from a bank, insurance company or other financial institution, see Section 4.2 below. The guarantor's liability must not be limited by conditions relating to any failure to pay premiums or other breaches on the part of the party providing the security.

The security during the execution period must be 10 % of the contract price. The security can be claimed for circumstances cited by the Client no later than handover.

After handover this security will be reduced to 3 % of the contract price for circumstances cited in the next three years. The security will then lapse unless the Client has claimed liability from the Supplier that is covered by the security.

If the contract price does not exceed NOK 250,000 inc. VAT, the Supplier is not under an obligation to provide security during the execution and rectification periods. When the contract price is to be paid in full after handover, the Supplier is not under an obligation to provide security during the execution period. Security must be provided during the rectification period, however, unless the contract price does not exceed NOK 250,000 inc. VAT.

4.2 Security form

Provision of security on the part of the Supplier in accordance with Section 4.1 must be documented within 14 days of conclusion of the contract by completing the annexed form: Form 1 – Purchase of Goods, Provision of Security. The Client is not obliged to pay instalments before he has received the said form.

5. Insurance

5.1 Supplier's duty to insure contract deliverables

Unless otherwise agreed, the Supplier must insure the contract deliverables that have been executed, deliverables in respect of which the Client has made advance payments, and materials that the Client has entrusted to the Supplier. The insurance must be taken out on the terms customary for the type of work to be carried out by the Supplier or his subcontractors, and must cover damage, including fire damage, water damage and criminal damage, and theft in the event of burglary. The insurance must run until all the contract deliverables have been accepted by the Client. The Client must be named as co-insured in the certificate of insurance.

The Supplier must take out insurance for a sum that provides cover for what it would cost to restore the contract deliverables to the condition they were in prior to the damage. The insurance contract must not contain underinsurance clauses.

The Client's rights as co-insured must not be limited by stipulations in the insurance contract relating to actions or omissions on the part of the policyholder. Nor must the insurance contract contain provisions to the effect that the insurance company can negotiate the payout with the policyholder, or pay out to the policyholder without the Client's consent.

The above duty to insure does not apply if the contract price does not exceed NOK 250,000.

5.2 Liability insurance

Unless specified otherwise in the tender documents, the Supplier must have liability insurance on the usual terms. The insurance must cover liability in damages for personal injury or property damage that he and his subcontractors may cause to the Client or a third party in connection with performance of the contract. The sum insured must be at least 150 times the National Insurance base amount (G) per insurance event.

The insurance contract must not contain provisions that reduce the claimant's rights vis-à-vis the insurance company in relation to what follows from the general provisions of the Norwegian Insurance Contracts Act.

5.3 Insurance form

The Supplier's insurance policies under Sections 5.1 and 5.2 above must be documented within 14 days of conclusion of the contract by completing the annexed form: Form 2 –

Purchase of Goods, Insurance Certificate for Property Insurance and Form 3 – Purchase of Goods, Insurance Certificate for Liability Insurance. The Client is not obliged to pay instalments before he has received the said certificates.

6. Management system

The Supplier must possess and comply with a management system that satisfies relevant parts of NS-EN ISO 9001:2008 "Quality Management Systems. Requirements". This applies to the following parts of the standard: Item 4 Quality management systems – Requirements, item 5 Management's responsibility, item 6 Resource management and item 8 Measurements, analysis and improvements.

7. Segregation of the Client's goods

The Supplier's deliverables under the contract must be marked with the Client's name as soon as possible.

8. External environment

8.1 Tropical timber and timber from protected forests

The Client must not have tropical timber or timber from protected forests in his buildings or on his building sites. If goods containing tropical timber or timber from protected forests are supplied, it will be regarded as a nonconformity that the Client can demand to have corrected, regardless of the cost of such correction. The Supplier will be liable for the loss incurred by the Client as a result of the nonconformity. The burden of proof for the goods supplied not constituting a nonconformity in accordance with this provision rests with the Supplier.

8.2 Hazardous substances contained in the goods

If the goods contain hazardous substances, i.e. substances that can entail a health hazard for persons using the goods, a risk of fire or explosion, or a hazard to the external environment, the Supplier must provide a safety data sheet for the goods.

