

A. Contractual Basis

Applicability

§ 1. These simplified general conditions have been prepared for agreements concerning works and supplies within the construction and civil engineering sector, where the employer is not a consumer and where the contract concerns a minor or less complex project. The conditions shall apply when adopted by the parties to the agreement. Subsection 2. Deviations from these conditions shall apply only where it is clearly and expressly stated in the agreement which provisions are to be deviated from.

Definitions

§ 2. All monetary amounts are stated exclusive of value-added tax (VAT), unless otherwise specified. Subsection 2. "Working days" shall mean all Mondays through Fridays that are not public holidays, May 1st, Constitution Day (June 5th), Christmas Eve or New Year's Eve.

Governing Law

§ 3. The legal relationship shall in all respects be governed by Danish law.

The Employer's Tender Documentation

§ 4. Tenders shall be submitted on the basis of the information contained in the tender documentation. The documentation shall be clearly and unambiguously formulated. Depending on the level of detail and the requirements for contractor design, the documentation shall be prepared in such a manner that there is clarity regarding the scope of works and contractual conditions. Subsection 2. The tender documentation shall include a master schedule stating the commencement and completion dates of the works, as well as any significant restrictions on access to or use of the construction site which the contractor must accept. Subsection 3. Where the contractor, in addition to a lump sum price, is required to submit unit prices, the tender documentation shall state whether such unit prices are to be based on estimated quantities. In such case, the bill of quantities shall, for each item, specify the unit and quantity, enabling the contractor to insert a unit price and the total price for the item. Subsection 4. The tender documentation shall include information on other matters which must be considered material to the contractor's tender.

The Contractor's Tender

§ 5. The tender shall comprise only those works which are specified as forming part of the contract works in drawings and models provided to the contractor as a basis for tendering, or which are mentioned in the relevant sections of the work specifications applicable to the contract. The tender shall also include all necessary ancillary professional services required for completion of the works, cf. § 11(2). Subsection 2. Any reservations or deviations made by the contractor from the tender conditions shall be clearly and collectively stated in the tender. Subsection 3. To the extent that the contractor is required to perform winter measures during the winter period (1 November – 31 March), seasonally determined winter measures shall be deemed included in the tender unless such measures are common to several contracts. Weather-dependent winter measures shall, however, be paid for as additional works. Subsection 4. The validity period of the tender shall be 20 working days from the date of the tender.

The Contract Agreement

§ 6. A contract agreement shall be concluded upon written acceptance of the submitted tender or by execution of a written construction contract. Subsection 2. The master schedule, including any agreed amendments, shall be referred to as the agreed master schedule.

Subcontracting

§ 7. To the extent that it is customary or appropriate for the works to be performed by subcontractors, the contractor may assign performance of the works, including design, to third parties. It may, however, be agreed that all or specific parts of the works shall be performed by the contractor itself or by a designated subcontractor, in which case the employer's approval shall be required for assignment to others. Subsection 2. At the employer's request, the contractor shall, without undue delay, provide documentation that an agreement has been entered into with a subcontractor, and that the subcontractor has acknowledged that the provisions of § 7 also apply where a subcontractor assigns the works to others, and that the employer may assert direct defect claims against the subcontractor in accordance with subsections 3 and 4. Subsection 3. Where it is established that the employer cannot, or only with considerable difficulty, pursue a claim regarding defects against the contractor, the employer shall be entitled to assert such claim directly against the contractor's subcontractors and suppliers, provided that their performance suffers from the same defect. Subsection 4. A direct claim shall be subject to the limitations arising from the contractual relationships both between the employer and the contractor and between the contractor and the subcontractor or supplier, including disclaimers and limitations of liability in both contractual relationships. It shall furthermore be subject to the provisions of Chapter J concerning dispute resolution. The employer waives any claims in tort against subcontractors and suppliers in respect of matters covered by a direct defect claim. If the direct claim arises from intentional misconduct or gross negligence on the part of the subcontractor or supplier, the first and third sentences shall not apply. Subsection 5. Subsections 1–4 shall likewise apply where a subcontractor or supplier assigns performance of the works to others.

Insurance

§ 10. The employer shall take out and pay for customary fire and storm damage insurance from commencement of the works until defects identified at handover have been remedied. The contractor and any subcontractors shall be included as insured parties under the policy. The insurance shall cover all contractors' works on the building or facility to which the contract relates. In cases of alteration or extension works, the insurance shall cover damage to both the works and the existing building or facility subject to alteration or extension. Any deductible shall be borne by the employer. Subsection 2. A public employer may require to be treated as self-insured. Subsection 3. The contractor and any subcontractors shall maintain customary public and product liability insurance. Subsection 4. Upon request, the parties shall document that the insurance policies are in force.

