

# CONTRACTUAL DOCUMENT

**CONTRACT NO. 450000XXXX**  
(hereinafter referred to as the Contract)

between

**STATKRAFT Energi AS**  
(hereinafter referred to as Statkraft)  
Company registration No. **987 059 729**  
Office address: Lilleakerveien 6, N-0216 Oslo, Norway

and

**THE CONSULTANT**  
(hereinafter referred to as the Supplier)  
Company registration No.:  
Office address:

concerning the supply of

**THE SERVICE**  
(hereinafter referred to as the Service)

The following documents constitute the Contract:

- The Contractual Document
- General conditions for purchase of services
- The scope of the Service
- Compensation
- Work Schedule
- Administrative stipulations
- Appendix 1: Statkraft's Supplier Code of Conduct
- Appendix 2: Group Procedure on Business Ethics

In the event of conflict between the stipulations of the Contract, the order of precedence of the documents shall be as in the list above.

Two copies of this Contract exist, both of which shall be signed by the Parties, and each Party shall retain one copy.

Date: .....

Date: .....

\_\_\_\_\_  
for Statkraft

\_\_\_\_\_  
for the Supplier

\_\_\_\_\_  
for Statkraft

\_\_\_\_\_  
for the Supplier

# GENERAL CONDITIONS FOR PURCHASE OF SERVICES

## 1. Performance of the Service

The Service shall be performed in accordance with currently applicable laws and regulations. The Supplier shall obtain and maintain all the necessary permits in connection with the Service, and at the request of Statkraft shall present documentation of those permits.

The Supplier shall ensure that all manpower performing work under the Contract have formally settled conditions regarding wages and work. On request, this shall be documented by the Supplier.

The Supplier shall not assign substantial parts of the Service to third parties without the written consent of Statkraft. Such consent shall not release the Supplier from any obligations under the terms of the Contract.

Statkraft shall not be considered to be the employer of the Supplier's personnel even when such personnel perform the Service or parts thereof in co-operation with Statkraft.

Key personnel in the employ of the Supplier appointed to work under the terms of Contract shall not be removed or replaced without the approval of Statkraft. Such approval may not be unreasonably withheld. The training of new personnel shall be at the expense of the Supplier.

In order to avoid conflict of interest the Supplier shall ensure that key personnel and their relatives do not have interest in entrepreneur and/or developing companies which are competitive to Statkraft or companies where Statkraft have ownership.

The Supplier shall ensure that personnel who behave in a reprehensible manner or who are not suitable to perform the Service are replaced at the Supplier's expense.

The Supplier is responsible for all documents, descriptions and instructions in the event of these being damaged or destroyed as a result of accident whilst in the possession of the Supplier and off Statkraft's premises.

## 2. Quality assurance

The Supplier shall have a satisfactory quality assurance system adapted to the Service. The Supplier shall document this system at the request of Statkraft. The Supplier is responsible for ensuring that the quality of the Service is in accordance with any reasonable requirements for such a Service. The Supplier may be requested to prepare a quality assurance plan to ensure the quality of the Service.

Statkraft's representative to whom the Supplier reports is responsible for facilitating the Supplier's access to any of Statkraft's quality assurance documents that may be relevant. The Supplier has an obligation to familiarize itself with the relevant quality assurance documents before the commencement of the Service, and to comply with such documents during the performance of the Service.

## 3. Rights to ownership of results

Unless otherwise agreed, Statkraft acquires exclusive ownership to the results of the Service as and when it is performed. All reports, drawings, specifications and similar documents, including computer software, which are prepared in connection with the Service are considered to be part of the results of the Service.

Statkraft's right of ownership does not apply to documents and software which according to Norwegian law are normally subject to protection, and which remain the property of the Supplier. However, if such documents and software are necessary for operations, inspection, maintenance and so on, they shall be made available to Statkraft, which will have unrestricted right of use. In such case, the documents shall not be used for other purposes without the consent of the Supplier.

The Supplier shall not take on assignments for other clients without the written consent of Statkraft if those assignments make direct use of the results of assignments carried out for Statkraft, but the Supplier may use any skills acquired to develop its own business operations.

## 4. Changes

Within the bounds of what the Parties could reasonably expect at the time of entry into the Contract, Statkraft may demand changes in the quality or scope of the Service as well as changes in the work schedule.

Should Statkraft demand changes, the Supplier shall, without undue delay, advise Statkraft with regard to any effect those changes might have on the price and work schedule.