The use in goods of chemicals and products containing more than 0.1 percent by weight of substances on

- 1) the authorities' List of Priority Substances where emissions must be reduced substantially by 2020 (**Prioritetslisten** – see <http://www.miljostatus.no/no/Tema/Kjemikalier/Kjemikalielister/Prioritetslisten/>) or

2) the REACH Candidate List (**Kandidatlisten** – see <http://www.klif.no/no/Tema/Kjemikalier/Kjemikalierregelverket-REACH/Godkjenningsordningen/>) must be avoided.

Use of the aforementioned chemicals and products therefore requires the Client's approval.

If the Supplier is of the opinion that the use of chemicals and products mentioned above cannot be avoided, he must give an account of the type and quantity of chemical, product and substance involved and why it is necessary to use it, including the possibility of using a substitute, well before use becomes relevant. The Client can, after a detailed assessment, approve use of the chemical or product in question.

The Supplier must keep a list of any approved use of chemicals and products specified in the first paragraph and report their use to the Client quarterly. The first report must be submitted 14 days after conclusion of the contract.

The Client may demand a daily penalty if the Supplier is in breach of the aforementioned obligations and the situation is not rectified within a reasonable deadline specified in writing by the Client. The daily penalty will run from expiry of the deadline until the situation ceases. The penalty per working day will represent 1‰ of the contract price, but no less than NOK 1,500. The fine shall be payable in addition to any daily fine for delays.

Failure to rectify the situation by the deadline will be regarded as gross breach of contract and may be cited by the Client as grounds for termination for a period of one month after the deadline expires.

Breaches of the aforementioned obligations where the breach cannot be rectified will incur a fine of NOK 10,000 per breach.

8.3 Scrapped products

The Client wants to avoid unnecessary waste and therefore prefers goods that can be returned after scrapping. The Supplier must inform the Client of possible return schemes for the goods.

8.4 Compulsory membership of packaging return scheme

At conclusion of the contract at the latest a Norwegian supplier (VAT registered in Norway) must submit documentation (membership certificate from Grønt Punkt Norge AS or a similar scheme) to the effect that he belongs to an environmentally sound return scheme for the final treatment of packaging or fulfils the obligation through a similar

return scheme of his own. If the Supplier is of the opinion that he will not use packaging, he must submit a written declaration to this effect to the Client at conclusion of the contract at the latest.

The above requirements only apply if the contract exceeds NOK 100,000 ex. VAT.

9. Subcontractors

The Supplier may not have more than two levels of subcontractors below him in the supply chain. The Client can consent to further levels of subcontractors if this, because of unforeseen reasons, is necessary to fulfil the contract.

A breach of the above-mentioned duties gives the Client the right to demand that the matter be rectified, if necessary through a change of subcontractor, within a reasonable timeframe given in connection with a written warning from the Client. The costs caused by a termination of the subcontractor's contract shall be borne by the Supplier.

The Supplier shall not enter into a contract with a subcontractor to perform work on this contract that is in a situation as described in the Norwegian Regulation on public procurement § 24-4 (3).

If the above-mentioned duties are breached, the Client can deny the subcontractor and its employees the right to enter the building site.

The client can claim a material breach of the above-mentioned duties as grounds for terminating the contract with the Supplier.

All agreements the Supplier enters into concerning work under this contract shall include equivalent regulations.

10. Installation and duty to coordinate

Installation work is included in the purchase unless otherwise agreed.

The Supplier must submit an organisation plan for the services for which the Client is responsible under the contract well before installation.

The Supplier must plan his schedule and carry out the installation work in consultation with contractors, project planners and other players in the project so as to ensure that they are not impeded or delayed unnecessarily. The Supplier must compensate the Client for the costs he incurs as a result of contractors, project planners or other players being

delayed in the performance of their work in so far as this is due to the Supplier failing in his duty to collaborate with them.

All employees that enter the Client's building site, shall, easily visible, carry an HMS-card (Health, environment and safety card) as issued by the Norwegian Labour Inspection Authority (Arbeidstilsynet). A confirmation of order, application form or similar will not be accepted as an HMS card. Employees who do not have an HMS card will be denied access to the building site.

