

CONTRACT

by and between

THE NORWEGIAN PETROLEUM DIRECTORATE
(hereinafter called the NPD)

and

(hereinafter called the Supplier)

Concerning financing and performance of consultancy assistance in
connection with

(hereinafter called the Project)

This contract has been drawn up in two copies, one to the NPD and one to the Supplier.

Stavanger

.....
For the NPD

.....
For the Supplier

Inquiries

Inquiries: All inquiries concerning this agreement shall be directed to

NPD

The supplier

Name

Name

Position

Position

Telephone

Telephone

E-mail

E-mail

Postal address Postboks 600
4003 Stavanger

Postal address

1 SCOPE OF THE AGREEMENT

1.1 Work description

The Project shall be carried out in accordance with this contract and as described in Appendix 1.

1.2 Financial framework

The NPD will allocate up to NOK to the Project, exclusive of any value-added tax.

The amount constitutes the total framework for the Project. The NPD will not cover expenses that exceed the framework unless agreed in writing by the parties as an addendum to the contract.

2 AMENDMENTS

Amendments to the present contract must be made in writing and must have been signed by both parties.

3 DURATION

The contract is valid from the date of the agreement to .

4 PRICE AND PAYMENT

4.1 Prices

- a) The price of the services under this contract are as follows:
- b) For services carried out at the NPD offices, working hours are to be invoiced from the person arrives at the NPD offices and at most until the person leaves our premises. Lunch breaks must not be invoiced to the NPD, nor will travelling time to and from the NPD offices be covered.

Local travel expenses will not be refunded.

For other travel ordered by or agreed with the NPD, documented travel and accommodation expenses are refunded according to government rates. The NPD may demand certain ways of travelling and types of accommodation to be used.

Expenses for overseas travel will only be refunded if the NPD has given prior written approval of the proposed travelling.

- c) Expenses for a work station and office supplies will be covered by the NPD when the supplier's personnel is working at our offices.
- d) Other expenses that those mentioned above, including for any subcontractors, will be covered if they have the NPD's prior, written approval.

4.2 Payment

Unless otherwise agreed in connection with the allocation of an assignment, invoicing will take place upon completion of each assignment. For lengthy assignments, monthly invoicing may be used.

Payment will take place in accordance with the invoice, with payments falling due 30 days after the invoice date. The invoice should be addressed to the NPD, attn. Accounting. The invoice must contain the call-off number and the NPD project number. No extra charges, fees or supplements must be added.

An invoice received later than 30 November each calendar year will not be covered by the NPD, unless otherwise agreed in writing.

The invoice must specify the charges and provide an overview of hours used. Any expenses, payments and costs which the NPD has agreed to cover, must be documented.

4.3 Price regulation

The price shall remain fixed for at least the first year of the agreement, but may thereafter be adjusted according to further agreement as per 1 January of every year, with a percentage no higher than the corresponding salary increase in the private sector based on pay statistics for the expertise the supplier is providing, or a percentage based on the increase in the consumer price index.

5 INDEPENDENCE

The supplier must be financially independent of anyone who might influence his objectivity during his execution of the allocated assignment. He must not receive remuneration from others in connection with the allocated assignment without the NPD's consent. He must inform the NPD of any matter that might conceivably affect his objectivity.

6 THE PARTIES' OBLIGATIONS

6.1 The supplier's obligations

6.1.1 Project management

The supplier is responsible for the management and execution of the allocated assignment. The assignment must be executed in close consultation with the NPD. The supplier bears as much responsibility for the work of any subcontractors as he does for his own work.

6.1.2 Quality

The assignment must be executed in accordance with the agreement and must be carried out in a professional and efficient manner to a high professional standard.

The supplier must work loyally with the NPD and safeguard the interests of the NPD.

The supplier must provide services of a satisfactory quality. The services must also be in line with the standard and quality described in the competition specification and in

the bidder's tender. It will be considered a deficiency if the service does not hold the agreed quality or standard.

6.1.3 Manning – key personnel

The customer contact and regular consultants indicated in the call-off concerning an assignment allocation may not be replaced except as agreed with the NPD.