If the Supplier should discover a need for changes, Statkraft shall be notified as soon as such need becomes evident to the Supplier.

Compensation for changes shall be in accordance with the Contract's original price schedule. If the changes lead to savings for the Supplier, Statkraft shall be credited accordingly.

Changes shall be approved by Statkraft in the form of a written change order.

## 5. Postponement

Upon written notification, Statkraft may postpone all or parts of the Service. Following such notification, the Supplier shall without undue delay notify Statkraft with regard to what effect the postponement may have on the implementation of the Contract. The Supplier shall resume the Service immediately upon notification by Statkraft.

If the delay exceeds the notified postponement by more than 30 days, the Supplier is entitled to terminate the Contract upon written notification to Statkraft.

During the period of postponement, Statkraft shall provide compensation for documented, necessary expenses in connection with the demobilising and mobilising of personnel.

## 6. Cancellation

Upon written notification to the Supplier, Statkraft may cancel the Service in whole or in part with immediate effect.

Following such cancellation, Statkraft shall pay to the Supplier any amount which is owed for that part of the service which has been completed, and also cover any documented, necessary expenses which the Supplier may incur as a direct result of the cancellation.

## 7. Price, invoicing and payment

### 7.1 Price

The agreed prices shall be deemed to cover all the Supplier's costs in connection with the Service. The prices are fixed for the duration of the agreement, and may only be changed in the event of:

- changed regulations resulting in the imposition or discontinuation of government taxes or duties
- or
- the duration of the Service exceeding two years, in which case agreements regarding payment by the hour may be renegotiated.

Normal working hours are from 08:00 to 16:00, Monday to Friday; any overtime shall not be subject to change in hourly rates.

Office supplies and any necessary computer equipment shall be provided by Statkraft if the Service is performed on Statkraft's premises.

Travel expenses and subsistence allowances in connection with the implementation of the Contract which are not included in the fixed contract price shall be covered according to the terms of the Statkraft Travel Regulations. Unless otherwise agreed, the Supplier may not invoice for time spent in travelling.

### 7.2 Invoicing and payment

Unless otherwise agreed, payment shall be made within 30 days of receipt of a correctly issued invoice.

All invoices shall bear the Contract Number and other references which may have been agreed upon, and shall clearly specify what the invoiced amount refers to. Statkraft reserves the right to return any invoices which do not satisfy these requirements.

Unless otherwise agreed, invoicing shall take place by the end of each month.

In the case of agreements based on hourly payment, approved time sheets shall accompany the invoice.

The Supplier shall submit a final invoice within 60 days of Statkraft's acceptance of the completion of the Service. The final invoice shall include all the Supplier's outstanding claims under the Contract. Claims not included in the final invoice may not be submitted later.

## **8. Breach of contract, termination**

### **8.1 Delay**

The Supplier is responsible for any delays which cannot be ascribed to Statkraft.

If Statkraft's objectives in connection with the Service are significantly jeopardised as a result of shortcomings in the Supplier's performance of the Service, this shall be considered a delay.

### **8.2 The effects of delay**

In the event of delay, unless otherwise agreed, liquidated damages shall accrue at a rate of 0.3% of the total Contract Price for each calendar day of delay on the part of the Supplier. However, the accumulated liquidated damages shall not exceed 15% of the Contract Price.

If the delay is caused by gross negligence or wilful misconduct on the part of the Supplier or a party for whom the Supplier is responsible, Statkraft is entitled to compensation for losses suffered as a result of the delay, in stead of liquidated damages.

Statkraft is entitled to terminate the Contract if the maximum liquidated damages have accrued, or if the delay leads to a material breach of contract.

### **8.3 Defects**

In the event of a defect in the performance of the Service, the Supplier is responsible for that defect in accordance with Section 8.4.

The Supplier is not responsible for incorrect solutions or methods prescribed by Statkraft, or for errors in any background material supplied by Statkraft, but if the Supplier ought to have discovered the error, all or part of the risk may be transferred to the Supplier.

Statkraft's approval of proposals or planning material does not release the Supplier from liability in connection with the performance of the Service in accordance with the Contract, unless the Supplier has clearly drawn attention to the special elements of risk which exist.