C. Execution of the Contract

The Contractor's Performance

§ 11. The works shall be performed in accordance with the agreement, in a professionally sound manner, and in compliance with the employer's instructions. Materials shall, unless otherwise specified, be of customary good quality. The contractor shall carry out quality assurance of its performance.

Subsection 2. The contractor shall supply all materials and perform all ancillary services necessary for completion of the works.

Subsection 3. The contractor shall inform the employer in writing of the use of untested methods or materials, including any associated risks, unless such use has been prescribed by the employer.

Subsection 4. Materials and other supplies intended for incorporation into the works shall be supplied by the contractor without retention of title. Upon delivery to the construction site, such items shall become the property of the employer.

Subsection 5. Materials and other supplies for the works shall be delivered with a five-year supplier's liability for defects in the supply. The liability period shall be calculated from handover of the works and shall be limited such that the supplier's liability shall in any event cease no later than six years after delivery to stock or for resale. The supplier shall furthermore have acknowledged that the employer may assert direct defect claims against the supplier pursuant to § 7(3) and (4).

Subsection 6. The contractor may derogate from subsection 5 where compliance would entail significant additional costs for the contractor or substantial delay of the works, or where, for minor supplies, it would be impracticable to control compliance. In the case of material supplies, the employer shall be notified of such derogation as soon as possible after supplier quotations have been obtained.

Subsection 7. The contractor shall continuously carry out cleaning and clearance and shall immediately remove discarded materials from the construction site.

Start-up Review

§ 12. Prior to commencement of the works, the employer, together with the contractor and any consultant, shall review the contractor's tender and the project to be carried out by the contractor with a view to establishing a common understanding of the project and the execution of the works.

Work Schedule and Detailed Time Schedule

§ 13. Within the time limit specified in the agreed master schedule, the contractor shall prepare a work schedule that complies with the deadlines in the agreed master schedule.

Subsection 2. Where the employer has engaged several contractors, the employer shall, in cooperation with them, prepare a coordinated work schedule (detailed time schedule) before commencement of the works. The detailed time schedule shall state the sequence of the individual parts of the works.

Setting-out and Construction Site

§ 14. The employer shall set out the primary reference lines and levels, while all other setting-out shall be carried out by the contractor.

Subsection 2. For building works, the employer shall, to the necessary extent, arrange for the establishment of service connections for drainage, electricity, gas, water and heating to the construction site.

Subsection 3. The employer shall pay necessary connection charges and bear any fees or charges resulting from huts, containers, scaffolding, etc. not being located on the

construction site as agreed.

Contractor Design

§ 15. The contractor shall only carry out design where this has been agreed (partial design responsibility). To the extent that the contractor's performance is described in the agreement by functional requirements, the contractor shall carry out the necessary design to fulfil such requirements.

The contractor's submission of proposals that are implemented by the employer shall not imply that the contractor assumes design responsibility or risk or liability for such proposals.

Subsection 2. Where the contractor is to carry out design, the employer may appoint a design manager.

Subsection 3. The contractor's design shall be carried out in accordance with the agreement, good design practice, and the employer's instructions.

Subsection 4. In connection with design, the contractor shall inform the employer in writing of the use of untested methods or materials, including any associated risks.

Relations with Authorities

§ 16. The employer shall obtain necessary approvals of the project and bear the associated costs. This shall also apply to the part of the design performed by the contractor.

Subsection 2. The contractor shall submit notifications, apply for permits, request inspections and obtain certificates relating to the execution of the works and shall bear the associated costs. Applications for exemptions or dispensations may only be submitted by agreement with the employer.

Quality Assurance, Supervision and Rejection

§ 17. The employer may in the tender documentation lay down requirements for the contractor's quality assurance of the works, including any design.

Subsection 2. The employer may supervise the works during execution and may reject non-conforming works or materials. Such rejection shall be made as soon as possible.

Subsection 3. Supervision by the employer shall not relieve the contractor of its own duty of control.

Employer's Instructions Regarding Execution

§ 18. The employer may issue instructions regarding the execution of the works.

Subsection 2. The contractor shall obtain the employer's decision where the agreement and its basis do not provide sufficient guidance for execution.

Variations

§ 19. The employer may require variations where the variation has a natural connection with the agreed services. A variation may involve additional work, substitution, change in character, quality, type or execution, or omission of agreed work.