6.1.4 Relationship to third parties

The supplier must not accept obligations or waive rights on behalf of the NPD without our written authorisation.

6.1.5 Wage and working conditions – prohibition against social dumping

The Supplier shall be obliged to have wage and working conditions for his own employees that are not worse than those that follow the prevailing nationwide collective wage agreement, or what is otherwise normal for the place and profession in question. This also applies to work that is to be performed abroad.

The Supplier is responsible vis-à-vis the NPD for ensuring that the above-mentioned requirements are also complied with by any sub-contractors who directly take part in the performance of the contract.

Upon the NPD's request the Supplier shall document wage and working conditions for his own employees and the employees of any sub-contractors who take part in the performance of the contract.

If, within 10 working days, the Supplier does not submit documentation of wage and working conditions or fails to comply with the clause's requirements for wage and working condition, the principal shall be entitled to withhold parts of the contract sum until documentation has been submitted to the effect that the matter has been rectified. In the event violation of the clause is deemed to be material breach, this entitles the NPD to cancel the contract.

6.1.6 Duty to provide information in accordance with Section 6-10 of the (Norwegian) Tax Assessment Act – applies to persons residing abroad or companies domiciled abroad, etc.

The Supplier is responsible for familiarising himself with and observing the duty to provide information which, in accordance with Section 6-10 and appurtenant regulations, is imposed on the NPD as a public body and the Supplier himself and any sub-contractors of the Supplier.

The Supplier shall also inform the tax authorities of this agreement and through such notification particularly draw the tax authorities' attention to the fact that the Supplier, through this present agreement, is responsible for observing the duty to provide information which is imposed on the NPD in accordance with Section 6-10 of the Tax Assessment Act.

The Supplier shall indemnify the NPD against any and all claims from the tax authorities or others as a result of failure to comply with the duty to provide information or to pay taxes or contributions.

Failure to comply with the duty to provide information shall entitle the NPD to withhold all or parts of the compensation to the Supplier. Failure to comply with the duty to provide information is deemed to be material breach and entitles the municipalities to cancel the contract unless agreed in writing by the parties as an addendum to the contract.

6.2 The NPD's obligations

The NPD will cooperate loyally in the execution of the assignment.

All enquiries from the supplier must be answered without undue delay.

The NPD must inform the supplier without undue delay of any matter which the NPD understands may affect the execution of the assignment.

6.3 Duty of confidentiality

The supplier must maintain the same level of confidentiality as the NPD's own employees.

The provisions on confidentiality in the Public Administration Act of 10 February 1967 apply for the parties.

A declaration of confidentiality will be signed if necessary. If so, the declaration must specify what information comes under the duty of confidentiality and how this should be safeguarded.

The supplier is responsible that all information and data made available or procured in connection with the project is treated as confidential information unless otherwise agreed in writing between the parties.

No more individuals than strictly necessary for the execution of the project must be given access to confidential data and information. The NPD shall at all times be aware of who is given access to such material.

A high ethical standard is expected of the personnel employed to carry out the assignment for the NPD.

6.4 ID

The consultants must carry clearly visible ID cards issued while working at the NPD offices.

7 **BREACH OF AGREEMENT**

7.1 What is considered a breach of the agreement

There is a breach of agreement on the part of the supplier if the service provided is not in accordance with the objectives, requirements and specifications that have been agreed. There is also a breach of agreement if the supplier does not meet his other obligations as stipulated in this agreement or through the call-off.

However, there is no breach of agreement if the situation is due to matters in the NPD or force majeure.

7.2 Sanctions in the case of breach of agreement

In the case of a breach of agreement, the NPD may withhold a proportionate part of the payment.

The NPD may also demand a refund for remuneration and costs which the supplier has received, with a deduction for any benefit to the NPD. Such price reductions are meant to compensate for the reduced value of the services delivered, and come in addition to a possible restitution.

If a breach of agreement is of significance to the NPD and cannot be rectified without significant expense or inconvenience, the NPD is, following a written notification and a reasonable amount of time to rectify matters, entitled to terminate the agreement with immediate effect.

