

Software Development Agreement

Agreement for the development of software

Government Standard Terms and Conditions for IT Procurement SSA-U

Agreement for the development of software

An agreement governing
(designation of the procurement)

has been concluded by:

(hereafter referred to as the Contractor)
and

(hereafter referred to as the Customer)

Place and date:

(Name of the Customer)

(Name of the Contractor)

Signature of the Customer

Signature of the Contractor

The Agreement is signed in two copies; one for each party

Communications

All communications respecting this Agreement shall be addressed to:

On the part of the Customer:

Name

Position

Telephone

E-mail

On the part of the Contractor:

Name

Position

Telephone

E-mail

Contents

1.1	Scope of the Agreement	5
1.2	Appendices to the Agreement	5
1.3	Interpretation – Ranking	6
1.4	Changes to the deliverables subsequent to conclusion of the Agreement	6
1.5	Entitlement to maintenance and user support agreement	6
1.6	The representatives of the parties	6
2.1	Preparations and organisation	7
2.1.1	<i>Project and progress plan</i>	7
2.1.2	<i>Project organisation</i>	7
2.1.3	<i>Project documentation</i>	8
2.1.4	<i>Quality assurance – Audit</i>	8
2.2	Detailed specification (the Specification Phase)	8
2.2.1	<i>Preparation of a detailed specification</i>	8
2.2.2	<i>Delivery and approval of the detailed specification</i>	8
2.3	Development and installation (the Development Phase)	9
2.3.1	<i>Development of the Software</i>	9
2.3.2	<i>Interaction with equipment and other software</i>	9
2.3.3	<i>Development tools – Development method</i>	9
2.3.4	<i>Quality assurance</i>	9
2.3.5	<i>Preparation of documentation</i>	9
2.3.6	<i>Training</i>	10
2.4	Installation preparation	10
2.4.1	<i>Installation - Installation date</i>	11
2.4.2	<i>Conversion</i>	11
2.5	The Customer acceptance test	12
2.5.1	<i>Plan for the Customer acceptance test</i>	12
2.5.2	<i>Definition of error levels</i>	12
2.5.3	<i>Scope of the acceptance test</i>	13
2.5.4	<i>Performance of the Customer acceptance test</i>	13
2.5.5	<i>Approval of the Customer acceptance test</i>	14
2.5.6	<i>Commissioning</i>	15
2.6	Approval period and delivery date	15
2.6.1	<i>Duration</i>	15
2.6.2	<i>Duty to check on the part of the Customer</i>	15
2.6.3	<i>Error handling</i>	15
2.6.4	<i>Final approval – Delivery date</i>	15
2.7	Cancellation – Temporary suspension	16
2.7.1	<i>Cancellation in connection with the Specification Phase</i>	16
2.7.2	<i>Cancellation after the Specification Phase</i>	17
2.7.3	<i>Temporary suspension of the deliverables</i>	17
2.7.4	<i>Handover of specifications, etc.</i>	18
3.1	Right to change the contents of the Agreement (change to the deliverables)	18
3.2	Change estimate	18
3.3	Change orders	19
3.4	Documentation of the change	19
3.5	Consequences of change orders	19
3.6	Dispute concerning the consequences of a change	20
3.7	Disagreement as to whether there is a change	20
3.8	Disputed change order	20
3.9	Dispute resolution – Disputed change order	21
4.1	Scope of the warranty	21
4.2	Performance level	21
4.3	Additional consideration	21
5.1	Responsibility of the Contractor for its deliveries	22
5.2	Requirements as to the resources and expertise of the Contractor	22
5.3	Use of subcontractors	22
5.4	Cooperation with third parties	22
5.5	Duties of the Contractor upon the discharge of the Agreement	23
5.6	Wages and working conditions	23
6.1	The responsibilities and contributions of the Customer	24

6.2	Use of a third party.....	24
7.1	Meetings.....	24
7.2	Responsibility for subcontractors and third parties.....	24
7.3	Confidentiality obligation.....	24
8.1	Consideration.....	25
8.2	Invoicing.....	26
8.3	Late payment interest.....	26
8.4	Payment default.....	26
8.5	Price adjustments.....	26
9.1	General provisions on external legal requirements and measures.....	26
9.2	Personal data.....	27
9.3	Electronic communication and processing requirements.....	27
9.4	Security-classified materials.....	27
10.1	Rights relating to software developed pursuant to this Agreement.....	28
10.1.1	<i>The rights of the Customer.....</i>	28
10.1.2	<i>The rights of the Contractor.....</i>	28
10.1.3	<i>Evolution of the Customer's software into new standard components.....</i>	28
10.1.4	<i>Rights upon the discharge of the Agreement.....</i>	29
10.2	Right of disposal of standard software.....	29
10.3	Free software.....	29
10.3.1	<i>General provisions pertaining to free software.....</i>	29
10.3.2	<i>The Contractor's responsibility for the overall functionality of the deliverables when using free software.....</i>	29
10.3.3	<i>The Customer's rights in relation to the parts of the deliverables that are based on free software.....</i>	30
10.3.4	<i>Effects of distributing free software to others.....</i>	30
10.3.5	<i>The Contractor's responsibility for defects in title to free software.....</i>	30
10.3.6	<i>Liability of the Customer if it requires the use of free software.....</i>	30
11.1	What is deemed to constitute breach of contract.....	31
11.2	Notification obligation.....	31
11.3	Extension of the time limit.....	31
11.4	Cure.....	31
11.5	Remedies for breach of contract.....	32
11.5.1	<i>Withheld payment.....</i>	32
11.5.2	<i>Liquidated damages in the case of delay.....</i>	32
11.5.3	<i>Price reduction.....</i>	32
11.5.4	<i>Termination for breach.....</i>	33
11.5.5	<i>Damages.....</i>	33
11.5.6	<i>Limitation of damages.....</i>	33
12.1	What is deemed to constitute breach of contract.....	33
12.2	Notification obligation.....	33
12.3	Curtailed of the right of retention on the part of the Contractor.....	34
12.4	Termination for breach.....	34
12.5	Damages.....	34
13.1	The risks and responsibilities of the parties in relation to defects in title.....	34
13.2	Third party claims.....	34
13.3	Termination for breach.....	35
13.4	Indemnification of loss resulting from a defect in title.....	35
15.1	Risk.....	35
15.2	Insurance policies.....	35
15.3	Assignment of rights and obligations.....	36
15.4	Bankruptcy, composition with creditors, etc.....	36
15.5	Diligence in relation to exports.....	36
15.6	Force majeure.....	36
16.1	Governing law.....	37
16.2	Negotiations.....	37
16.3	Independent expert.....	37
16.4	Mediation.....	37
16.5	Joint rules for independent expert and mediation.....	38
16.6	Litigation or arbitration.....	38

1. GENERAL PROVISIONS

1.1 SCOPE OF THE AGREEMENT

The purpose of the Agreement is to govern the duties of the Contractor and the Customer in connection with a development project where the Contractor undertakes to carry out all or material parts of the specification and development of a software system (the "Software").

The Agreement governs the delivery of software that is developed/customised specifically for the Customer, as well as the delivery of other services and items relating thereto (the "deliverables").

The Customer has, based on its purposes and needs, specified its requirements in Appendix 1 (Customer requirement specification), and has described its technical platform in Appendix 3. The Contractor has described its solution, based on the Customer requirement specification and the prerequisites stipulated by the Contractor in respect of the deliverables, in Appendix 2 (Contractor solution specification). If upgrading of the Customer's technical platform is necessary to enable the Customer to utilise the deliverables, the Contractor shall point this out in Appendix 2. If the Contractor is of the view that there are obvious errors, defects or ambiguities in the Customer requirement specification, the Contractor shall point this out in Appendix 2.

The scope and delivery of the deliverables are described in more detail in the Appendices included as part of the Agreement below.

The Agreement means this general contractual wording, including Appendices.

The implementation of this Agreement involves three phases:

- Preparation and approval of a detailed specification (the Specification Phase)
- Development and installation of the Software (the Development Phase)
- Acceptance, commissioning and delivery (the Delivery Phase)

1.2 APPENDICES TO THE AGREEMENT

All rows are to be ticked (Yes or No)	Yes	No
Appendix 1: Customer requirement specification		
Appendix 2: Contractor solution specification		
Appendix 3: Customer technical platform		
Appendix 4: Project and progress plan		
Appendix 5: Testing and approval		
Appendix 6: Administrative provisions		
Appendix 7: Total price and pricing provisions		
Appendix 8: Changes to the general contractual wording		
Appendix 9: Changes subsequent to the conclusion of the Agreement		
Other Appendices:		

1.3 INTERPRETATION – RANKING

Changes to the general contractual wording shall be set out in Appendix 8, unless the general contractual wording refers such changes to a different Appendix.

The following principles of interpretation shall apply in the case of conflict:

1. The general contractual wording shall prevail over the Appendices.
2. Appendix 1 shall prevail over the other Appendices.
3. To the extent that it is clearly and unequivocally specified which Clause or Clauses have been changed, replaced or supplemented, the following principles of precedence shall apply:
 - a) Appendix 2 shall prevail over Appendix 1.
 - b) Appendix 8 shall prevail over the general contractual wording.
 - c) If the general contractual wording refers to changes to any other Appendix than Appendix 8, such changes shall prevail over the general contractual wording.
 - d) Appendix 9 shall prevail over the other Appendices.

1.4 CHANGES TO THE DELIVERABLES SUBSEQUENT TO CONCLUSION OF THE AGREEMENT

Changes to the deliverables subsequent to the conclusion of the Agreement shall be made in accordance with the procedures in Chapter 3.

1.5 ENTITLEMENT TO MAINTENANCE AND USER SUPPORT AGREEMENT

The Customer has the right to conclude a maintenance and service agreement with the Contractor, or with third parties that may, by specific agreement, perform maintenance and service on behalf of the Contractor. Such an agreement shall, unless otherwise agreed by the parties, be concluded on the basis of a set of Government Standard Terms and Conditions for Maintenance and Service of Equipment and Software.

A maintenance and service agreement ought to be entered into simultaneously with this Agreement. If such agreement is not entered into simultaneously with this Agreement, the Contractor shall for a period of two (2) years from the expiry of the approval period be obliged to enter into such an agreement if desired by the Customer. The Customer shall in such case be entitled to request services and pricing terms that are not inferior to the general terms (e.g. list prices) offered by the Contractor at the time of conclusion of the maintenance agreement. The Contractor shall during this period be obliged to provide access to the necessary competency, etc., in relation to deliverables delivered under this Agreement.