Subsection 2. The contractor is entitled to perform a required variation unless the employer demonstrates special grounds for having the work performed by others, including that the contractor's financial claim is unreasonable.

Additional Payment and Savings

§ 20. Where a variation concerns work subject to a unit price, the contract sum shall be adjusted accordingly unless otherwise agreed, cf. § 21(4). Unit-price regulation shall only apply within ±100% of the individual item.

Furthermore, upward adjustment for additional works shall be limited to 20% of the contract sum in aggregate, and downward adjustment for omitted works shall be limited to 10% in aggregate. Where work is replaced by other work, only the price difference shall be included.

Subsection 2. For unit-price work exceeding these limits, regulation shall still be by unit price unless the pricing assumptions no longer apply.

Subsection 3. Otherwise, variation work shall be carried out on a cost-plus basis unless otherwise agreed.

Subsection 4. Cost-plus accounts shall specify labour hours, materials and equipment.

Subsection 5. In case of reduction of scope, the contractor shall credit the employer for saved costs, but not exceeding the agreed price. For unit-price items, this applies only if the total reduction exceeds 10% of the contract sum.

Price, Time and Security Following Variations

§ 21. Any requests from the parties for changes to the contract regarding price, time, and security due to a change in the work or the assumptions for its execution shall be made in writing or at a construction meeting as soon as possible.

Subsection 2. Upon request from one party, the other party shall promptly inform in writing whether a specific work is considered a change necessitating changes to the contract regarding price, time, and security. The contractor is not obligated to commence work until the client has responded.

Subsection 3. If one party has made a request pursuant to subsection 1 regarding changes to the contract concerning price, time, or security, the other party shall promptly notify in writing whether the request is accepted, and if not, shall provide reasons for this.

Subsection 4. The parties shall promptly enter into a written supplementary agreement regarding a change pursuant to § 19 and the resulting changes to the contract regarding price, time, and security. Negotiations on this matter shall not delay the execution of the work.

Obstructions

§ 22. If the contractor finds that the works cannot be carried out as agreed, the contractor shall promptly notify the employer and follow the employer's instructions.

Subsection 2. Where the tender documentation does not contain sufficient information on obstructions, necessary measures and related inconvenience shall be paid as additional work.

Passing of Risk

§ 23. Until handover, the contractor bears the risk for damage or loss of the works and materials, including employer-supplied materials in the contractor's possession.

Subsection 2. The contractor does not bear risk for employer-caused damage or force majeure (war, riots, terrorism, extraordinary natural events).

Subsection 3. Damage caused by contractors to each other's work is irrelevant to the employer.

Subsection 4. The contractor shall maintain the works until handover.

Subsection 5. For parts taken into use before handover, risk passes at the time of use. The employer may carry

out a registration procedure.

Subsection 6. For works in occupied premises, the contractor's risk only covers damage caused by other contractors. Completed works left by the contractor are deemed taken into use.

Employer's Supervision

§ 24. The client may appoint supervision representing the client concerning the organization and execution of the work. The supervision can give and receive notices regarding the work, approve or reject materials or work, and give instructions regarding the organization of the various contractors' work in their mutual relations.

Paragraph 2. The supervision is authorized on behalf of the client to demand or enter into agreements regarding changes in the work and changes in the agreement regarding price, time, and safety as a result thereof, to the extent the supervision's authority is granted to the contractor in writing.

Site Meetings

§ 25. The employer may convene site meetings with the contractor.

Duty to Cooperate and Act in Good Faith

§ 26. The parties shall cooperate in good faith to avoid errors, delays and additional costs. The same applies in relation to other contractors and the supervisor.

D. Payment

Price and Indexation

§ 27. The Contract Sum shall be a fixed price for the portion of the Works performed within 12 months from the date of the tender (the fixed-price period).

Subsection 2. For the portion of the Works performed more than 12 months after the date of the tender, the price shall be adjusted in accordance with the rules set out in AB 18 §§ 34 and 35.

Note: AB 18 is referenced as a defined external standard form. No attempt is made to restate its content.

Payment and Retention

§ 28. Upon written request to the Employer, the Contractor shall, twice monthly, be entitled to payment for contractual work performed and materials respectively executed and delivered to the Site.

Subsection 2. Under the same rules as set out in subsection 1, the Contractor may also claim payment for materials etc. purchased by the Contractor but not yet delivered to the Site. If required by the Employer, the Contractor shall provide security for due contractual delivery, cf. § 8. The amount of such security shall correspond to the requested payment — including value added tax — for the non-delivered materials.