Statkraft shall make a written claim in reasonable time after discovery of the defect, but not later than 24 months after Statkraft has accepted the completion of the Service. In the case of repair work, a similar deadline for submission of claims shall run from the date on which the repair work is completed. The deadlines for claims do not apply whilst repairs or other activities are in progress which are necessary for the correct fulfilment of the Contract.

### **8.4 The consequences of defects**

If Statkraft makes a claim, the Supplier shall repair the defect without delay, but Statkraft may postpone the repair work if there is valid reason to do so. The repair work shall be performed without expense for Statkraft.

If the Supplier does not carry out the necessary repair of the defect within a reasonable period, Statkraft is entitled to do so itself or by use of other parties at the expense and risk of the Supplier. The same applies if waiting for the Supplier's repair would result in significant inconvenience for Statkraft. In such cases, the Supplier shall be notified before the repair work is commenced.

If the Supplier does not repair the defect within a reasonable period, Statkraft is entitled to a reduction in price.

Statkraft is entitled to compensation for any loss it may suffer as a result of defects. Unless otherwise agreed, the claims shall be limited to NOK 3 million for any single case of damage and to NOK 9 million in aggregate for the entire Contract.

Statkraft is entitled to cancel the Contract if a defect results in a material breach of contract. In such cases, Statkraft reserves the right to reject any offer by the Supplier to repair the defect.

The Supplier shall indemnify Statkraft in the event of the performance of the Service involving infringement of a third party's patent rights or other intellectual property rights, except where this is an unavoidable consequence of Statkraft's specifications, and the Supplier could not be expected to be aware of any infringement.

## **9. Force Majeure**

Force Majeure means an event beyond the control of a Party, which that Party could not be expected to foresee when the Contract was entered into, and the consequences of which that Party could not reasonably be expected to prevent.

If it can be demonstrated that the execution of the Contract has been prevented by Force Majeure, this shall not be deemed to be a breach of contract. Each of the Parties shall cover its own costs resulting in the event of Force Majeure.

A Party wishing to invoke Force Majeure shall without delay notify the other Party of the nature, cause and anticipated duration of the Force Majeure situation.

Each of the Parties has the right to cancel the Contract if the Force Majeure situation lasts, or it is evident that it will last, more than 60 days.

## **10. Insurance**

The Supplier has an obligation to take out and maintain insurance against any damage and liability which may arise under the terms of the Contract.

The Supplier shall also have adequate accident insurance as well as personnel insurance for its employees, as required by law. At the request of Statkraft, the Supplier shall provide documentation of such insurance and the scope of its cover.

## **11. Statkraft's Supplier Code of Conduct**

### **11.1. Supplier Code of Conduct**

The Supplier shall comply with standards that are consistent with Statkraft's requirements as described in the Statkraft's Supplier Code of Conduct attached as Appendix 1 hereto, and shall ensure that its sub-suppliers, suppliers, agents and other representatives (collectively referred to as "Sub-Suppliers") comply with the same standards.

### **11.2 Anti-Corruption**

The Supplier and any of its Sub-Suppliers shall in relation to the Service comply with and not engage in any practices that would violate:

- (i) the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions;
- (ii) any anti-corruption laws applying to the Supplier or Sub-Supplier; and
- (iii) Norwegian anti-corruption laws and the Statkraft Group Procedure on Business Ethics attached as Appendix 2 hereto, in circumstances where the Supplier or Sub-Supplier acts on behalf of or represent Statkraft in their performance of the Service.

The Supplier further represents and warrants that it and its Sub-Suppliers have at no time prior to the effective date of this Contract acted in violation of the guidelines, laws and regulations referred to in Clause 11.1 and this Clause 11.2 (i) - (iii) in relation to the Service.

### **11.3 Sanctions**

If the Supplier or any of its Sub-Suppliers in Statkraft's reasonable opinion act or have acted in breach of Clauses 11.1 and/or 11.2 above, then Statkraft may terminate this Contract with immediate effect.

If the Supplier or any of its Sub-Suppliers act or have acted in breach of Clauses 11.1 and/or 11.2 above and Statkraft terminates the Contract as a consequence thereof, then the Supplier shall forthwith return all payments made by Statkraft to the Supplier hereunder for the parts of the Services to which the breach relates and fully compensate Statkraft for any further damages, losses or costs incurred or suffered by Statkraft as a consequence of such breach.

The further consequences of the termination are regulated in the general provisions on termination of this Contract.