1.6 THE REPRESENTATIVES OF THE PARTIES

Upon the conclusion of this Agreement, each of the parties shall appoint a representative who is authorised to act on behalf of such party in all matters relating to the Agreement. The authorised representatives of the parties, as well as procedures and notice periods for any replacement thereof, shall be specified in more detail in Appendix 6.

2. DELIVERY OF THE DELIVERABLES

2.1 PREPARATIONS AND ORGANISATION

2.1.1 Project and progress plan

A general project and progress plan for the delivery of the deliverables shall be included in Appendix 4.

During the Specification Phase, cf. Clause 2.2, the Contractor shall, in cooperation with the Customer, prepare a detailed project and progress plan within the framework defined by the general plan in Appendix 4. The detailed project and progress plan shall define activities under the milestones defined by the general plan and describe the scope of the Customer's contribution to the project, including resource and time estimates. A regime for documentation and the handling of deviations and the approval of changes shall be established in parallel with the preparation of the plan, and shall be ready no later than upon the implementation of the plan. The plan, including the associated procedures for handling deviations and changes, is to be approved by the Customer. This shall not affect the responsibility of the Contractor for the delivery of the deliverables.

The Contractor shall be responsible for keeping the plan updated in the case of changes. An updated version of the plan shall be available to both the Customer and the Contractor at any given time.

In addition, the Contractor shall, in cooperation with the Customer, prepare a detailed project plan for the implementation of the conversion project if this forms part of the deliverables.

2.1.2 Project organisation

The project organisation, mandate, definition of roles, responsibilities and authorisations, management documents, reporting, meetings and frequency of meetings are described in Appendix 6.

A joint Management Group shall be established in connection with the implementation of the Agreement. The composition and mandate of the Management Group is described in more detail in Appendix 6. The Customer's representative, cf. Clause 1.6, shall head the Management Group unless otherwise agreed in Appendix 6. The Customer shall prepare minutes of the meetings of the Management Group.

In addition, the Customer and the Contractor shall each have a project manager, whose name shall be specified in Appendix 6. The Contractor's replacement of its project manager requires the approval of the Customer. Approval shall not be unreasonably withheld.

The project managers shall be responsible for the daily follow-up of their own personnel, and shall be responsible for the planning and follow-up of their own duties. The Contractor's project manager shall ensure that meetings of the Management Group are convened when needed. The detailed meeting procedures shall be agreed in Appendix 6.

2.1.3 Project documentation

The Contractor shall prepare and update, on an ongoing basis, the project documentation specified in Appendix 6. The project documentation shall provide, on an ongoing basis, an overview of project progress, and shall in addition describe any deviations and changed requirements relative to the agreed progress plans, contract price or other terms and conditions. Deviations, and any agreed changes and additions, shall be registered on an ongoing basis, and shall be followed up in conformity with the procedures described in Appendix 6, cf. also Chapter 3.

The Contractor shall provide the Customer with status reports for the project in conformity with the procedures agreed in Appendix 6.

2.1.4 Quality assurance – Audit

The Contractor is obliged to establish and update a quality plan based on documented work and quality assurance methods in accordance with the description in Appendix 6.

The Customer, or whomever it may authorise, shall, for its own account, be entitled to carry out quality audits and reviews of the development effort. More detailed procedures and notification rules may be set out in Appendix 6.

2.2 DETAILED SPECIFICATION (THE SPECIFICATION PHASE)

2.2.1 Preparation of a detailed specification

During the Specification Phase, the Contractor shall prepare a detailed specification for the Software. The detailed specification shall contain a more detailed description and/or specification of the Software within the limits defined by Appendix 1 and Appendix 2.

The detailed specification shall form the basis for the customisation and the development to be undertaken during the Development Phase, cf. Clause 2.3. The work shall be carried out in close cooperation with the Customer, and in accordance with procedures and guidelines agreed in Appendix 4. The detailed specification, cf. also Clause 1.3, shall state what parts of the requirement specification and the solution specification are being replaced.

As a minimum, the detailed specification shall contain a general description of the Software (general specification), a detailed description of the functionality of the Software (functional specification) and a description of technical solutions (detailed technical specification).

The Customer shall prepare, in connection with the preparation of the detailed specification, and with the support of the Contractor, a proposal for an acceptance test plan (including acceptance procedures and detailed acceptance criteria), cf. Clause 2.5.1.

2.2.2 Delivery and approval of the detailed specification

A final detailed specification, cf. Clause 2.2.1, and a complete project plan for the Development Phase and the Delivery Phase, cf. Clause 2.1.1, shall be handed over to the Customer, and be approved in accordance with Sub-clause 2 below, within the time limits laid down in Appendix 4.

The Contractor shall, within the time limit specified in Appendix 4, submit for the Customer's approval a final version of the general and functional specifications, as well as such parts of the detailed technical specification as concern screen layout and report layout, and the description of the interface with other software, cf. Clause 2.3.2.

The Customer shall, within ten (10) working days after handover pursuant to the preceding paragraph, assess the documents and provide the Contractor with written feedback as to whether the documents are approved. By working days are meant all days that are neither Saturdays, Sundays or public holidays, nor Christmas Eve or New Year's Eve. If, in the view of the Customer, the documents do not conform with the agreed, the Customer shall specify in writing what aspects are required to be changed, and notify the Contractor of this in writing. The Contractor shall rectify the documents in accordance with the Agreement, and shall submit such documents to the Customer anew. The Customer shall thereafter decide, within ten (10) working days, whether to approve the documents.

Other time limits may be agreed in Appendix 4.

2.3 DEVELOPMENT AND INSTALLATION (THE DEVELOPMENT PHASE)

2.3.1 Development of the Software

The Contractor shall develop the Software described in the detailed specification, cf. Clause 2.2. The software shall conform to the requirements of the Customer, as described in Appendices 1 and 2. The Contractor is in this regard responsible for carrying out design, development and own testing of the Software in accordance with the detailed project plan, cf. Appendix 4.

2.3.2 Interaction with equipment and other software

The software shall be capable of running on the technical platform specified in Appendix 3, with any upgrades as specified in Appendix 2.

The Contractor shall be responsible for the integration of the Software with other software in accordance with the requirements set out in Appendices 1 and 2.

2.3.3 Development tools – Development method

The development of the Software shall be carried out by means of the development methods and development tools, and in the development environment, described in Appendix 2. The party making available the project premises and development environment for the deliverables shall be responsible for establishing and maintaining such development environment.

Any special requirements on the part of the Customer as far as the development environment or method is concerned are set out in Appendix 1.

2.3.4 Quality assurance

The Contractor shall quality assure and test, in a proper manner, anything developed in accordance with the quality plan, cf. Clause 2.1.4.

2.3.5 Preparation of documentation

The Contractor shall prepare, in parallel with the development of the Software, the documentation described in Appendices 1 and 2. The following documentation shall be provided, as a minimum, unless otherwise agreed:

1. Technical documentation

- Systems documentation with a detailed description of the system and its manner of operation

- Operational documentation with advice as to how operational procedures should be prepared, what back-up copies should be made and how often, what parameters it would be prudent to monitor, etc.
- Installation guidelines with advice as to the choice of set-up, etc.

2. User documentation

- Description of systems functionality
- Description intended for super user/systems manager within the user organisation that shows the relationship between the various parts of the system, advanced user functions, etc.

The documentation shall be in the Norwegian language. Unless otherwise specified in Appendix 3, the documentation shall be delivered in one (1) paper hardcopy, as well as in machine-readable form on the medium, and in the format, described in Appendix 1 and/or Appendix 2.

The documentation, including the installation instructions, shall be delivered within the time limit specified in Appendix 4. Unless otherwise specified therein, the documentation shall be delivered no later than upon the commencement of the Customer acceptance test, in order to enable testing of the documentation simultaneously with the testing of the system.

2.3.6 Training

The agreed training of the Customer's employees shall be carried out professionally and to a good technical and pedagogical standard, in accordance with the requirements specified in Appendices 1 and 2, and the timetable set out in Appendix 4. The training shall be tailored to the needs of the various user groups, for example end users, super users, systems administrators, operational personnel, etc.

Unless otherwise specified in Appendix 3, the training shall take place on the premises of the Contractor. The Contractor shall deliver to the Customer, no later than one (1) week prior to the commencement of training, the necessary course materials for the various categories of personnel (users, systems personnel, operating personnel).

2.4 INSTALLATION PREPARATION

The Customer shall be responsible for necessary installation preparations having been carried out in accordance with the Contractor's installation instructions, and for the technical platform requirements specified in Appendices 2 and 3 having been met, within the time limit agreed in Appendix 4.

If the installation preparations are delayed as the result of errors or defects in the Contractor's installation instructions or guidance, the Contractor's defective follow-up of its disclosure obligation, or defects in other agreed follow-up in relation to such work, the Customer shall not be held responsible in respect thereof.

When the Software is ready for installation, the Contractor shall undertake a final inspection and approval of the Customer's technical platform, unless the Parties have agreed in Appendix 4 that this is not relevant. Any errors and defects demonstrated during the inspection shall be rectified by the Customer within the agreed commencement date for the installation, cf. Appendix 4.

After the Contractor has inspected and approved the platform in writing, the Contractor shall not be entitled to reimbursement of any extra expenses incurred by the Contractor as the result of any delay to the deliverables due to errors or defects in the technical platform that the Contractor ought to have discovered during proper inspection.

2.4.1 Installation - Installation date

Prior to the installation, the Contractor shall have completed such module, systems and integration tests as are necessary to verify that the Software works in accordance with the agreed requirements. The detailed specification of the Contractor's testing is set out in Appendix 5.

The Contractor shall, in connection with the installation, perform an installation test in conformity with Appendix 5. The installation shall be commenced and completed within the time limits specified in Appendix 4.

The Contractor shall give written notice to the Customer stating that the installation and the installation test have been completed, and that the Software is ready for the acceptance test within the time limit set out in Appendix 4.