Subsection 3. After Taking-Over, the Contractor shall submit a final and complete Final Account to the Employer, including any amounts due for all variations and additional works. After the Employer's receipt of the Final Account, the Contractor may not raise further claims, except for claims expressly reserved in the Final Account.

Subsection 4. The Final Account shall be submitted to the Employer no later than 25 working days after Taking-Over. However, for main contracts the time limit shall be 35 working days, and for civil engineering works not carried out in connection with building works the time limit shall be 60 working days.

Subsection 5. If the Final Account has not been received by the Employer within the time limit set out in subsection 4, the Employer may, in writing, require the account to be

submitted within 10 working days.

If the account is not submitted within this time limit, the Contractor shall forfeit claims for payment for additional works performed on a daywork basis and for wage and price increases.

Subsection 6. If the Employer considers that a claimed amount is not yet due for payment, the Employer shall immediately notify the Contractor in writing, stating the reasons.

Subsection 7. If the parties disagree on an account, the Employer shall pay the portion of the amount that the Employer does not dispute is due.

Subsection 8. The Employer may retain a reasonable amount as security for the remedying of defects identified at Taking-Over, cf. § 38. Such amount shall be paid to the Contractor as soon as possible after the defects have been remedied.

Due Date, Time for Payment and Interest

§ 29. The Contractor's claims under § 28 shall fall due for payment upon the Employer's receipt of the request for payment and shall be paid no later than 15 working days after receipt.

Subsection 2. Any amount due to the Contractor shall carry interest from the due date at the rate prescribed by the Danish Interest Act. The time limit in subsection 1 shall be calculated in calendar days.

The Contractor's Right to Suspend the Works

§ 30. If the Employer has not paid a due amount by expiry of the time for payment, the Contractor may suspend the Works after giving 3 working days' written notice. However, the notice period shall be 5 working days if the Employer is a public employer or a social housing organisation.

Subsection 2. The Contractor may furthermore suspend the Works immediately if the Employer is declared bankrupt or enters into restructuring proceedings, or if the Employer's financial circumstances otherwise prove to be such that the Employer must be assumed unable to fulfil the contract. This shall be conditional upon the Employer not having provided adequate security for performance of the remaining part of the contract. If the Employer immediately provides such security, the Contractor shall resume the Works.

E. Extension of Time and Delay

The Contractor's Right to Extension of Time

§ 31. The Contractor shall be entitled to an extension of time where the execution of the Works is delayed as a result of:

- a) variations required by the Employer, cf. § 19,
- b) circumstances attributable to the Employer or delay by another contractor,
- c) war, unusual natural events, fire, strike, lockout, blockade, vandalism or similar circumstances arising without the Contractor's fault and beyond the Contractor's control,
- d) rain, low temperatures, strong winds or other adverse weather conditions which prevent or delay the Works, where such weather occurs to a significantly greater extent than is usual for the relevant season and region, or
- e) public orders or prohibitions not attributable to the Contractor.

The Contractor's Liability for Delay

§ 32. Delay which does not entitle the Contractor to an extension of time shall constitute a breach giving rise to liability.

Subsection 2. Where liquidated damages for delay or other specific sanction provisions have been agreed, no further damages for delay may be claimed in addition thereto.

The Employer's Right to Extension of Time

§ 33. The Employer shall be entitled to an extension of time where the Works are delayed as a result of:

- a) variations required by the Employer, cf. § 19,
- b) war, unusual natural events, fire, strike, lockout, blockade, vandalism or similar circumstances arising without the fault of the Employer or another contractor and beyond the control of the Employer or such other contractor,
- c) rain, low temperatures, strong winds or other adverse weather conditions which prevent or delay the Works, including the work of another contractor, where such weather occurs to a significantly greater extent than is usual for the relevant season and region, or
- d) public orders or prohibitions not attributable to the Employer or another contractor.

The Employer's Liability for Delay

§ 34. If the delay is caused by:

- a) circumstances attributable to the Employer and the Employer has acted negligently or wrongfully, or
- b) delay by another contractor which gives rise to liability, cf. § 32(1), or delay by another contracting party which gives rise to liability,

the Employer shall compensate the Contractor for the loss suffered.