The NPD may demand restitution for any direct loss which one might reasonably have been able to foresee as a possible consequence of the breach. Losses due to extra work or other costs or expenses which the NPD has incurred as a result of the breach, will be counted as direct losses.

No restitution will be demanded for indirect losses. Loss of income, loss of turnover or loss of expected savings are deemed indirect losses.

Restitution will be limited to an amount corresponding to the agreed remuneration excluding VAT or the maximum estimate agreed for the project.

If the supplier or anyone in his charge demonstrates gross negligence or intent, the above liability limits do not apply.

7.3 Complaints

The NPD will complain in writing and without undue delay once a breach of agreement has been discovered or should have been discovered.

8 LIABILITY FOR DAMAGE

a) between the parties:

The NPD accepts no legal or financial liability for damage or losses occurring in connection with an allocated assignment, such as damage or loss on account of incompetent use of NPD equipment, faults in an IT program, or anything else included in the assignment.

b) vis-à-vis a third party:

The NPD accepts no legal or financial liability for damage or losses inflicted on a third party through the supplier's actions in or outside the contract, except when the damage or loss is due to malfunctioning NPD equipment.

- c) Each party must repair or replace/compensate for damage he may cause to equipment, buildings, etc., including damage caused through incompetent use of NPD equipment, machines or chemicals.

9 TERMINATION /AMENDMENT

The agreement parties will accept a termination or any amendment of contract that follows from an order issued by Norwegian authorities or EEA bodies. This will not trigger any liability between the parties.

If a qualified appeals body / court of law finds that a mistake has been made in awarding the contract, the Norwegian Petroleum Directorate will be released from the contract with immediate effect.

The NPD is at all times entitled to cancel and stop an allocated assignment against paying the supplier for work carried out in accordance with the approved work programme and budget as this was stipulated when the assignment was allocated. The NPD can also cover documented extra costs related to a redeployment of the personnel involved, limited upwards to 33 per cent of the remaining remuneration. The supplier has an obligation to limit the financial loss as far as possible.

10 COPYRIGHT AND PROPERTY RIGHTS

Property rights, copyright and other relevant material and immaterial rights to the result(s) of the assignment fall to the NPD, with the limitations ensuing from other agreements or invariable laws. The rights also include the right to make amendments and a further transfer (cf. Section 39b of the Copyright Act).

If something other than the above has been agreed in an Appendix, the NPD will still have a perpetual right, free of charge, to utilise whatever the supplier has delivered in any form, to the extent:

- a) this utilisation does not conflict with the objective of the assignment
- b) the moral rights pursuant to the provisions of the Copyright Act are not violated
- c) the agreement's provisions on loyalty and confidentiality are followed, and
- d) the efforts of the other party are not exploited disloyally pursuant to other current laws, e.g. the Marketing Control Act

To the extent there is no conflict with the agreement's provisions on loyalty and confidentiality, each party may freely use know-how which the party has acquired in connection with the assignment. Unless something else has been stated for the assignment or otherwise agreed, the suppliers retain the rights to their own tools and methods. Such material must not be used in violation of the agreement's provisions on loyalty and confidentiality. Any dispute on remuneration will be settled through a court appraisal.

11 OTHER PROVISIONS

Transfer of this contract

The rights and duties according to this contract must not be transferred to a third party without the other party's written consent.

Force Majeure

In force majeure situations the parties are only entitled to terminate the agreement if the situation lasts or is expected to last for more than 60 days, counted from the time when the situation arises, and then with 15 days' notice.

Insurance

The supplier may be ordered to take out an insurance which as far as possible covers the total liability he may incur under the contract. The policy must be presented to the NPD on request.

12 DISPUTES

The parties' rights and duties under this agreement are entirely subject to Norwegian law.

If a dispute arises between the parties concerning the interpretations or legal effects of the agreements, a settlement of the dispute shall be sought through negotiations. If such negotiations do not succeed, either party may take the case to the ordinary courts of law.

The correct legal venue is Stavanger District Court.