11. Changes

11.1 Client's right to impose changes on the Supplier

The Client is entitled to impose changes in the deliverables on the Supplier. The change must be connected with what is covered by the contract and not be essentially different in nature. The change can relate to both ordering additional deliverables or reducing the scope of the deliverables.

The Supplier is not obliged to supply additional deliverables amounting to more than 15% net on top of the contract price.

If the Supplier accepts additional deliverables in excess of 15%, the provisions of the contract will be regarded as applying to these deliverables too.

11.2 Written orders and duty to execute changes

The Client's orders for changes must be in writing and provide clear information on what the change involves.

When the Supplier receives an order in accordance with the first paragraph, he undertakes to execute the ordered change even if the parties disagree on payment or other consequences of the change.

11.3 Payment for additions

If the Supplier's total remuneration is not increased by more than 15% net of the contract price, the Client is entitled to receive ordered goods at the original prices in the contract.

11.4 Payment for reductions

If the Supplier's total remuneration after deductions and supplements is reduced by more than 15% of the contract price, the reduction over and above 15% must be treated as a partial cancellation. Reductions of up to 15% net will be treated as specified in the second paragraph. If the Supplier has to pay a cancellation penalty to his subcontractors as a result of the reduction in the deliverables, it can be claimed back from the Client, however.

If the remuneration in accordance with the rules is not reduced by more than 15% net, the Client is entitled to make deduction changes based on the prices in the contract.

12. Cancellation

12.1 Client's right to cancel

The Client is entitled to cancel all or some of the deliverables covered by the contract between the Client and the Supplier.

The cancellation must be made in writing as early as possible.

12.2 Financial settlement

In the event of cancellation the Supplier is entitled to compensation for the documented financial loss that he suffers as a result of cancellation.

13. Delays

The parties must agree a date for receiving inspection, see Section 17, and a date for the handover procedure, see Section 18.3. Delivery is late if these deadlines are not met and this is not due to the Client's circumstances.

14. Duty to inform in the event of delays

The Supplier is under an obligation to inform the Client in writing if there is reason to assume that the agreed deadlines cannot be met. The communication must give the reason for the delay and say how long the delay is likely to last.

15. Daily penalty

Unless otherwise agreed, the Client may demand payment of a daily penalty if delivery is delayed in accordance with Section 13.

Unless otherwise agreed, the daily penalty will be 0.2% of the contract price per calendar day, but not less than NOK 1,000 per calendar day. The daily penalty must not exceed 10% of the contract price, however.

If the Supplier or someone for whom he is responsible has been guilty of intent or gross negligence, the Client may demand compensation for direct and indirect losses instead of a daily penalty.

16. Invoicing and payment

Unless otherwise agreed, the Supplier must invoice according to the following schedule:

- Two thirds when the majority of the contract's deliverables have arrived at the agreed location and receiving inspection has taken place, see Section 17.
- One third at handover, see Section 18.8.

Invoices sent when the majority of the contract's deliverables have arrived at the agreed location and receiving inspection has taken place will be paid within 30 days of this happening and the invoice with agreed vouchers being received. Invoices sent at handover will be paid within 60 days of the goods being accepted and invoices with agreed vouchers being received.

Invoices and credit notes shall be sent to Statsbygg's invoice address electronically in accordance with the EHF (Electronic Commerce Format) standard as required by the Ministry of Government Administration, Reform and Church Affairs. Invoices and credit notes must be communicated via an access point in the message communication infrastructure administered by DIFI (Agency for Public Management and eGovernment).

Non-payment owing to circumstances for which the Client is responsible entitles the Supplier to default interest in accordance with the Norwegian Act relating to Interest on Overdue Payments of 17 December 1976 (Act No. 100). Compensation cannot be claimed for financial losses over and above what is covered by the default interest.

17. Receiving inspection

When the goods arrive at the delivery address, a receiving inspection must be held. Receiving inspection means counting the components of the deliverables and checking the documentation in relation to the contract. The receiving inspection cannot be held without the Client being present. The Supplier must advise the Client in good time of

the date of the receiving inspection and if an agreed receiving inspection cannot be held as scheduled. A receiving inspection report must be drawn up and signed by both parties.