Subsection 2. If the delay is caused by:

- a) circumstances attributable to the Employer, without negligence or fault on the part of the Employer and where the circumstance is not comprised by subsection 3,
- b) delay by another contractor, where the circumstance is not comprised by subsection 1 or 3,
- c) variations required by the Employer, cf. § 19, or
- d) public orders or prohibitions not attributable to the Employer or another contractor,

the Employer shall compensate the Contractor for the loss suffered as a result of the delay, except for loss of profit from being unable to undertake other work during the period of delay and other similar consequential losses.

Subsection 3. If the delay is caused by:

- a) war, unusual natural events, fire, strike, lockout, blockade, vandalism or similar circumstances arising without the fault of the Employer or another contractor and beyond their control, or
- b) rain, low temperatures, strong winds or other adverse weather conditions which prevent or delay the Contractor's or another contractor's work, where such weather occurs to a significantly greater extent than is usual for the relevant season and region,

the Contractor shall not be entitled to compensation.

F. Taking-Over

Taking-Over Procedure

§ 35. Immediately prior to completion of the Works, the Contractor shall give the Employer written notice of the date of completion (notice of completion). The Employer shall then convene a taking-over procedure with the Contractor, to take place no later than 10 working days after the notified date. The provisions of the first and second sentences shall also apply to work which, by agreement with the Employer, has been postponed to a later taking-over.

Subsection 2. The Works shall be deemed taken over by the Employer when the taking-over procedure has taken place, unless material defects are identified during such procedure, including defects which substantially prevent use. In such case, a new taking-over procedure shall be held once the Contractor has given written notice to the Employer that the defects have been remedied, cf. subsection 1.

Subsection 3. If the Employer fails to convene the taking-over procedure as stated in subsection 1, the Works shall be deemed taken over 10 working days after the notified date of completion. The same shall apply to a renewed taking-over procedure as referred to in subsection 2, second sentence.

Taking-Over Record

§ 36. At the taking-over procedure, the Employer shall prepare a taking-over record. The record shall specify the defects and any other matters raised by the Employer, as well as the Contractor's comments. Any agreements regarding remedy, including method and time limits and the time for review of the remedial works, shall be recorded. The parties' position as to whether the Works are taken over shall be stated in the record. The record shall be signed by the Employer and the Contractor.

G. Defects

Definitions of Defects

§ 37. If the Works are not carried out in accordance with § 11(1) and (2), a defect shall exist.

Subsection 2. If materials do not comply with the requirements in § 11(1) and (2), a defect shall exist. However, this shall not apply:

a) where, in the case of free choice of materials, the Contractor demonstrates that compliant materials are unavailable or cannot be procured due to war, import restrictions or similar circumstances, or
 b) where the Employer has required the use of a specific or equivalent material and the Contractor demonstrates that procurement in a contract-compliant condition must be considered impossible due to circumstances the Contractor should not have foreseen at contract formation. In such cases, the Contractor shall notify the Employer of the impediments as soon as possible, cf. § 22.

Subsection 3. If a material is unsuitable for its intended purpose, this shall nevertheless not constitute a defect:

a) where, in the case of free choice of materials, the Contractor demonstrates that, according to the knowledge available at the time of construction, the material was considered suitable, or
 b) where the Employer has required the use of a specific or equivalent material and the Contractor has used the prescribed material.

Subsection 4. In all cases, the Works shall possess the properties warranted under the contract.

Subsection 5. Where certain materials are to be supplied with a guarantee imposing obligations beyond the ordinary defects liability under these General Conditions, the Contractor shall only be bound thereby to the extent that

the Contractor is able to procure the materials with the required guarantee and the supplier acknowledges and honours such guarantee. If, in the case of significant deliveries, the Contractor ascertains that the materials cannot be purchased with the guarantee, the Contractor shall notify the Employer as soon as possible.

Subsection 6. The time of Taking-Over shall be decisive in determining whether the Works are defective, regardless of whether such defects are visible or latent at that time.

Defects Identified at Taking-Over

§ 38. Entreprenøren har pligt og ret til at afhjælpe mangler, der påvises ved afleveringen.

Defects Identified After Taking-Over

§ 39. The Contractor shall, for a period of 5 years after Taking-Over, have both the right and the obligation to remedy defects identified after Taking-Over.

Subsection 2. The Employer may only rely on such defects if the Contractor has received written notice within a reasonable time after the defects were or ought to have been discovered. This shall not apply where the Contractor has acted with gross negligence or recklessness.