#### 11.4. Audits and inspections

The Supplier shall maintain up-to-date books, accounts and records for the Service performed in compliance with internationally recognized accounting standards and the terms and conditions of this Contract, which clearly identifies the work performed, time and expense spent. The Supplier shall provide Statkraft with copies of such books, accounts and records within 7 days of a request from Statkraft and Statkraft may require that a reputable firm of accountants nominated by Statkraft audits such books, accounts and records and that such firm is given access to the Supplier's offices if necessary, in order to verify that the Supplier has complied with the terms and conditions of this Contract and internationally recognized accounting standards.

Statkraft shall on request be granted access during normal working hours to all premises of the Supplier and Sub-Suppliers where any work related to this Contract is being performed, in order to verify whether the Supplier and the Sub-Suppliers comply with the requirements of Clauses 11.1 and 11.2 above and may if necessary require that adequate corrective actions are implemented.

#### **12. Confidentiality and User Obligations**

The Supplier has an obligation to prevent third parties from gaining access to or knowledge of any information it may acquire in connection with the performance of the Service regarding:

- the personal affairs of individuals, and/or
- technical equipment or procedures and operational or commercial conditions which should be kept secret out of consideration for the competitive interests of the owner of the information.

The confidentiality obligations continue to apply after the Supplier has completed the Service. Moreover, the Supplier must not make use of information as specified in this Section in connection with its own business activities or Services provided to third parties.

Statkraft is entitled to require the Supplier to sign a special declaration of secrecy.

The Supplier has an obligation to have knowledge about Statkraft's security policy and his responsibility regarding security. Statkraft is entitled to require the Supplier to sign a special declaration for availability to ICT resources (User Obligations).

#### **13. Choice of Law and Legal Venue**

Norwegian law shall govern the Parties' rights and obligations in their entirety according to this Contract.

Disputes between the Parties regarding the interpretation or legal effect of this Contract shall primarily be resolved by negotiation.

If negotiation does not lead to settlement, and the Parties do not agree on an alternative course of action, any dispute in relation to the Contract shall be brought before an ordinary court of law. The Parties will only agree to legal proceedings in connection with the Contract in their respective courts of domicile, though the Supplier will also recognise Oslo Municipal Court as a legal venue.

## 1 The scope of the Service

For engineering contracts, use the "Engineering chapter 1" instead of this chapter 1. The chapter is inserted next to "Contractual document, template" in K-51.

### 1.1 Description of the Service

*A description of the Service shall be inserted here, and may also be specified in an Attachment.*

### 1.2 Background material for the Service

*This section shall contain a description of any documentation which shall be provided to the Supplier, or any documentation which may be necessary for the provision of the Service.*

### 1.3 Results

*This section shall contain a description of the results expected of the Service; examples of typical text may be:*

The Service shall conclude with the submission of a report containing ..... of which ... copies shall be submitted to Statkraft.

Unless otherwise agreed, drawings and other relevant documents shall be submitted in electronic format.

### 1.4 Reporting

Reports shall be submitted on a monthly basis. An approved final report shall be submitted upon completion of the Service.

*(This point may be omitted if it is not relevant.)*

### 1.5 Quality assurance

*This section shall contain a description of any special requirements with regard to quality assurance which are not described in Section 2 of the "General conditions for purchase of services"*

Special requirements regarding quality assurance

Quality assurance schedule

### 1.6 Health, Safety and Environment

If it is considered applicable to the supply of the Service, an HSE and preparedness plan for the work under the Contract shall be prepared and documented. The plan shall indicate the persons in the Supplier's organisation who are responsible for HSE matters. Moreover the plan shall contain the necessary procedures and routines for ensuring the safe completion of the work pursuant to the current laws and regulations.

In connection with services within Statkrafts premises the following prevails:

- Statkraft HSE requirements and safety regulations shall be adhered to
- Accidents, near accidents and other HSE related nonconformities shall be reported to Statkraft representative
  - Personal injuries shall be reported as injuries with or without absence from work. When absence from work, number of days of absence shall be reported.

Invitation To Tender no.: NNN-YYMMDD, The Service name

The Scope of the Service, Compensation, Work Schedule, Administrative Stipulations

- Safe Job Analyses (SJA) shall be performed (if relevant)
- The following shall be reported (if relevant)
  - HSE related conditions of importance to the Service
  - Episodes related to external environment
  - Performed safety inspections

When the assignment, or parts of it, is carried out in Statkraft's production premises, the Supplier's personnel shall have completed a web-based security course before arriving at the location.