18. Trial period, handover, etc.

18.1 Preparation for trial period/handover

The Supplier must give reasonable notice of adjustment, testing, etc., to be carried out on technical plant. The notice must state what conditions have to be met for testing, etc., to be carried out. If certain action is required on the part of other suppliers, or if other suppliers have to take part in the tests, this must be specified in the notice.

Adjustment, testing, etc., must be done before the trial period starts, if there is to be a trial period, and otherwise before the handover procedure.

18.2 Trial period

Unless otherwise agreed in Part II of the Red Book, there must be a trial period. The trial period takes place before handover and is three months, unless otherwise agreed. The Client must test the goods and check them for correct functioning during the trial period.

When the trial period starts, the goods must have been brought to the location indicated in the contract, the components of the deliverables must have been counted, installation, work and other service obligations must have been fulfilled, and the documentation must have been checked against the contract.

The count and documentation check cannot take place without the Client being present, and the Supplier must give the Client reasonable notice of when they are to happen. The Client must acknowledge in writing that the count and documentation check have taken place.

If installation, work or other service obligations are covered by the contract, the Client must acknowledge in writing that they have been fulfilled.

Commencement of the trial period means that the Client is entitled to start using the goods.

18.2.1 Training

The Supplier must train the operators in how to use the plant before the trial period commences and provide assistance during the trial period.

18.2.2 Handover

At the end of the trial period the goods will be accepted at a handover procedure, unless acceptance can be refused in accordance with Section 18.6.

18.3 Notice of handover procedure

The Supplier must give the Client reasonable notice in writing of when the goods will be ready for handover.

Once such notice has been given, either party can ask with reasonable notice for a handover procedure to be held. Notice of 14 days, calculated from receipt of the request, is normally regarded as reasonable.

18.4 Handover procedure

A handover procedure involves an inspection of the goods.

If one of the parties fails to attend a handover procedure called in accordance with Section 18.2 without a valid reason, the other party can carry out the handover procedure alone.

18.5 Report

A report must be drawn up for the handover procedure specifying:

- a) Who is present
- b) Any nonconformities identified
- c) Deadline for correcting identified nonconformities and date of re-inspection, if any
- d) Whether the goods are accepted or acceptance is refused

If the Client refuses to accept the goods, he must state his reasons in the report. If the Supplier does not accept the refusal, he must state his reasons in the report. The same applies if the parties disagree on a nonconformity identified in the goods.

The report is signed by the parties who are present. The parties must each receive a copy of the signed report.

18.6 Client's right to refuse acceptance

The Client can refuse to accept the goods if nonconformities identified at the handover procedure are such that they or their correction would prevent the intended use of the goods to an extent that gives the Client reasonable grounds for refusing acceptance.

The Client can also refuse acceptance if the testing, adjustment or documentation that is specified in the contract or is required for the handover procedure, and that is necessary for the Client to be able to assess whether the contractual requirements have been met, has not been carried out.

The Client can also refuse to accept the goods before the agreed date.

18.7 Partial handover

The Client can accept parts of the goods by means of a handover procedure after first making a request in writing in this respect to the Supplier. If partial handover entails additional costs for the Supplier or interferes with the Supplier's schedule, the provisions of Section 11 above will apply.

Partial handover must happen at a handover procedure. The provisions of Section 19 apply to partial handover as far as they are relevant. In the case of partial handover it must be specified which of the deliverables have been completed, which have not been completed and what nonconformities there are. The Client must accept the parts that have been completed. The other parts will be accepted at a separate handover procedure when they are complete.

The Supplier's duty to insure all the goods will continue to apply until all the goods have been accepted. The Supplier is entitled to payment for the part of the goods that is accepted in accordance with Section 16. In the event of partial handover under this provision any running daily penalty will be reduced pro rata.

18.8 Consequences of handover

Acceptance of the goods by the Client at a handover procedure has the following consequences:

- a) The risk for the goods passes from the Supplier to the Client
- b) The Supplier's duty to insure the goods ceases
- c) The deadline for complaints starts to run
- d) The warranty period commences
- e) The Supplier is entitled to send a final invoice
- f) The security provided by the Supplier for liability in the execution period is reduced in accordance with the rules in Section 4.