The Customer may contest the notice within five (5) working days if it is obvious that installation is so defective as to fall short of the requirements under the Agreement, in which case the installation date shall be deemed not to have occurred. A corresponding procedure shall apply to any new notices of installation.

The first working day after such notice has been received by the Customer shall be deemed to be the installation date.

Chapter 11, including the notification obligation, shall apply if the agreed installation date cannot be complied with.

2.4.2 Conversion

The Contractor shall carry out the conversion of the Customer's data as described in Appendix 1 and/or Appendix 2.

The conversion of data from the systems specified in Appendix 1 and/or Appendix 2 to the Software shall be handled through a designated project (the conversion project). A detailed plan for this project shall be prepared in conformity with Appendix 4, cf. also Clause 2.1.1.

It is a prerequisite that the Customer has undertaken the necessary synchronisation and structuring of its own databases to ensure that the data quality of the Customer's existing systems is sufficient for purposes of conversion to the Software. If separate conversion software for the extraction or input of data is to be developed, this shall be specified in Appendix 1 and/or Appendix 2. The solution specification for such conversion software is included in Appendix 2.

A detailed specification for the conversion software, and a detailed project plan for the conversion, shall be prepared, delivered and approved in connection with the Specification Phase as described in Clause 2.2 above.

Approval of the conversion shall take place pursuant to the provisions of Appendix 5, and within the time limits specified in Appendix 4.

2.5 THE CUSTOMER ACCEPTANCE TEST

2.5.1 Plan for the Customer acceptance test

The Customer shall, in cooperation with the Contractor, prepare and be responsible for a plan for the Customer acceptance test, with test procedures suitable for verifying that the delivered equipment and/or software meet the agreed requirements (the "acceptance test plan"), as a basis for the Customer's completion of its comprehensive assessment by way of the acceptance test.

The Contractor shall, within the time limit stipulated in Appendix 4, and based on the requirements stipulated for the deliverables, prepare the underlying documentation for the acceptance test plan. The underlying documentation shall include acceptance procedures and acceptance criteria, such as to enable the Customer to proceed with its work on the acceptance test plan.

The acceptance test plan shall describe how the Customer acceptance test shall be carried out, and shall contain detailed descriptions of the tests to be performed, as well as the acceptance criteria.

The Customer shall submit the acceptance test plan to the Contractor for comments no later than thirty (30) working days prior to the commencement of the acceptance test. The Supplier shall examine the acceptance test plan and give written feedback as to whether it is deemed to suffice for purposes of achieving satisfactory testing of the solution. If the Contractor is of the view that the acceptance test plan does not suffice, it shall give written feedback to the Customer as to what should be rectified in order for it to be deemed sufficient. The Contractor's feedback shall be submitted no later than ten (10) working days after the test plan has been received by the Contractor.

Other time limits may be agreed in Appendix 4.

2.5.2 Definition of error levels

The Customer acceptance test shall, unless otherwise agreed, be based on the following definition of errors:

Level	Category	Description
A	Critical error	<ul style="list-style-type: none">- Error that results in the stoppage of the system, the loss of data, or in other functions that are of critical importance to the Customer not being delivered or not working as agreed.- The documentation being incomplete or misleading, and this resulting in the Customer being unable to use the system or material parts thereof.
B	Serious error	<ul style="list-style-type: none">- Error that results in functions of importance to the Customer not working as described in the Agreement, and which it is time-consuming or costly to avoid.- The documentation being incomplete or misleading, and this resulting in the Customer being unable to use functions that are of importance to the Customer.
C	Less serious error	<ul style="list-style-type: none">- Error that results in individual functions not working as intended, but which can be avoided with relative ease by the Customer.- The documentation being incomplete, imprecise or easily misunderstood.

2.5.3 Scope of the acceptance test

The Customer acceptance test shall comprise software and/or equipment that form part of the deliverables. Unless otherwise agreed in Appendix 5, the Customer acceptance test shall include the following tests:

- a) function test
- b) robustness test
- c) integration test
- d) capacity and response time test
- e) review of all documentation
- f) installation test
- g) test of operating procedures, including back-up copying

2.5.4 Performance of the Customer acceptance test

The acceptance test shall be performed after the installation date, and shall, moreover, be commenced and completed in accordance with the time limits set out in Appendix 4.

The Customer acceptance test shall be performed as described in Appendix 5, and in accordance with the acceptance test plan, cf. Clause 2.5.1.

The Customer shall keep records of the entire test, showing which tests have been carried out and, for each individual test area

- a) when the test was performed
- b) who performed the test
- c) the outcome of the test

All errors reported during the Customer acceptance test shall, if possible, be documented, in order that they may be reproduced. All reported errors shall be categorised as A-, B- or C-errors by the Customer, cf. Clause 2.5.2.

The Customer is obliged to observe the progress plan for the test. The Customer shall report errors to the Contractor on an ongoing basis, and the Contractor shall repair the errors without undue delay. If the Customer is impeded in its implementation of the test because the Contractor fails to achieve the agreed progress as far as the repair of errors is concerned, the Customer shall suspend the test until the Contractor has carried out the necessary rectifications. The period of suspension of the test shall be added to the period available for the Customer acceptance test.

Should any errors or other problems arise during the test which imply that further testing serves no purpose, the test shall be suspended and recommenced from the beginning when the matter has been rectified.

The Contractor shall document its system for version control. Nevertheless, the Customer may opt to retest previously rectified errors upon the receipt of each new version. If the Contractor delivers versions in which previously rectified errors are not corrected, the Customer acceptance test shall be suspended until the Contractor has carried out the necessary rectifications. The period of suspension of the test shall be added to the period available for the test.

Should any errors or other problems related to the test arise during the test which imply that further testing serves no purpose, the test shall be suspended and recommenced from the beginning when the matter has been rectified.

The records of the test shall be signed by the representatives of both parties, each of which shall keep one signed copy.

2.5.5 Approval of the Customer acceptance test

If the Customer approves the acceptance test, the Customer shall give the Contractor written notice to such effect without undue delay. Such notice may be given in the records. The test is under any circumstance deemed to be approved unless the Customer has notified the Contractor in writing, within ten (10) working days after the test was to be completed according to the acceptance test plan, including any extensions because of matters as described in Clause 2.5.4, stating that it is not approved. The acceptance test is also deemed to have been approved if the Customer opts to put the solution into operation before the test has been approved by the Customer.

The Customer may not refuse to approve the test on the basis of matters that are immaterial for purposes of the Customer's use of the deliverables. A- and B-errors are deemed to be individually material, with the exception of B-errors that are not of material importance to the ability of the Customer to put the Software into operation and commence the approval period. C-errors are deemed to be immaterial, unless several C-errors imply, in aggregate, that approval would be clearly unreasonable. Errors that have only occurred once, and which it has not been possible to repeat during the acceptance test period, are not deemed to be errors for purposes of approving the test. The Customer may make approval of the test conditional upon the existence of a realistic timetable for repairing all errors as soon as possible.

If the Customer refuses to approve the test, such refusal shall be explained in writing. A remark from the Customer in the records is deemed to constitute sufficient written explanation, provided that it is clearly stated that the test is not approved. If the Contractor wishes to argue that the refusal is unjustified, including that the Contractor disagrees with the categorisation of errors, written notice shall be given to such effect, which notice shall be given within five (5) working days. If the Customer still refuses to approve the test, the dispute shall be resolved pursuant to Chapter 16.

If the Contractor does not dispute the Customer's refusal, the Contractor shall within five (5) working days send the Customer a timetable for repairing the errors associated with the deliverables. The Contractor shall give written notice to the Customer when the repairs have been carried out. Repairs are not deemed to be carried out until they have been properly tested by the Contractor. Tests shall cover all parts of the deliverables that may be affected by the errors.

The Customer shall, as soon as the Contractor has given notice stating that the errors have been repaired and tested, resume its acceptance test. The Customer shall be entitled to a reasonable amount of additional time for purposes of carrying out such testing.

The approval period may only commence when the acceptance test has been approved.

The Customer's approval of the acceptance test shall not prevent the Customer from demanding, at a later date, the rectification of errors or defects that the Customer did discover during the test, or errors that have not been rectified by the Contractor during the acceptance test period.

2.5.6 Commissioning

The software shall be put into regular operation after the Customer acceptance test has been successfully completed and approved, and within the time limit specified in Appendix 4.

The duties of the parties in connection with commissioning are specified in Appendix 4.

2.6 APPROVAL PERIOD AND DELIVERY DATE

2.6.1 Duration

A three (3) month approval period commences on the date on which the deliverables are put into regular operation, unless a different duration has been agreed in Appendix 5.

If start-up of regular operations is delayed as the result of circumstances related to the Customer, the approval period shall nevertheless commence on the agreed date, unless the Customer requests a change to the progress plan pursuant to Chapter 3.

2.6.2 Duty to check on the part of the Customer

The Customer shall carry out, during the approval period, checks as to whether the deliverables are in conformity with what has been agreed.

The checks carried out by the Customer during the approval period shall be performed on the basis of the ordinary, daily operational and other duties. A detailed specification of the content of the approval period, with a specific description of the checks to be carried out by the Customer, is set out in Appendix 5.

2.6.3 Error handling

The Customer shall, during the approval period, give the Contractor written notice of any errors on an ongoing basis, including a description of the errors, in accordance with any procedures agreed in Appendix 5.

Unless otherwise agreed in Appendix 5, any errors shall be repaired, at the latest, by the end of the approval period.

If the Customer finds, and invokes in writing, A-errors, the basis for further checks during the approval period is deemed to have ceased. The approval period shall be deemed suspended as of the date on which the Customer gives notice, and shall not recommence until the Contractor has repaired the errors in accordance with the rules set out in Clause 2.5.4. The same applies to B-errors that individually or in aggregate make further checks impossible or very difficult, or that materially reduce the value of the checks to the Customer for as long as the error(s) persist.

The Contractor shall, as soon as possible, repair the errors and test the rectification of the errors as stipulated in Clause 2.5.4, Sub-clause 4.

2.6.4 Final approval – Delivery date

The Customer shall, prior to the end of the approval period, give the Contractor written notice as to the outcome of the checks, and confirm whether or not the deliverables are deemed to be in conformity with the agreed and, consequently, whether or not they can be approved. If such notice has not been sent by the end of the approval period, the deliverables shall nevertheless be deemed to be approved (through laches).