The course can be found at

<http://wt.didac.no/veritech/asp/public/kursinfo.asp?kurID=33&nxt=lst>

Choose category **Statkraft** then click "søk"

Choose course title **Project related Safety Course Statkraft**

Before the work starts at the construction site, the Supplier's personnel must also have completed the local safety training, received local safety information and signed the HSE agreement as a verification of performed safety course.

## 1.7 Environmental considerations

*This section shall contain a description of any special requirements with regard to environmental aspects, if relevant.*

The Supplier is obliged to follow Statkraft's special requirements regarding environmental aspects and adhere to Statkraft's Environmental Plan (EMAP)/HSE-Plan or activity plan when such documentation is relevant.

## 2 Compensation

### 2.1 Contract price and hourly rates

*either:* The Service shall be provided at a fixed price of NOK .....excl. VAT.

*or:* The Service shall be provided within an agreed budget of NOK .....excl. VAT.

### 2.2 Hourly rates

a) The hourly rate for work in connection with the Service shall be NOK..... excl. VAT.  
*(This condition will often be omitted if a fixed total price is agreed upon.)*

b) The hourly rate shall include all travelling expenses between Statkraft's and the Supplier's premises. The cost of other travel required or approved by Statkraft in connection with the Service shall be covered according to the terms of the Statkraft Travel Regulations.

Time spent on travelling on overtime, will be covered if relevant.

In such cases, the following rule shall apply: Travelling time after normal working hours will be covered as normal working hours the first two hours and as ½ hours for the next four hours.

c) Apart from the abovementioned, no other costs in connection with the Service will be covered by Statkraft except with the prior written approval of Statkraft.

### 3 Work Schedule

#### 3.1 Work Schedule

The Service shall commence on....., and shall be completed by .....

*The Work Schedule may be provided as an Attachment.*

#### 3.2 Milestones

*Any important milestones which may be subject to daily penalties must be specified in this Section.*

The following milestones shall apply:

- |    |  |        |
|----|--|--------|
| 1) | Completion of preliminary work         | ddmmyy |
| 2) | Meeting for presentation of conditions | ddmmyy |
| 3) | Others                                 | ddmmyy |

### 4 Administrative requirements

#### 4.1 Statkraft's representative

[NN] will be Statkraft's representative and project manager in connection with the Service.

#### 4.2 The Supplier's principal personnel

The Service shall be performed by:

Senior engineer PP  
Researcher BB  
Assistant AA

#### 4.3 Organisational Chart

*If appropriate, an Organisational Chart may be included as an Attachment.*

#### 4.4 Meetings

If regular meetings are agreed upon, the Supplier is obliged to ensure that appropriate representatives attend the meetings.

#### 4.5 Registration of hours worked

In the case of an hourly rate contract, time sheets shall be approved by Statkraft. The period to which time sheets apply (weekly, monthly or other) shall be agreed upon by Statkraft's representative.

If required by Statkraft, the Supplier shall record hours worked by means of Statkraft's electronic work-time recording system.

#### 4.6 Invoicing

Payment shall take place 30 days after receipt of a correctly issued invoice. The invoiced amount shall apply to that part of the Service completed up to the time of invoicing.

Invoices shall be sent to:

Statkraft **Energi AS** **NB: Important to use the correct company name!!**

Fakturamottaket  
 Postboks 200 Lilleaker  
 N-0216 OSLO, NORWAY

All the necessary information for verification shall be entered on or attached to the invoice, such as:

<b>Information</b>	<b>Details</b>
Mark invoice with	Statkraft's Contract Number Statkraft's Project Number/WBS Statkraft's cost centre Statkraft's officer in charge Any other agreed details
Time sheet	Name of consultant Period Work done Number of hours Price
Expenditure	Copies of documentation
Travel expenses	Copy of travel expenses form (first page only, if signed by Statkraft's project manager)
Total amount agreed for this assignment	Amount – agreed total or budget
Previously invoiced	Amount – specified as hours worked and expenditure

**4.1 Queries**

Any written queries regarding this Contract shall be addressed to:

<b>Statkraft</b>		<b>The Supplier</b>	
Statkraft <b>Energi AS</b> Postboks 200 Lilleaker Lilleakerveien 6 N-0216 OSLO, NORWAY			
Contact		Contact	
Telephone		Telephone	
Mobile phone		Mobile phone	
E-mail		E-mail	