18.9 Illegal use by the Client

The risk for the parts of the goods that are used illegally is transferred when their use starts. The Client himself or his contract assistants starting to use the goods as intended in the contract or schedule is not regarded as illegal use.

In the event of illegal use the Supplier must give the Client notice with a short deadline to either request partial handover in accordance with 18.7 or rectify the situation. If the Client does not rectify the situation, the risk for all the goods passes to the Client from expiry of the deadline. The other consequences of handover will be triggered at the same time.

19. Deadline for complaints and complaints inspection

The deadline for complaints is five years from handover.

Before the deadline for complaints expires, either party can request that a joint complaints inspection of the Supplier's deliverables be held every year.

20. Warranty

Unless otherwise agreed in the order, the Supplier accepts strict liability for any contractual nonconformities identified in the goods covered by the contract, unless the Supplier can prove that the contractual nonconformity is due to the Client's circumstances.

Before the warranty period expires, either party can request that a joint warranty inspection of the Supplier's deliverables be held.

21. Special provisions on right to use software

Software specified in connection with the individual contract remains in the copyright of the Supplier or his subcontractor. The Client has the right to use a copy of the software and title to the software-carrying medium/system, and any software developed specially for the individual contract. The Supplier is under an obligation to ensure that the Client can use the software without being prevented by the copyright or other rights of third parties.

This provision applies analogously to a party to whom rights and obligations under the contract have been assigned.

The Client can also use the copy of the software on any hardware or equipment on which it can be loaded for backup purposes, but without liability for the Supplier.

The source code for the software and firmware supplied must be stored in such a way that it will be made available to the Client if the Supplier or his subcontractor goes into liquidation/ceases trading. In this situation the Client will be entitled to make changes and modifications to the software.

22. Advertising, contact with the media and right of access

22.1 Advertising

If, for the purposes of advertising or some other objective, the Supplier or his subcontractors/contract associates wish(es) to provide information to the public about the assignment, beyond quoting the assignment as a general reference, this must be submitted to and approved by the Client in advance.

The supplier may not advertise its own company or engage in public relations at the building site or on advertising boards at the building site.

22.2 Contact with the media

All contact with the media shall be managed by the Client.

22.3 Right of access

The Client, or a party duly authorised by the Client, shall have the right to inspect the Supplier's quality system and those parts of the Supplier's management systems in general (financial, external environment, HSWE etc.) and accounting systems that may be of significance to the Supplier's performance of the contract.

The right of inspection encompasses auditing and verification, including interviews, inspection, controls and documentation reviews. The Supplier must provide reasonable assistance with such access free of charge. The right of inspection is limited to three years after the last payment has taken place.

The Supplier must ensure that the Client has a corresponding right of access with his direct and indirect subcontractors, sub-consultants and any contract associates, unless the contract is clearly of subordinate significance to the Supplier's ability to fulfil his obligations to the Client.

23. Cancellation of contract

The Client can cancel the complete contract without compensation in the instances mentioned in the Norwegian Regulation on public procurement § 28-3.

24. **Default of contractual obligations – consequences of for later competitions**

Breach of the duties in this contract can be recorded by the Client and considered in connection with coming competitions, either in the qualification phase or the selection phase.

25. **Settlement of disputes**

Disputes must be settled by legal process before the ordinary courts.

Oslo District Court is agreed as the venue for contracts with foreign suppliers. Disputes will be dealt with in accordance with Norwegian substantive law and procedure.

PART II

SPECIAL CONTRACT PROVISIONS

If Statsbygg does not select one of several alternative formulations in the contractual provisions, alternative 1 shall apply.

26. Invoicing and payment

(Select one alternative)

- Alternative 1: Section 16 of the Red Book applies as it stands.
- Alternative 2: Unless otherwise agreed, the Supplier must invoice according to the following schedule:
- One third on conclusion of the contract (advance)
 - One third when the majority of the contract's deliverables have arrived at the agreed location and receiving inspection has taken place, see Section 17.
 - One third at handover, see Section 18.8

Advances to the Supplier will not be paid until approved security has been provided, see Form 4 – Purchase of Goods, Bank Guarantee for Contract Advances.