The Customer may not refuse to approve the deliverables on the basis of matters that are immaterial for the Customer's use of the deliverables. A- and B-errors are deemed to be individually material. C-errors are deemed to be immaterial, unless several C-errors imply, in aggregate, that approval would be clearly unreasonable. The Customer may make approval of the deliverables conditional upon the existence of a realistic timetable for repairing all errors as soon as possible.

If the Customer refuses to approve the deliverables as being in conformity with the agreed, such refusal shall be explained in writing. If the Contractor wishes to argue that the refusal is unjustified, including that the Contractor disagrees with the categorisation of errors, written notice shall be given to such effect no later than five (5) working days after the receipt of the Customer's notice of refusal. If the Customer still refuses to approve the deliverables, the dispute shall be resolved pursuant to Chapter 16.

If the Contractor does not dispute the Customer's refusal, the Contractor shall within five (5) working days prepare a timetable, to be submitted to the Customer, for repairing the errors associated with the deliverables. The Contractor shall give written notice to the Customer when the repairs have been carried out. Repairs are not deemed to be performed until they have been properly tested by the Contractor. Tests shall cover all parts of the deliverables that may be affected by the errors.

The Customer shall, as soon as the Contractor has given notice stating that the errors have been repaired, continue its checks of the repaired items, by way of the user test, during the approval period.

If the deliverables are not approved, the approval period shall be extended until the prerequisites for approval have been met.

The first working day after the deliverables are, or are deemed to be, approved, is referred to as the delivery date.

The Customer shall enjoy, as of the delivery date, the warranty described in Chapter 4.

The Customer's approval shall not prevent the Customer from demanding, at a later date, the rectification of errors and defects that the Customer did not discover during the approval period, or errors that have not been rectified by the Contractor during the approval period. The Contractor's claim, if any, for reimbursement of additional expenses is governed by Clause 4.3.

2.7 CANCELLATION – TEMPORARY SUSPENSION

2.7.1 Cancellation in connection with the Specification Phase

Prior to the end of the Specification Phase as stipulated in Clause 2.2, the Customer may cancel, in full or in part, the items contracted under this Agreement. Such cancellation shall be made in writing, and shall be received by the Contractor no more than ten (10) working days after the end of the Specification Phase.

Upon such cancellation the Customer shall pay the amount stipulated in Appendix 7 for cancellation during this phase, or, if no such amount has been stipulated:

- Any amount due to the Contractor in respect of such part of the deliverables as has already been completed.
- The Contractor's necessary and documented direct costs in relation to the reassignment of personnel.

- Other documented direct costs incurred by the Contractor as the result of the cancellation, including disbursements and costs that have been incurred by the Contractor prior to its receipt of the notice of cancellation, and which the Contractor is unable to make use of for other purposes.

2.7.2 Cancellation after the Specification Phase

After the Specification Phase as stipulated in Clause 2.2, the Customer may cancel, in whole or in part, the items contracted under this Agreement on one (1) month's written notice.

In the event of such cancellation, the Customer shall pay:

- a) any amount due to the Contractor in respect of such part of the deliverables as has already been completed.
- b) the Contractor's necessary and documented direct costs in relation to the reassignment of personnel.
- c) other documented direct costs incurred by the Contractor as the result of the cancellation, including disbursements and costs that have been incurred by the Contractor prior to its receipt of the notice of cancellation, and which the Contractor is unable to make use of for other purposes.

In addition, the Customer shall pay a cancellation penalty equal to the lower of:

- four (4) percent of the contract price, or
- six (6) percent of such part of the contract price as remains unpaid as per the cancellation date, and which has not been paid pursuant to Sub-clause a) above either.

A different cancellation penalty may be agreed between the parties in Appendix 7.

In the event of partial cancellation, the cancellation penalty shall be calculated on the basis of the share of the contract price accounted for by the cancelled items.

2.7.3 Temporary suspension of the deliverables

The Customer may request, by written notice to the Contractor, the temporary suspension of the delivery of the deliverables.

The Customer shall specify, in such notice, as from what date (milestone) the delivery of the deliverables shall be suspended, as well as from which date it is intended for the delivery of the deliverables to recommence.

The Contractor shall immediately, and no later than five (5) working days after notice has been received, send the Customer an overview of the functions and activities that need to be sustained during the suspension period.

The delivery of the deliverables shall recommence upon written notice from the Customer. The Customer shall reimburse the Contractor for its documented costs relating to the reassignment of personnel on the part of the Contractor and its subcontractors, as well as other direct costs incurred by the Contractor as the result of the suspension. If the Customer requests that personnel who participated in the delivery of the deliverables prior to the suspension shall recommence the work and complete the delivery of the deliverables, the Customer shall reimburse the documented payroll costs of the Contractor in respect of such personnel, but only to the extent that it has not been possible for the Contractor to use the resources for other income-generating work during the period of suspension of the delivery of the deliverables. Such a claim from the Customer shall be submitted no later than the notice referred to in Sub-clause 2 above.

If the suspension has consequences in terms of progress in the delivery of the deliverables or the contract price, cf. Appendix 4 and Appendix 7, such consequences shall be dealt with pursuant to the provisions in Chapter 3 on changes.

If the delivery of the deliverables has been continuously suspended for more than one hundred and twenty (120) calendar days, the Contractor may terminate the Agreement without cause by written notice to the Customer. Unless the Customer submits written notice, within fourteen (14) calendar days of having received the notice, stating that the delivery of the deliverables shall recommence, the cancellation provisions of Clauses 2.7.1 and 2.7.2 shall apply correspondingly.

2.7.4 Handover of specifications, etc.

Upon cancellation pursuant to Clause 2.7.1 or 2.7.2, the Contractor shall hand over to the Customer all specifications and other materials prepared up and until the cancellation date. This shall apply to both written and electronic materials.

3. CHANGES TO THE DELIVERABLES SUBSEQUENT TO CANCELLATION OF THE AGREEMENT

3.1 RIGHT TO CHANGE THE CONTENTS OF THE AGREEMENT (CHANGE TO THE DELIVERABLES)

The Customer has the right to order changes, in the form of increases or reductions in the scope, nature, type, quality or delivery of the deliverables, as well as changes to the progress plan, provided that such changes fall within the scope of what the parties could have reasonably expected upon the conclusion of the Agreement.

However, the Contractor shall not be obliged to carry out additional work that represents, in aggregate, a net addition of more than fifteen (15) percent to the original contract price, other than in the case of a disputed change order pursuant to Clause 3.8.

If the overall consideration of the Contractor, net of all reductions and additions, is reduced by more than fifteen (15) percent of the original contract price, such reduction shall be dealt with as a partial cancellation, cf. Clause 2.7.

3.2 CHANGE ESTIMATE

The Contractor shall, within a maximum of ten (10) working days from receipt of a written request for a change, submit a study of potential risk and change consequences, as well as a price estimate. In the event of a request for major changes, the parties agree to extend the time limit with such number of days as is deemed to be reasonable.

At a minimum, the study shall include the following:

- a) description of the change
- b) description of the scope of work that needs to be carried out as a result of the change, and the time required for such work
- c) implications for the requirement specification/solution specification/detailed specification
- d) implications for the requirements applicable to the Customer's technical platform
- e) implications for the contract price, with a detailed specification of the calculation basis, cf. Clause 3.5

- f) implications for the progress plan, cf. Clause 3.5
- g) changes to the Customer participation requirements
- h) changes to test plans and test criteria
- i) implications for the future maintenance of the system

Documented costs in connection with the preparation of change estimates shall be carried by the Customer in accordance with the prices and terms applicable to supplementary work, cf. Appendix 7. If standard prices for the preparation of change estimates are set out in Appendix, the Contractor shall not be entitled to the reimbursement of any costs in excess thereof, unless the Customer has given its prior written approval of a larger estimate.

If the preparation of a change estimate does in itself necessitate changes to the progress plan, the Contractor may request that the plan be adjusted.

3.3 CHANGE ORDERS

If the Customer accepts the study and the price submitted by the Contractor, the Customer shall inform the Contractor, by issuing a change order, that it wishes the change to be implemented. The change order shall be signed by the Customer.

Thereafter, the Contractor shall, within ten (10) working days of the Contractor receiving the signed change order, ensure that the change order is incorporated into the Agreement, with changes to specifications, the progress plan, the technical platform, tests, required contributions from the Customer, as well as changes to the contract price, being set out in the Agreement.

The changes shall be presented to the Customer for its approval.

The terms and conditions of the Agreement shall apply to change orders as well, unless otherwise explicitly stated in the change order.

3.4 DOCUMENTATION OF THE CHANGE

Changes to the deliverables as referred to in Chapter 3 shall be made in writing, and shall be signed by an authorised representative of the parties. The Contractor shall maintain a directory of the changes on an ongoing basis, which directory shall form Appendix 9, and shall without undue delay provide the Customer with an updated copy thereof.

3.5 CONSEQUENCES OF CHANGE ORDERS

If the Customer requires a change, the Contractor shall have the right to require adjustments to the contract price and progress plan or other matters, cf. Clause 3.2, caused by the change requirement of the Customer.

Adjustments to the contract price shall be calculated on the basis of the hourly charges or other unit prices set out in Appendix 7, provided that the work occasioned by the change is, in the main, similar to work for which hourly charges or unit prices have been specified.

In other cases than those mentioned in the preceding paragraph, the Contractor shall make an offer, specifying the additions or reductions resulting from the changes. The offer shall reflect the general price level of this Agreement.

If any changes and/or additions requested would, as a general rule, have resulted in an adjustment to the agreed installation date or delivery date, the Contractor shall, to the extent practicable, seek to accelerate implementation in order that the agreed installation date or delivery date may nevertheless be observed. In such case, acceleration shall be deemed to constitute a change to be dealt with pursuant to the rules set out in Chapter 3.

The change order shall be implemented without undue delay when received by the Contractor. This shall apply irrespective of whether the effect of the change order in terms of the contract price, the progress plan or other terms and conditions of the Agreement have been finally resolved, cf. Clause 3.6.

