CONTRACT AGREEMENT FORM

PRINCIPAL AGREEMENT

EPC-PROJECT

BETWEEN

EMPLOYER

AND

CONTRACTOR
Agreement on EPC Project

§ 1 Parties

Employer: NN
Corp. ID
Address:

Representative:

("Employer" below)

Contractor:
Corp. ID
Address:
Representative:
Project manager
("Contractor" below)

The Employer and the Contractor have this day entered into contract on the conditions specified in the agreement and annexes (called "Principal agreement" below)

§ 2 Purpose and objectives

The purpose and objective of the project is that the management of the Employer's properties improves by taking measures to improve the technical status, develop forms of technical management and follow-up, improve indoor climate and facility function and train the Employer's staff. Future savings shall be used for the improvements provided in Phase 2 so that energy consumption and environmental impact are minimised and that indoor climate is quality assured to the lowest possible operational cost according to descriptions in the Tender Documents.

§ 3 Scope

In addition to the Principal Agreement, the parties will also enter into an Agreement on Project Development regarding Phase 1 of the project. For Phase 2 and Phase 3, the parties have agreed on an option that can be found in §§ 4-5 below. If the option is availed, the parties shall enter into Agreement on Project Implementation and Agreement on Project Follow-up. The extent of each Phase is shown in the contract documents for the respective Phase. The scope of the three project phases is, in brief, the following.
Phase 1: Project development

Phase 1 means that the Contractor through preliminary investigation and taking inventory shall clarify and show the energy savings measures that can be made. The Contractor shall submit a ceiling price for the implementation costs in order to realise these measures in Phase 2. The Contractor shall also draw up an operating model for Phase 3 and after the contract period. Phase 1 is regulated by the Agreement on Project Development, according to ABT06, entered into on the same day as this agreement.

Phase 2: Project Implementation

Phase 2 means the execution of the measures proposed in Phase 1 for ensuring the objectives of the properties' activities and of the project. This phase also involves necessary measures that must be implemented to safeguard follow-up and the long-term effects of the facilities provided in Phase 2.

Phase 2 is an option. If Phase 2 is fully or partially executed by the Contractor, a special design and construct agreement according to ABT06 will be entered into (Agreement of Project Implementation), according to Annexe 1. The Employer retains the right to execute fully or partially the measures proposed in Phase 1 in an alternative manner.

Phase 3: Project follow-up

Phase 3 means that after executing the measures in Phase 2, the properties shall be operated according to the operating model from Phase 2 so that existing facilities and the facilities provided in Phase 2 maintain their function and meet with the demands on indoor climate and functionality described in the Tender Documents and so that annual savings are generated.

Phase 3 is an option. If Phase 3 is executed by the Contractor, a special management agreement based on ABFF04 will be entered into (Agreement of Project Follow-up), according to Annexe 2.

§ 4 Option

The Contractor is obligated to enter into an agreement with the Employer concerning Phase 2: Project Implementation and Phase 3: Project follow-up. The Contractor is further obligated during Phase 2, to execute the measures outlined in Phase 1. The Contractor is also obliged during Phase 2, through his control responsibility, to verify that the properties are being driven and maintained by the Employer, or by a service contractor engaged by the Employer, so that existing facilities and the facilities provided in Phase 2 maintain their function and that annual savings are generated. The Employer is not obliged to call for the option in Phase 2 and/or Phase 3 and is also entitled to execute fully or partially in another manner the proposed measures that the Contractor includes in the Project Development report from Phase 1. In the event the Employer does not call for the option, the Contractor is not entitled to any compensation over and above what is stated in the Agreement on Project Development § 5.
§ 5 Call for option
The Employer is entitled to call for the option during the period dd-mm-yyyy – dd-mm-yyyy. The call shall be made in writing.

§ 6 Contract documents
If the documents named below contain conflicting details they will apply, with amendment of ABT 06, Chap. 1 § 3, in the order given below provided circumstances do not clearly dictate otherwise.

01 This Principal Agreement on the EPC Project
02 Amendments in ABT 06 noted in the compilation in AFD.111
03 ABT06 for Phases 1 and 2 and ABFF04 for Phase 3
04 Proceedings from procurement meeting dated dd-mm-yyyy
05 Tender dated dd-mm-yyyy
06 Tender documents for the EPC project with annexes, dated dd-mm-yyyy.

§ 7 Project organisation
The parties shall jointly appoint a project organisation, each with a representative plus other persons on whom the parties agree.

§ 8 Times
The following times apply to the EPC project unless special circumstances dictate other points in time.

Phase 1: This Phase starts immediately after the Agreement on Project Development has been signed by both parties and shall be completed no later than dd-mm-yyyy.

Phase 2: If the Employer calls for the option of Phase 2, this phase should start immediately after the signing of the Agreement on Project Implementation by both parties. Phase 2 shall be completed at the point in time stipulated in the agreement on Phase 2.

Phase 3: If the Employer calls for the option of Phase 2, this Phase shall start immediately after the last building has been completed and approved at the partial final inspection from Phase 2 and that the total works of Phase 2 have been approved and that the Agreement on Project Follow-up has been signed by both parties.

§ 9 Duration of contract
This Principal Agreement comes into force when it has been signed by both parties and applies as long as the Agreement on Project Development, Agreement on Project Implementation or Agreement on Project Follow-up is in force.
§ 10 Contract validity
One condition for the validity of the agreement is that both parties sign the Agreement on Project Development.

§ 11 Amendments and supplements
The Principal Agreement, together with subsequent agreements signed afterwards, comprises the parties' complete regulation of all issues affected by the Principal Agreement.

For supplements and amendments to the Principal Agreement to be valid, they must be in writing and signed by both parties, plus clearly specified as being a supplement to the Principal Agreement.

Should a stipulation in the Principal Agreement or part thereof be found to be invalid, it shall not mean that the Principal Agreement is invalid in its entirety but it shall, in so far as the invalidity substantially affects a party's benefits or performance according to the Principal Agreement, instead be adjusted.

§ 12 Transfer of rights and obligations
One party is not entitled to transfer wholly or partially its rights or obligations without prior written permission of the other party according to the Principal Agreement. However, the parties agree that in the event of one or more properties being sold, the new property owner or owners will have the right to take over that part of the Principal Agreement that applies to the affected properties.

§ 13 Disputes
Contract disputes that cannot be solved by the parties alone shall be decided by general court at the Employer's place of residence unless the parties agree otherwise.

This Principal Agreement has been drawn up in two (2) identical copies, of which the parties have taken one each.

Employer
___-___-yyyy

(Authorised signatory)

Contractor
___-___-yyyy

(Authorised signatory)
Annexes

Annexe 1 – Agreement form for Agreement on Project Implementation

Annexe 2 – Agreement form for Agreement on Project Follow-up