Invoices sent on conclusion of the contract (advance of one third) must be paid within 30 days of receipt of invoice. Invoices sent when the majority of the contract's deliverables have arrived at the agreed location and receiving inspection has taken place will be paid within 30 days of this happening and the invoice with agreed vouchers being received. Invoices sent at handover will be paid within 60 days of the goods being accepted and invoices with agreed vouchers being received.

Non-payment owing to circumstances for which the Client is responsible entitles the Supplier to default interest in accordance with the Norwegian Act relating to Interest on Overdue Payments of 17 December 1976 (Act No. 100). Compensation cannot be claimed for financial losses over and above what is covered by the default interest.

27. Trial period

(Select one alternative)

- Alternative 1: A trial period has been agreed.
 Alternative 2: A trial period has not been agreed.

(See Section 18 of the Red Book for detailed provisions)

28. Option on additional orders after handover

(Select one alternative)

- Alternative 1: The Client has an option to place supplementary additional orders on the same terms and at the same prices for a period of up to one year after handover.
 Alternative 2: An option to place supplementary additional orders after handover has not been agreed.

29. Ethical trading

(Choose one alternative)

- Alternative 1: The Supplier must respect fundamental human rights, labour rights and environmental requirements in his own business and his supply chain. Goods supplied to the Client must be made in conditions that are compatible with the requirements specified below. The requirements are based on key UN conventions, ILO conventions and national legislation at the production site.

If the Supplier uses subcontractors to fulfil the contract, he is under an obligation to ensure that they satisfy the same requirements.

29.1 Ban on child labour that breach national or international legislation (Article 32 of the UN Convention on the Rights of the Child, ILO Convention No. 138 and 182)

- Children under 15 years (14 or 16 years in certain countries) shall not perform any type of work that may interfere with or damage their education and/or their development.
- Children under 18 years of age must not perform night work or perform any type of work that puts their safety, physical and/or mental health at risk.

-
- Children have the right to be protected from economic exploitation when in employment.

29.2 Ban on forced labour (ILO Convention No. 29 and 105)

- There must not be any form of forced labour or involuntary labour, including as a form of education, punishment or to further discipline.
- Workers must not be compelled to hand over a deposit or identity documents to an employer.
- Workers must be free to terminate their employment with reasonable notice.

29.3 Ban on discrimination (ILO Convention No. 100 and 111)

- Employees must not be treated differently based on gender, race, skin colour, religion, political views, national origin, social status, union membership or personal affairs, in the work place or in accessibility to employment.
- Payment shall be the same for equal work, independent of gender.

29.4 Ban on lack of respect for union membership and collective bargaining (ILO Convention No. 87 and 98)

- Employees and employers have the right to set up or join organizations of their own choice, and to bargain collectively and share the contents.
- All activity in connection with this organizing shall occur completely without reprisals or other forms of harassment of the participants.
- The employer must not, in any way, hinder meetings or collective bargaining.
- Where the right to union membership or collective bargaining is restricted in national legislation, the employer must facilitate, and not hinder, parallel mechanisms for free and independent organizing and negotiating.

29.5 The supplier is obliged to make sure that performance regulated by this contract is carried out in accordance with the national legislation of the country of production:

National legislation in the country of production must be complied with. Of particular relevance is: 1) pay and working hour regulations; 2) health, environment and safety; 3) proper employment, including employment contracts and 4) statutory insurance policies and social schemes.

29.6 Follow-up

The Supplier must ensure that employees' rights in accordance with Section 29.1 to 29.5. are complied with in his own business and by the subcontractor(s) involved in the performance of the contract. At the Client's request this must be documented by means of:

- Self-reporting and/or
- Follow-up meetings and/or
- Inspection of working conditions by an independent third party¹ and/or
- Third-party certification such as SA8000 or its equivalent

The burden of proof for the goods supplied not constituting a breach of Section 29.1 to 29.5. above rests with the Supplier.

In the event of a breach of the above-mentioned duties, the Client can demand that the Supplier correct the reported nonconformities within a reasonable deadline set by the Client. The corrections must be documented in writing and in the manner appointed by the Client. If the breach has occurred at a subcontractor, the Client can demand that the Supplier replaces the subcontractor. This shall be done without cost to the Client.