3.6 DISPUTE CONCERNING THE CONSEQUENCES OF A CHANGE

If the parties agree that there is a change, but disagree on the effect of such change as far as the contract price is concerned, the Customer shall pay a preliminary consideration calculated pursuant to the rules set out in Clause 3.5. If no ruling from an independent expert or mediator has been requested and no legal proceedings have been instituted in respect of the work occasioned by the change within six (6) months after the delivery date or the date on which notice of termination for breach or cancellation was received by the Contractor, the consideration paid shall be deemed to be final. The Contractor shall provide security in respect of the consideration up to this date as the consideration is deemed to have been determined with final effect.

3.7 DISAGREEMENT AS TO WHETHER THERE IS A CHANGE

If the Customer requests, in the form of orders, specifications or otherwise, the performance of certain specific work that the Contractor believes to fall outside the scope of his obligations pursuant to the Agreement, the Contractor shall, in writing, request the Customer to issue a change order.

Together with the change order request, the Contractor shall provide the Customer with a study of relevant risk and change consequences, as well as a price estimate (change estimate) pursuant to Clause 3.2. Costs in connection with the preparation of the change estimate shall not be covered by the Customer unless a change order is issued pursuant to Clause 3.3.

If the Contractor fails to make such request without undue delay, the work shall be deemed to form part of the Contractor's obligations pursuant to the Agreement, and the Contractor waives its right to invoke such work as grounds for extension of time limits, additional consideration or damages.

3.8 DISPUTED CHANGE ORDER

If the Contractor has requested the Customer to issue a change order pursuant to Clause 3.7, the Customer shall, within a reasonable period of time, issue a change order pursuant to Clause 3.3, or issue a written waiver of the request.

If the Customer deems the work to form part of the deliverables, it shall be explicitly stated that the change order is disputed (disputed change order). The change order shall include an explanation as to why the Customer deems the change order to be disputed.

Although the change order is disputed, the Contractor shall be obliged to perform the work ordered, provided that security is provided by the Customer. The requirement for the providing of security shall not apply if the Customer is a Norwegian public body.

3.9 DISPUTE RESOLUTION – DISPUTED CHANGE ORDER

If the Contractor has received a disputed change order, the Contractor shall, within six (6) months of having received the disputed change order, either request a ruling from an independent expert or mediator or institute legal proceedings or submit the dispute for arbitration in order to have its claim resolved with final effect, cf. Chapter 16. If the Contractor fails to do so, the work shall be deemed to fall within the scope of the Contractor's duties under the Agreement.

4. WARRANTY PERIOD

4.1 SCOPE OF THE WARRANTY

Unless otherwise agreed in Appendix 8, the warranty period for the deliverables shall be one (1) year from the delivery date, cf. Clause 2.5.4.

The Contractor shall, during the warranty period, rectify errors in the Software governed by this Agreement, at no additional cost to the Customer, conditional upon normal, diligent use on the part of the Customer. The warranty is conditional upon the Customer having complained about the matter by the expiry of the warranty period.

4.2 PERFORMANCE LEVEL

Any maintenance services beyond the warranted performance shall be specified and priced in a designated agreement, cf. Clause 1.5.

If the parties have concluded a maintenance and service agreement, the performance level of such agreement shall also form the basis for the warranted performance.

If no maintenance agreement has been concluded, the performance level during the warranty period shall be specified in Appendix 1 and/or 2.

All work involved in curing errors and defects shall be commenced and completed without undue delay after the Contractor has received notice of such errors or defects.

If the Contractor chooses to rectify errors during the warranty period by delivering a new version of the Software, the Contractor shall not be entitled to any consideration in respect of the new version, even if it contains improvements. The Contractor may only rectify errors by way of the delivery of a new version if the Customer is able to utilise such new version on the Customer's existing technical platform.

4.3 ADDITIONAL CONSIDERATION

If defects that ought to have been discovered during the approval period are not invoked until a later date, the Contractor may claim compensation for any additional expenses incurred by the Contractor as the result of late notification of such defects.

In the event of errors and defects that fall outside the scope of the warranty, the Contractor will perform the same service as agreed above, but in the form of a chargeable service. The Contractor's list prices for such services shall apply, unless otherwise agreed.

5. THE DUTIES OF THE CONTRACTOR

5.1 RESPONSIBILITY OF THE CONTRACTOR FOR ITS DELIVERIES

The Contractor is responsible for ensuring that the deliverables as a whole (the integrated solution) provide the functions and satisfy the requirements specified in the Agreement.

The Contractor is responsible for ensuring that the Software is tailored to the technical platform specified in Appendices 2 and 3, cf. Clause 1.1, and that the deliverables are compatible with other software specified in Appendices 1 and 2.

5.2 REQUIREMENTS AS TO THE RESOURCES AND EXPERTISE OF THE CONTRACTOR

The Contractor warrants that the deliverables will be performed with sufficient qualitative and quantitative resources and expertise, given the requirements stipulated in the Agreement. The Contractor's project manager and other key personnel are specified in Appendix 6.

Persons designated as key personnel in Appendix 6 shall not, within the scope of the Contractor's managerial prerogative as employer, be replaced without the prior approval of the Customer. Such approval shall not be unreasonably withheld. The actual participation of the key personnel in the provision of the deliverables shall not be scaled back without the prior approval of the Customer.

Personnel that the Customer, for justifiable reasons, does not wish to use, or wishes to have replaced, shall as soon as possible be replaced by alternative personnel with at least corresponding expertise.

Personnel replacements shall not affect the progress of the project or impose additional costs on the Customer.

5.3 USE OF SUBCONTRACTORS

The Contractor's use and replacement of subcontractors shall be approved in writing by the Customer. Approval shall not be unreasonably withheld.

Approved subcontractors shall be named in Appendix 6.

5.4 COOPERATION WITH THIRD PARTIES

The Contractor undertakes to cooperate with third parties to the extent that the Customer deems this necessary for the purposes of performing the duties stipulated in this Agreement. The scope of such assistance, as well as any consideration in respect thereof, shall be specified in Appendix 6. The Contractor shall in such cases adopt an independent position, and act in consultation with the Customer.

However, the Contractor shall be released from the duties mentioned in this Clause if the Contractor substantiates that such cooperation will be of material disadvantage to the Contractor's relationship with existing subcontractors or other business contacts.

5.5 DUTIES OF THE CONTRACTOR UPON THE DISCHARGE OF THE AGREEMENT

Upon the discharge of all or part of the Agreement, irrespective of the reason therefore, the Contractor shall make available the services necessary to ensure that development responsibility can be passed on to a new contractor without unnecessary delay or additional work for the Customer and/or the new contractor. The Contractor shall hereunder give the new contractor access to the development framework and to all other materials and documentation necessary to further develop the Software, to the extent that the Customer holds rights to such materials pursuant to Clause 10 of the Agreement. The Contractor shall also assist with the transfer of competency to the new contractor. The type of key personnel the Contractor shall make available for the performance of services as mentioned in this Clause is specified in Appendix 6.

The Customer shall pay consideration for the deliverables mentioned in this Clause, as per the hourly rates of the Contractor as specified in Appendix 7. Nevertheless, the Customer shall not pay such consideration if the discharge of the Agreement is caused by material breach of contract on the part of the Contractor. If the Agreement is discharged as the result of termination for breach by the Customer, the Contractor may request advance payment for its services. The consideration to be paid in advance shall be calculated pursuant to the rules set out in Clause 3.5.

5.6 WAGES AND WORKING CONDITIONS

The following shall apply to agreements governed by the Regulations of 8 February 2008 No. 112 relating to Wages and Working Conditions under Public Contracts:

The Contractor shall ensure that employees in its own organisation and the employees of any subcontractors do not have wages or working conditions that are inferior to those stipulated by any applicable collective bargaining agreement or those that are normal for the relevant location and trade. This only applies to employees who contribute directly to the performance of the Contractor's obligations under the Agreement.

All agreements that are entered into by the Contractor and that involve the performance of work under this Agreement shall include corresponding obligations.

If the Contractor fails to meet this obligation, the Customer shall be entitled to retain part of the contract price, corresponding to approximately two (2) times the savings of the Contractor, until it has been documented that compliance has been achieved.

The Contractors shall, at the request of the Customer, disclose documentation relating to the relevant wages and working conditions. Each of the Customer and the Contractor may request that the information be submitted to an independent third party appointed by the Customer to examine whether the requirements of this provision have been complied with. The Contractor may request the third party to sign a declaration stating that the information will not be used for any other purpose than ensuring compliance with the obligations of the Contractor under this provision. The disclosure obligation shall apply to subcontractors as well.

If an independent third party concludes that the requirements under these provisions are not complied with, and this is disputed by the Contractor, the Customer may request the Contractor and its subcontractors to disclose, to the Customer, documentation relating to the applicable wages and working conditions.

6. THE DUTIES OF THE CUSTOMER

6.1 THE RESPONSIBILITIES AND CONTRIBUTIONS OF THE CUSTOMER

The Customer accepts responsibility for having expressed the purpose of the procurement and its requirements and needs, in Appendix 1, in a clear manner, as a basis for the performance of the Contractor. If it is stated in Appendix 2 that the technical platform of the Customer needs to be upgraded, cf. Clause 1.1, the Customer shall itself ensure such upgrading, unless otherwise stipulated in Appendix 1 and/or 2.

The Customer shall contribute to facilitating the Contractor's performance of its duties under this Agreement.

The Customer shall contribute to the delivery of the deliverables in the manner specified in Appendix 2, in accordance with the time limits stipulated in Appendix 4.

6.2 USE OF A THIRD PARTY

The Customer may freely appoint a third party to assist it in connection with its duties under the Agreement. Such third parties shall be specified in Appendix 6. The Contractor shall be notified of any third party selected by the Customer, and may reject the assignment if the Contractor is able to demonstrate that this will entail a material commercial disadvantage to the Contractor.

7. DUTIES OF THE CUSTOMER AND THE CONTRACTOR

7.1 MEETINGS

A party may, if deemed necessary by it, convene, with no less than three (3) working days' notice, a meeting with the other party to discuss the contractual relationship and how the contractual relationship is being handled.

Other time limits and procedures for the meetings may be agreed in Appendix 6.

7.2 RESPONSIBILITY FOR SUBCONTRACTORS AND THIRD PARTIES

If the Contractor appoints a subcontractor or the Customer appoints a third party to perform work occasioned by this Agreement, the relevant party shall remain fully responsible for the performance of such work in the same manner as if said party was performing the work itself.

7.3 CONFIDENTIALITY OBLIGATION

Information that comes into the possession of the parties in connection with the Agreement and the implementation of the Agreement shall be kept confidential, and shall not be disclosed to any third party without the consent of the other party.

If the Customer is a public body, the scope of the confidentiality obligation under these provisions shall not be wider than the obligation imposed by the Act of 10 February 1967 relating to Procedure in Cases concerning the Public Administration (the Public Administration Act) or corresponding sector-specific regulations.

The confidentiality obligation pursuant to this provision shall not prevent the disclosure of information if such disclosure is required pursuant to laws or regulations, including disclosure and a right of access pursuant to the Act of 19 May 2006 relating to the Right of Access to Documents in the Public Administration (the Freedom of Information Act). The other party shall, if possible, be notified prior to the disclosure of such information.

The confidentiality obligation shall not prevent the information from being used when there is no legitimate interest in keeping it confidential, for example when it is in the public domain or is accessible to the public elsewhere.

The parties shall take all necessary precautions to prevent unauthorised persons from gaining access to, or knowledge of, confidential information.

The confidentiality obligation shall apply to the employees, subcontractors and other third parties who act on behalf of the parties in connection with the implementation of the Agreement. The parties may only transmit confidential information to such subcontractors and third parties to the extent necessary for the implementation of the Agreement, and provided that they are subjected to a confidentiality obligation corresponding to that stipulated in this Clause 7.3.

The confidentiality obligation shall not prevent the parties from utilising experience and competency developed in connection with the implementation of the Agreement.

The confidentiality obligation shall continue to apply after the expiry of the Agreement. Employees or others who resign from their positions with one of the parties shall be subjected to a confidentiality obligation following their resignation as well, as far as circumstance mentioned above are concerned. The confidentiality obligation shall lapse five (5) years after the delivery date, unless otherwise stipulated by law or regulation.

8. CONSIDERATION AND PAYMENT TERMS

8.1 CONSIDERATION

All prices and the detailed terms governing the consideration to be paid by the Customer for the deliverables provided by the Contractor are set out in Appendix 7.

Disbursements shall only be reimbursed to the extent agreed. Travel and subsistence costs shall be specified separately, and shall be paid pursuant to the Government Travel Allowance Scale applicable at any given time, unless otherwise agreed. Travel time shall only be invoiced if this is agreed in Appendix 7.

Unless otherwise specified in Appendix 7, all prices are quoted exclusive of Value Added Tax, but inclusive of customs duties and any other indirect taxes. All prices are quoted in Norwegian kroner.

The prices also include insurance for the Contractor until the risk of accidental damage is transferred to the Customer.

8.2 INVOICING

Payment shall be made within thirty (30) calendar days of the invoice date. The invoices of the Contractor shall be specified and documented so that the Customer can easily check whether the invoice conforms to the agreed consideration. All invoices relating to hours recorded on an ongoing basis shall be accompanied by a detailed specification of the hours accrued. Disbursements shall be specified separately.

The payment schedule and other payment terms are set out in Appendix 7.

8.3 LATE PAYMENT INTEREST

If the Customer fails to pay at the agreed time, the Contractor shall be entitled to claim interest on any overdue amount, pursuant to the Act of 17 December 1976 No. 100 relating to Interest on Overdue Payments, etc. (the Late Payment Interest Act).

8.4 PAYMENT DEFAULT

If overdue consideration, with the addition of late payment interest, has not been paid within thirty (30) calendar days of the due date, the Contractor may send a written notice to the Customer, stating that the Agreement will be terminated for breach, unless settlement has taken place within sixty (60) calendar days of receipt of such notice.

Termination for breach may not take place if the Customer settles the overdue consideration, with the addition of late payment interest, by the expiry of the time limit.

8.5 PRICE ADJUSTMENTS

The price may be adjusted to the extent that rules or resolutions pertaining to indirect taxes are amended in a way that affects the consideration or costs of the Contractor.

Exchange rate changes that affect costs incurred by the Contractor in connection with the deliverables may be invoked in relation to the Customer on one (1) month's written notice. If exchange rate increases give rise to changes in the consideration payable, the consideration shall be reduced correspondingly, without the Customer having to request it, if the exchange rates subsequently drop.

Hourly rates charged for services may be adjusted as per each yearend in line with the increase in the retail price index (main index) compiled by Statistics Norway, with the base value being the index value for the month in which the Agreement was concluded, unless a different index value is agreed in Appendix 7.

Any other provisions pertaining to price adjustments are set out in Appendix 7.

9. EXTERNAL LEGAL REQUIREMENTS, DATA PROTECTION AND SECURITY

9.1 GENERAL PROVISIONS ON EXTERNAL LEGAL REQUIREMENTS AND MEASURES

The Customer shall identify, in Appendix 1, which legal requirements, or requirements that are specific to the party in question, are of relevance to the conclusion and implementation of this Agreement. Such requirements may be contained in general regulatory frameworks, such as Act of 14 April 2000 No. 31 relating to the Processing of Personal Data (the Personal Data Act) and the Regulations of 15 December 2000 No. 1265 relating to the Processing of

Personal Data (the Personal Data Regulations), the Freedom of Information Act, the Public Administration Act, the Regulations of 25 June 2004 No. 988 relating to Electronic Communications with and within the Public Administration (the eGovernment Regulations), or in sector-specific regulatory frameworks. The Customer shall examine whether any requirements relating to standards specified in the *Reference Manual for IT Standards within the Public Sector* have to be accommodated by the deliverables.

The Customer shall be responsible for specifying, in Appendix 1, any relevant requirements that are applicable to the deliverables.

The Contractor shall in Appendix 2 describe how the Contractor takes account of these requirements through its solution.

Each party is responsible for the follow-up of its own duties pursuant to such legal requirements.

Each party shall, as a general rule, pay the costs of complying with legal requirements applicable to the party and its activities. In the event of amendments to legal requirements or official requirements that affect the activities of the Customer that occasion a need for changes to the deliverables subsequent to the conclusion of the Agreement, the Customer shall cover the costs associated with such changes and any additional work, cf. Chapter 3.

9.2 PERSONAL DATA

If relevant to the Agreement, the parties shall in Appendices 1 and 2 clarify how personal data shall be handled, as well as whether and, if applicable, how such data may be transferred to others for storage and processing. The parties shall in Appendices 1 and 2 specify the regulation of relevant measures required pursuant to the Personal Data Act and Regulations, including compliance with the requirements pertaining to security objectives, security strategy, risk assessment and proportional safeguarding of the data.

9.3 ELECTRONIC COMMUNICATION AND PROCESSING REQUIREMENTS

If the Customer is a public body and needs to formulate requirements relating to electronic communication or case processing in its requirement specification (Appendix 1), the Customer shall refer to, and base its specification on, the requirements set out in the eGovernment Regulations under the Public Administration Act, including the requirements relating to security objectives and security strategy. Correspondingly, the Contractor shall in Appendix 2 clarify how any such requirements may be satisfied.

9.4 SECURITY-CLASSIFIED MATERIALS

If there is a need for access to materials (information and objects) that are security classified at any of the top three levels, the detailed handling of such need shall be specified in Appendices 1 and 2, respectively, including the timing implications. This shall apply to the extent that compliance with the requirements laid down in the Security Act and the related regulations (on the grounds of concern for the security of the realm and other vital national security interests, etc.) is relevant to the Agreement.

10. COPYRIGHT AND RIGHT OF OWNERSHIP

10.1 RIGHTS RELATING TO SOFTWARE DEVELOPED PURSUANT TO THIS AGREEMENT

10.1.1 The rights of the Customer

The right of ownership, the copyright and other relevant rights, including all other relevant intellectual property rights, to the Software, and the source code, documentation, specifications and other materials appurtenant thereto, prepared and delivered pursuant to this Agreement shall accrue to the Customer, unless otherwise agreed in Appendix 8, and subject to any limitations laid down by other agreements or by mandatory law.

These rights also include the right to alteration and the right to further assignment, cf. Section 39b of Act No. 2 of 12 May 1961 relating to Copyright in Literary, Scientific and Artistic Works, etc. (the Copyright Act).

The Customer is granted a perpetual, paid and non-exclusive right of disposal in relation to the methods, tools and preparatory works of the Contractor or its subcontractors that are used by the Contractor in the development effort, to the extent that these form an integral part of the deliverables. The right of disposal includes a right to use, copy, modify and enhance the materials, either by itself or with the assistance of a third party, as well as a right of licensing and transfer in connection with the licensing and transfer of the actual software.

Each of the parties has the right to make use of general knowhow acquired during the delivery of the deliverables.

10.1.2 The rights of the Contractor

The Contractor retains, unless otherwise agreed in Appendix 8, a perpetual, paid and non-exclusive right to utilise the various parts of the Software prepared and delivered pursuant to this Agreement (right of disposal). The right of disposal includes a right to use, copy, modify and enhance the materials, as well as a right of licensing and transfer, internally and externally, either by itself or with the assistance of a third party, as part of the further development and customisation of its own standard solutions or delivered together with its own standard solutions.

Nevertheless, the Contractor shall not distribute the entire, or virtually the entire, solution as such to other customers, without the consent of the Customer. The same shall apply to such parts of the solution as are, by special agreement, excluded from the rights of the Contractor under this Clause.

The Contractor holds copyright to methods, tools and other items used by the Contractor in its development effort.

10.1.3 Evolvement of the Customer's software into new standard components

To the extent that the Contractor uses its right of disposal pursuant to Clause 10.1.2 to prepare one or more new standard components on the basis of components developed specifically for the Customer, and to the extent that it may be appropriate to replace the specifically developed software with the new standard component(s), the Customer shall be entitled to such replacement without the payment of any consideration for the new standard component(s). Installation and customisation, etc., shall be paid for in the ordinary manner.

10.1.4 Rights upon the discharge of the Agreement

Upon the discharge of the Agreement, irrespective of the reasons therefore, the right of ownership, the copyright and other rights, including other intellectual property rights, to all materials, in their state as per the date of discharge, shall be assigned to the Customer, in accordance with Clause 10.1.

10.2 RIGHT OF DISPOSAL OF STANDARD SOFTWARE

The Customer is granted a limited right to make copyright-protected disposals (right of disposal) in relation to any standard software that forms part of the deliverables. The right of disposal comprises the rights that are necessary for the Customer to be able to utilise the deliverables as agreed, including a right to make such number of copies of the Software as follows from ordinary operational and safety procedures.