If the Supplier is aware of a breach of the contract he shall report this to the Client without undue delay.

Failure to correct a nonconformity will be regarded as a material breach of the above-mentioned duties and the Client can claim this as grounds for termination of the contract.

Alternative 2: There are no particular ethical rules for this contract.

¹ The Client, or the party authorised by the Client, reserves the right to carry out announced or unannounced inspections at one or more players in the supply chain in the contract period. In the event of inspection, the supplier undertakes to provide the name(s) and contact details of his subcontractor(s). Contract details will be handled confidentially.

30. Foreign suppliers, import and export taxes

(Choose one option, The provisions are only applicable to foreign suppliers.)

Option 1: The foreign supplier shall perform installation and assembly services which are considered locally-based services within the meaning of the VAT Act, and shall therefore be the importer of the goods. The foreign supplier is obliged to register for VAT in Norway (the VAT register) in advance of the delivery in order to be able to send invoice in accordance with Norwegian requirements. Norwegian VAT must be invoiced together with the main requirement, and not in its own invoice. As delivery terms, the Incoterms DDP delivery point applies. Template for customs invoice / commercial invoice, which will be communicated from the client, shall be used.

Option 2: The foreign supplier shall not perform installation and assembly services and the client shall therefore be the importer of the goods. The foreign supplier is not obliged to register in the VAT register, and shall invoice the principal without Norwegian VAT.

The decisive factor in choosing an alternative is whether the item ordered should be installed / installed by the supplier before it is considered delivered (option 1), or if there is only one item ordered that is considered delivered when it has arrived and is not to be installed or installed, whatsoever or by the supplier (option 2).

31. Further departures from the Sale of Goods Act/Departures from or additions to general contract provisions

The regulation of invoicing and payment, ref section 26, will be open for discussion as part of the negotiations/dialogue.

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FORM 1 – PURCHASE OF GOODS, PROVISION OF SECURITY

GUARANTEE DECLARATION

Guarantee No.

The Guarantor
.....

organisation no.

hereby provides

the Client

Postal address:

Office address:

organisation no.

Statsbygg

Postboks 8106 Dep, 0032 Oslo, Norway

Biskop Gunnerus' gate 6

971 278 374

with an principal liability guarantee for the contractual obligations that

the Supplier
.....

organisation no.

has under

the contract of

for project no..... building.....

contract no..... name.....

The Guarantee shall apply to the Supplier's contractual obligations, including late payment interest and debt collection costs in the event of breach of contract during the execution and rectification periods. During the execution period the Guarantee also applies to the Supplier's liability for late completion.

The Guarantee is limited to

NOK, amounting to 10 % of the contract price, cf. Red Book Section 2 for circumstances cited in relation to the supplier no later than take over of the contract deliverables.

The Guarantee will then be reduced to

NOK, which represents 3% of the contract price for circumstances cited in relation to the Supplier during the first three years of the rectification period, see Sections 20 and 4 of the Red Book.

During the execution and rectification periods the Guarantee cannot exceed a total of 10% of the contract price. During the rectification period the Guarantee cannot exceed a total of 3% of the contract price.

The guarantee will apply for three years from take over and, under any circumstances, until any claims made by the Client against the Supplier within three years of take over have been satisfied. If partial take overs have taken place, the three years will be calculated from the last take over procedure.

The Guarantor must always be notified if the contract between the Client and Supplier is cancelled.

Under the present Guarantee the Client is not under an obligation to withhold any part of the value of the work/contract performed in connection with instalments to be paid to the Supplier/subcontractor. The Client can therefore honour instalment invoices in full.

The Guarantor's liability is not limited in any way other than what follows from the present provisions.

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.....
Bank's name/stamp

.....
Signature

FORM 2 – PURCHASE OF GOODS, INSURANCE CERTIFICATE**INSURANCE CERTIFICATE****Property insurance in accordance with Section 5.1 of the Red Book**

The undersigned insurance company hereby confirms that property insurance has been taken out in accordance with Section 5.1 of the Red Book with the policy number, place of insurance, sum insured, period of insurance and terms of insurance specified below.