The Contractor shall be responsible for the Customer being granted the agreed right of disposal in respect of the Software, and for the Customer being able to utilise it without being restricted by the copyright or other rights of third parties.

The consideration for the right of disposal in respect of the Software, including any prerequisites and limitations, e.g. in relation to the number of users or the place where the right of disposal is exercised/the equipment used to do so, is described in Appendix 7.

10.3 FREE SOFTWARE

10.3.1 General provisions pertaining to free software

”Free software” means software that is offered under generally recognised free software licenses.

A free software license permits, for example, the Customer to use the Software for any purpose and on any scale, and grants access to the source code of and documentation on the Software, the right to examine and change the Software, to make copies of the Software and to make changes and improvements to the Software available to the general public.

If free software is to be used in connection with the deliverables, the Contractor shall prepare an overview of the relevant free software. The overview shall be included in a designated chapter in Appendix 2, together with a copy of the license terms governing the relevant free software.

The Contractor shall ensure that no free software is being used under license terms that are incompatible with the requirements applicable to the deliverables, or incompatible with the license terms governing other software that forms part of the deliverables.

The general terms and conditions of the Agreement shall also govern those parts of the deliverables that consist of free software, subject to the clarifications and exceptions set out below.

10.3.2 The Contractor's responsibility for the overall functionality of the deliverables when using free software

The Contractor shall be responsible for the deliverables (the overall solution) meeting the requirements under the Agreement, cf. Clause 5.1, irrespective of the provisions of any particular free software license.

If errors in free software result in the deliverables deviating from what was agreed under this Agreement, it shall be the responsibility of the Contractor to rectify the error in such a way as to make the deliverables conform to what was agreed, even if such free software might be subject to separate license terms that include different provisions on the rectification of errors. The rectification of errors in free software may be effected in any manner that makes the deliverables conform to the requirements under the Agreement.

10.3.3 The Customer's rights in relation to the parts of the deliverables that are based on free software

As regards the parts of the deliverables that are based on free software, including customisations and further developments of the free software, the Customer shall be granted the rights that are necessary for compliance with the terms of the relevant free software license.

The rights include access to source code and associated specifications and documentation.

10.3.4 Effects of distributing free software to others

If the deliverables are to be distributed to others, the terms of the relevant free software license shall apply. If distribution to others, or other ways of making the contracted times available, implies that also other parts of the deliverables than those that originally were free software will be governed by the terms of a free software license, this shall be specified by the Contractor in Appendix 2.

10.3.5 The Contractor's responsibility for defects in title to free software

The Contractor shall only use free software that is offered under generally recognised free software licenses, and that does not, based on a sound assessment on the part of the Contractor, infringe third party rights. The assessment shall take into consideration, *inter alia*, how well-established the relevant free software is in the market, the Contractor's knowledge, if any, of the history and origins of the Software, and whether it is known in the relevant market that someone is arguing that the Software infringes their rights. The Contractor shall describe its assessment in Appendix 2.

If free software used by the Contractor in connection with the delivery infringes third party rights, the Contractor shall, within the limitations laid down by Clause 10.3.6, remedy the defects in title as specified in Clause 13.2.

The Contractor shall indemnify the Customer in respect of any liability for damages imposed as a result of defects in title in respect of free software that the Contractor has offered or independently chosen to use in connection with the deliverables, cf. Clause 13.4.

10.3.6 Liability of the Customer if it requires the use of free software

If the Customer requires the use of specific free software as part of the deliverables, the Customer shall itself pay any costs resulting from inadequate functionality caused by errors or defects in the free software.

The Customer shall itself carry the risk of defects in title relating to free software that the Customer has requested be used as part of the deliverables. The Customer shall indemnify the Contractor in respect of any liability for damages imposed as a result of defects in title relating to respect of free software that the Customer has chosen, cf. Clause 13.4 of the Agreement.

To the extent that the Contractor is aware that free software that the Customer has requested be used as part of the deliverables, is unsuited to satisfying the Customer's requirements or, infringes, or is alleged by anyone to infringe, third party copyrights, the Contractor shall point this out in Appendix 2, cf. Clause 1.1 of the Agreement.

The Contractor shall, as a supplementary and chargeable service, assist the Customer with the remediation of any defects in title and other defects in free software that is chosen by the Customer as mentioned above. The Contractor's standard hourly rate for consultancy services under this Agreement shall apply, unless otherwise agreed in Appendix 7. The Contractor may request a change to the Agreement pursuant to Chapter 3 if the effort to remedy such defects has implications for the other obligations of the Contractor under the Agreement.

11. BREACH OF CONTRACT ON THE PART OF THE CONTRACTOR

11.1 WHAT IS DEEMED TO CONSTITUTE BREACH OF CONTRACT

There is a breach of contract on the part of the Contractor if the deliverables do not conform to the agreed functions, requirements or time limits. There is also a breach of contract if the Contractor fails to perform other duties under the Agreement.

Nevertheless, there is no breach of contract if the situation is caused by circumstances related to the Customer or by force majeure.

The Customer shall submit a written complaint without undue delay after the breach of contract has been discovered or ought to have been discovered.

11.2 NOTIFICATION OBLIGATION

If the Contractor's deliverables cannot be delivered as agreed, the Contractor shall give the Customer written notice thereof as soon as possible. The notice shall specify the reason for the problem and, to the extent possible, when the deliverable can be delivered. A corresponding obligation shall apply if additional delays are to be expected after the first notice has been given.

11.3 EXTENSION OF THE TIME LIMIT

The Contractor may request an extension of the time limit, which extension must have the written approval of the Customer in order to apply.

The Customer shall not be entitled to claim liquidated damages or ordinary damages in respect of the period comprised by an extension of the time limit.

An extension of the time limit shall have no impact on the entitlement of the Customer to any liquidated damages or ordinary damages that accrue prior to the extension of the time limit.

11.4 CURE

The Contractor shall commence and complete the effort of curing the breach of contract without undue delay.

The cure shall aim for the deliverables to achieve the specified quality, and for the deliverables as a whole to work as intended. The cure may, for example, take the form of repair, redelivery or supplementary delivery.

To the extent that no cure is provided, the Customer may request a proportional price reduction or terminate the Agreement for breach pursuant to the provisions of Clause 11.5.3 or Clause 11.5.4.

If the Contractor has failed to cure the breach of contract within the stipulated or agreed time limit, or if the conditions for termination for breach are met, the Contractor shall pay all expenses incurred by the Customer in obtaining a cure from a third party. Nevertheless, the Customer may not allow a third party to cure the defect until any extended time limit has expired.

The Customer shall give written notice to the Contractor prior to appointing a third party.

11.5 REMEDIES FOR BREACH OF CONTRACT

11.5.1 Withheld payment

In the event of a breach of contract, the Customer may withhold payment, although the amount withheld shall not be obviously higher than what is necessary to secure the Customer's claim resulting from the breach of contract.

11.5.2 Liquidated damages in the case of delay

If the agreed installation date, commencement of approval period, delivery date or other time limit in respect of which the parties have stipulated liquidated damages in Appendix 4, is not complied with, and this is not caused by force majeure or circumstances related to the Customer, there is a delay on the part of the Contractor that triggers liquidated damages.

The liquidated damages shall accumulate automatically. The liquidated damages amount to 0.15 percent of the total consideration payable for the deliverables (the contract price), excluding Value Added Tax, for each calendar day of delay, but albeit limited to a maximum of one hundred (100) calendar days.

Other rates for liquidated damages and other periods for liquidated damages may be agreed in Appendix 4.

The Customer shall not have the right to terminate the Agreement for breach for as long as the liquidated damages continue to accumulate. However, this time restriction shall not apply in the case of wilful misconduct or gross negligence on the part of the Contractor or anyone for whom it is responsible.

If only parts of the agreed deliverables are delayed, the Contractor may request a reduction in the liquidated damages proportional to the ability of the Customer to utilise the part of the deliverables that has been delivered.

11.5.3 Price reduction

If the Contractor has not succeeded, despite repeated attempts, in curing a defect, the Customer may claim a proportional reduction in the contract price. The price reduction shall compensate for the reduced value of what has been delivered, and shall come in addition to any damages.

11.5.4 Termination for breach

If there is a material breach of contract, the Customer may, after giving the Contractor written notice and a reasonable deadline for remedying the situation, terminate the Agreement, in full or in part, for breach with immediate effect.

The Customer may terminate all or part of the Agreement for breach with immediate effect if the deliverables are materially delayed. There is a material delay if delivery has not taken place by the time liquidated damages reach their maximum limit, or by the expiry of an extended time limit, if this expires later.

11.5.5 Damages

The Customer may claim damages in respect of any direct loss, including any loss caused by additional work or other direct costs connected to delayed commencement of operations or operational interruptions, which can be reasonably attributed to delays, defects or other breaches of contract on the part of the Contractor, unless the Contractor demonstrates that the Contractor did not cause the breach of contract or the reason for the breach of contract.

Liquidated damages shall be deducted from any other damages in respect of the same delay.

11.5.6 Limitation of damages

No damages may be claimed in respect of indirect loss. Loss of data is classified as indirect loss, unless such loss is caused by data handling that is the responsibility of the Contractor under the Agreement.

Overall damages over the term of the Agreement are limited to an amount corresponding to the contract price, excl. Value Added Tax.

The said limitations of damages shall not apply in the case of gross negligence or wilful misconduct on the part of the Contractor or anyone for whom it is responsible.

12. BREACH OF CONTRACT ON THE PART OF THE CUSTOMER

12.1 WHAT IS DEEMED TO CONSTITUTE BREACH OF CONTRACT

There is breach of contract on the part of the Customer if the Customer fails to perform its duties under the Agreement.

Nevertheless, there is no breach of contract if the situation is caused by circumstances related to the Contractor, or by circumstances deemed to constitute force majeure.

The Contractor shall give written notice without undue delay after the breach of contract has been discovered or ought to have been discovered.

12.2 NOTIFICATION OBLIGATION

If the Customer is unable to perform its duties under the Agreement, including to observe any time limits, the Customer shall notify the Contractor in writing accordingly as soon as possible. The notice shall specify the reason for the problem and, to the extent possible, when the Customer will again be able to perform the agreed duty.

12.3 CURTAILMENT OF THE RIGHT OF RETENTION ON THE PART OF THE CONTRACTOR

The Contractor shall not suspend any performance as the result of breach of contract on the part of the Customer, unless the breach is material and the Customer has acknowledged the breach of contract in writing or the breach of contract has been established through one of the dispute resolution mechanisms in Chapter 16.

12.4 TERMINATION FOR BREACH

In the event of payment default, the Contractor may terminate the Agreement for breach if the Customer has failed to settle overdue payments within sixty (60) calendar days of the Customer having received the Contractor's written notice pursuant to Clause 8.4.

In the event of other material breach of contract, the Contractor may send the Customer a written notice stating that the Agreement will be terminated for breach unless the Customer has discontinued or cured the breach of contract within sixty (60) days after it received the notice. Termination for breach shall not take place if the Customer has discontinued the breach of contract situation before the expiry of the time limit.

12.5 DAMAGES

The Contractor may claim damages in respect of any direct loss that can be reasonably attributed to the breach of contract, unless the Customer demonstrates that the breach of contract or the cause of the breach of contract is not attributable to the Customer.

The limitation of damages provisions of the Agreement, as set out in Clause 11.5.6, shall apply correspondingly.

13. INFRINGEMENT OF THE INTELLECTUAL PROPERTY RIGHTS OF THIRD PARTIES (DEFECT IN TITLE)

13.1 THE RISKS AND RESPONSIBILITIES OF THE PARTIES IN RELATION TO DEFECTS IN TITLE

Each party shall be responsible for ensuring that its deliverables do not infringe the copyrights or other intellectual property rights of third parties, and shall carry all risks in this respect. There is a defect in title if the deliverable entails such infringement.

13.2 THIRD PARTY CLAIMS

If a third party asserts to one of the parties that the deliverables entail a defect in title, the other party shall be informed thereof as soon as possible.

The responsible party shall deal with the claim at its own expense. The other party shall assist the relevant party with this task to a reasonable extent.

The relevant party shall commence and complete the effort of curing defects in title without undue delay, by

- a) ensuring that the other party is able to use the deliverable as before, without infringing any third party rights, or
- b) providing a corresponding deliverable that does not infringe any third party rights

13.3 TERMINATION FOR BREACH

A defect in title that is not cured, and that is of such a nature as to be of material importance to the other party, shall give the other party the right to terminate the Agreement for breach.

13.4 INDEMNIFICATION OF LOSS RESULTING FROM A DEFECT IN TITLE

A party shall be fully indemnified in respect of any liability for damages imposed on it in relation to a third party and any legal costs incurred, (including the party's own costs connected to dealing with the case), in connection with a defect in title. The party may also claim damages in respect of other loss pursuant to the provisions of Clauses 11.5.5, 11.5.6 and 12.5.

14. SETTLEMENT UPON TERMINATION FOR BREACH

Upon termination for breach, the rights to specifications, software and documentation prepared under this Agreement shall be assigned to the Customer pursuant to Clause 10.2, and the Customer shall pay the agreed consideration for deliverables that had been delivered in a contractual manner prior to the date of termination for breach.

If the breach of contract is of such a nature that the Customer draws little or no benefit from the items delivered, the Customer may elect, in connection with the termination for breach, to request the repayment of any consideration received by the Contractor under the Agreement, with the addition of interest, at the NIBOR rate plus one (1) percent, as of the date on which payment was made. In such case, Clause 10.2 shall not apply.

The Customer shall be entitled, if necessary for the activities of the Customer, to utilise the deliverables as agreed also after the termination for breach, but shall as soon as possible find an alternative solution to replace the deliverables. If the termination for breach was caused by breach of contract on the part of the Customer, the Contractor may make continued utilisation conditional upon the Customer providing satisfactory collateral.

15. OTHER PROVISIONS

15.1 RISK

The risk of damage to delivered software copies, etc., due to an accidental occurrence, shall pass from the Contractor to the Customer on the installation date. The Contractor is responsible for maintaining insurance cover for the period up to this date.

If delivered software copies are destroyed after the risk has passed to the Customer, the Customer shall nevertheless be entitled to new software copies in return for payment of the costs incurred by the Contractor in making these available.

15.2 INSURANCE POLICIES

If the Customer is a public body, the Customer shall be self-insured. If the Customer is not self-insured, the Customer shall maintain insurance policies that are sufficient to satisfy such claims as the Contractor may bring on the basis of the risks and responsibilities assumed by the Customer pursuant to this Agreement, within the limits defined by ordinary insurance terms and conditions.

The Contractor shall hold insurance policies that are sufficient, within the limits defined by ordinary insurance terms and conditions, to meet any such claim from the Customer as may arise on the basis of the risks and responsibilities assumed by the Contractor pursuant to this Agreement. This obligation shall be deemed to be met if the Contractor takes out third party and business insurance on terms and conditions that are deemed to be ordinary within the Norwegian insurance industry.

The Contractor shall, at the request of the Customer, explain and document those of the insurance policies of the Contractor that are of relevance to compliance with this provision.

15.3 ASSIGNMENT OF RIGHTS AND OBLIGATIONS

To the extent that the Customer is a public body, the Customer may assign its rights and obligations under this Agreement to another public body. The body to which the rights and obligations are assigned shall be entitled to corresponding terms and conditions, provided that the rights and obligations under the Agreement are assigned jointly.

The Contractor may only assign its rights and obligations under the Agreement with the written consent of the Customer. The same shall apply if the Contractor is merged with another company, de-merged into several companies, or if assignment is to a subsidiary or another company within the same group. Consent shall not be unreasonably withheld.

The right to consideration under this Agreement may be assigned freely. Such assignment shall not release the relevant party from its obligations and responsibilities.

15.4 BANKRUPTCY, COMPOSITION WITH CREDITORS, ETC.

In the event of debt rescheduling proceedings, composition with creditors, bankruptcy, or any other form of creditor intervention, in respect of the business of the Contractor, the Customer shall be entitled to terminate the Agreement for breach with immediate effect.

15.5 DUTY OF CARE IN RELATION TO EXPORTS

If any products, including spare parts, software and technology, delivered by the Contractor are subject to requirements for authorisation from the authorities in the country of origin and/or other countries, the Customer is responsible for obtaining such authorisations in the case of export or re-export of such products.

15.6 FORCE MAJEURE

If an extraordinary situation should arise which is outside the control of the parties which makes performance of the duties under this Agreement impossible, and which under Norwegian law must be classified as force majeure, the other party shall be notified of this as soon as possible. The obligations of the affected party shall be suspended for as long as the extraordinary situation prevails. The corresponding obligations of the other party shall be suspended for the same period.

In force majeure situations, the other party may only terminate the Agreement for breach with the consent of the affected party, or if the situation prevails or is expected to prevail for more than ninety (90) calendar days as of the date on which the situation arose, and in such case only with fifteen (15) calendar days' notice.

The parties shall, in connection with force majeure situations, have a mutual disclosure obligation towards each other concerning all matters that must be deemed relevant to the other party. Such information shall be disclosed as soon as possible.

16. DISPUTES

16.1 GOVERNING LAW

The rights and obligations of the parties under this Agreement shall in their entirety be governed by Norwegian law.

16.2 NEGOTIATIONS

Should a dispute arise between the parties as to the interpretation or the legal effects of the Agreement, the parties shall first seek to resolve such dispute through negotiations.

If such negotiations do not succeed within ten (10) working days, or a different period agreed by the parties, each of the parties may request that the dispute be brought before an independent expert or submitted for mediation.

16.3 INDEPENDENT EXPERT

The parties shall in connection with the conclusion of the Agreement appoint an independent expert, whose name shall be specified in Appendix 6, and who shall hold such qualifications as the parties believe to be the most appropriate in the light of the Agreement. If this has not been done, the parties may agree on the appointment of an independent expert at the time of a dispute.

The parties shall in advance choose either to

- a) comply with the solution proposed by the expert (binding), or
- b) use the solution proposed by the expert as a basis for reaching a solution themselves (advisory)

The detailed approach to these efforts shall be determined by the independent expert, in consultation with the parties.

16.4 MEDIATION

If a dispute related to this Agreement has not been resolved after negotiations or by an independent expert, the parties may attempt to resolve the dispute through mediation.

Mediation may also be used without the prior use of an independent expert, if this is agreed by the parties.

The parties may elect to adopt the rules of the Norwegian Bar Association for mediation by advocate, modified, if applicable, to suit the preferences of the parties. If so, the parties shall agree on a mediator who shall hold such qualifications as the parties believe to be the most appropriate for resolving the dispute.

The detailed approach to mediation shall be determined by the mediator, in consultation with the parties.

16.5 JOINT RULES FOR INDEPENDENT EXPERT AND MEDIATION

The independent expert and/or mediator shall act impartially and independently in the performance of his or her duties. Prior to accepting an assignment, the expert/mediator shall notify the parties of any potential circumstances that are likely to give rise to a suspicion of insufficient impartiality or independence on his or her part. The expert/mediator shall also give the parties such notice during the assignment if the parties have not previously received such information, or if the relevant circumstances arise during the assignment.

At the start of mediation, the expert/mediator shall inform the parties of the basis on which his or her remuneration will be calculated. Unless otherwise agreed, each party shall pay its own costs and half of the costs of the expert/mediator. The expert/mediator has the right to request the parties to pay a sufficient advance to cover the costs and remuneration of the mediator/expert, or to request the parties to provide sufficient security.

The assignment of the independent expert or mediator shall be concluded in one of the following ways:

- a) through a proposed solution from the expert that the parties have agreed in advance shall be binding
- b) through a written settlement or agreement between the parties, based on the solution proposed by the expert/mediator
- c) through the expert/mediator informing the parties that he or she does not deem it appropriate to continue the assignment, or
- d) through a party informing the expert or the mediator that such party wishes to conclude the assignment

16.6 LITIGATION OR ARBITRATION

If a dispute is not resolved through negotiations, through mediation or by an independent expert, each party may require such dispute to be resolved with final effect before the Norwegian courts of law.

The venue shall be the registered address of the Customer.

The parties may alternatively agree that the dispute shall be resolved with final effect through arbitration in Norway pursuant to the Act of 14 May 2004 No. 25 relating to Arbitration (the Arbitration Act).