During the term of insurance, the insurance company may be released from its liabilities pursuant to this insurance certificate

1. by notifying STATSBYGG a minimum of 30 days prior to cessation of the insurance coverage if it is being terminated or ceasing due to other reasons.
2. by STATSBYGG receiving satisfactory insurance certificate equivalent to the existing one from the insurance company that is taking over the insurance coverage.

Policyholder:
(Supplier)

Name:.....

Address:.....

Organisation No:

Co-insured: STATSBYGG**Insurance Certificate No.****Place of insurance:****Project number and name:****Address of building:****Sum insured:**

Period of insurance: The insurance will apply until all the contract deliverables have been accepted by the Client.

The insurance covers: The contract deliverables that have been executed at any time.
Materials for which the Client has paid an advance.
Materials that the Client has entrusted to the Supplier.

Scope of the insurance cover:

The insurance provides cover in accordance with the following terms

.....
which contain the following general exclusions:

1. Damage that is directly or indirectly connected with war, riot or serious disturbances of public order.
2. Nuclear damage – regardless of cause – from a nuclear substance, but not damage caused by radioisotopes, the use of which is permitted in law.
3. Damage caused by land subsidence or foundation failure.
4. Loss caused by pilferage, embezzlement, and theft without burglary.

Exclusions from insurance cover other than those expressly stated in the present Insurance Certificate will not be applied to STATSBYGG as co-insured.

The insurance company accepts Norwegian law and Norwegian jurisdiction (Oslo District Court or other venue that the Supplier has to accept) for any disputes that involve the insurance company and relate to this contract.

.....
Place/Date

.....
Insurance company

Signature

FORM 3 – PURCHASE OF GOODS, LIABILITY INSURANCE**INSURANCE CERTIFICATE****Liability insurance in accordance with Section 5.2 of the Red Book**

The undersigned insurance company hereby confirms that liability insurance has been taken out in accordance with Section 5.2 of the Red Book and the requirements specified below.

During the term of insurance, the insurance company may be released from its liabilities pursuant to this insurance certificate

1. by notifying STATSBYGG a minimum of 30 days prior to cessation of the insurance coverage if it is being terminated or ceasing due to other reasons.
2. by STATSBYGG receiving satisfactory insurance certificate equivalent to the existing one from the insurance company that is taking over the insurance coverage.

Policyholder

The insurance company confirms that

.....(the Supplier)
has subscribed to liability insurance.

Insurance policy no.

Sum insured

The sum insured is at least 150 times the National Insurance base amount (G) per insurance event.

Term of the insurance

The insurance will apply until all contract work, including remedial work, has been carried out.

Scope of the insurance

A contract has been entered into between Statsbygg and the Supplier for delivery

of.....

Project no.:

Address:

.....

The insurance covers liability for personal injury or property damage that the Supplier and his subcontractors may cause to the Client or a third party in connection with performance of the contract.

Reservations

The insurance company confirms that the insurance contract does not contain provisions that:

- reduce the Client's right to claim an insurance settlement directly from the company, or
- may reduce the Client's claim owing to the circumstances of the insured **after** the insurance event has occurred, or
- reduces the claimant's rights vis-à-vis the insurance company in relation to what follows from the declaratory provisions of the Norwegian Insurance Contracts Act.

The insurance company accepts Norwegian law and Norwegian jurisdiction (Oslo District Court or other venue that the Supplier has to accept) for any disputes that involve the insurance company and relate to this contract.

Place/date

Insurance company.....

.....
Signature

FORM 4 – PURCHASES OF GOODS, BANK GUARANTEE FOR CONTRACT ADVANCES

BANK GUARANTEE FOR CONTRACT ADVANCES

Guarantee No.....

On the instructions and for the account of

.....

as Supplier, we provide Statsbygg as Client with an absolute guarantee in connection with,
under the contract of

...../..... 20 between the aforementioned parties

for project no..... building.....

contract no.....
name.....,

an advance on the contract price being paid in the amount of

NOKinc. VAT

.....

Amount in words

The Guarantee applies to the Supplier's obligation to repay the advance, including default interest and debt collection costs in the event of breach of contract in relation to such repayment.

The Guarantee will apply until the advance has been settled in line with the agreement between Statsbygg and the Supplier.

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.....

Signature