Loss of the Contractor's Right to Remedy

§ 40. If, after expiry of a time limit for remedy — or after receiving the Contractor's notice that remedy has taken place — the Employer considers that defects have not been remedied, the Employer shall, within 10 working days, notify the Contractor in writing of the defects still invoked. Subsection 2. The Employer shall thereafter be entitled to have the invoked defects remedied at the Contractor's expense (cost of remedial works) or to claim a reduction in the Contract Sum. However, where the Contractor has attempted to remedy all previously invoked defects and the remaining defects constitute only a minor part thereof, the Contractor shall, notwithstanding the first sentence, be entitled to remedy such defects if the remedy is commenced immediately after the Employer's notice under subsection 1.

Cessation of the Contractor's Duty to Remedy

§ 41. The Contractor's duty to remedy and the Employer's right to have remedial works carried out at the Contractor's expense, cf. §§ 38–40, shall lapse if remedy would involve disproportionately high costs. In this assessment, regard shall be had to the Employer's interest in contractual performance. In all cases, the Employer shall retain the right to a price reduction, cf. § 42.

Reduction in the Contract Sum

§ 42. If the Contractor fails to remedy defects as stated in §§ 38–40, the Employer may — instead of having the defects remedied at the Contractor's expense — claim a reduction in the Contract Sum. The Employer shall also be entitled to a reduction where remedy is impossible or would cause significant inconvenience, and in the cases mentioned in § 41.

Subsection 2. The reduction shall, as a starting point, be calculated as the cost of remedying the defects.

Subsection 3. Where remedy is impossible and in the cases mentioned in § 41, the reduction shall be determined on a discretionary basis.

The Contractor's Liability for Consequential Damage and Indirect Loss

§ 43. The Contractor shall be liable for loss resulting from defects in the Works where such defects are due to the Contractor's fault or negligence, or where the defects relate to properties warranted under the contract.

Subsection 2. The Contractor shall not be liable for operating loss, loss of profit or other indirect loss.

The Contractor's Product Liability

§ 44. The Contractor's liability for damage caused by a defect in a product incorporated into the construction works (product liability) shall be limited to the coverage provided under the product liability insurance taken out, cf. § 10(3).

Subsection 2. The Contractor shall not be liable for operating loss, loss of profit or other indirect loss resulting from damage caused by a defective product incorporated into the Works.

Expiry of Defects Liability

§ 45. The Employer's claims against the Contractor arising from defects shall be made no later than 5 years after Taking-Over. After this time, the Employer may not bring claims against the Contractor.

Subsection 2. Where the Contractor has remedied defects notified by the Employer, a new period under subsection 1 shall run for claims relating to those defects, calculated from completion of the remedial works, but not extending beyond 3 years after expiry of the original 5-year period.

Subsection 3. Where the Employer's claim concerns movable items and equipment not specially adapted or permanently installed, the period in subsection 1 shall be reduced to 2 years.

Subsection 4. Notwithstanding subsections 1–3, the Employer's claims shall be preserved where:

- a) the Contractor has undertaken to be liable for a longer period,
- b) it is established at Taking-Over that agreed quality assurance has materially failed, or
- c) the Contractor has acted with gross negligence or recklessness.

H. Inspection

1-Year Inspection

§ 46. The Employer shall convene the Contractor to an inspection of the Works, which shall take place no later than 1 year after Taking-Over.

Subsection 2. Notice of the inspection shall be given in writing with no more than 60 and no fewer than 15 working days' notice — for main contracts, however, at least 20 working days.

Subsection 3. At the inspection, the Employer shall prepare an inspection record stating the defects in the Works and any other matters raised by the Employer, together with any comments from the Contractor and any agreements on remedial works, including method and time limits.

Subsection 4. If a party fails to attend the inspection, the attending party may carry out the inspection without the participation of the absent party and shall send the record to the absent party as soon as possible.

I. Termination

The Employer's Right of Termination

§ 47. Following written notice of default, the Employer may terminate the contract in whole or in part:

- a) if there is a material delay attributable to the Contractor in the execution of the Works which gives rise to liability and which causes significant inconvenience to the Employer,
- b) if there is otherwise a material delay by the Contractor in matters of decisive importance to the Employer,
- c) if the quality of the performed work is such that the Employer has reasonable grounds to assume that the Contractor will not be able to complete the Works without material defects, or

d) if there is otherwise a material breach by the Contractor in matters of decisive importance to the Employer.

The Contractor's Right of Termination

§ 48. Following written notice of default, the Contractor may terminate the contract:

- a) if there is material delay due to circumstances attributable to the Employer or delay by another contractor and the Employer does not make reasonable efforts to promote the progress of the Works as far as possible, or
- b) if there is otherwise material delay or breach by the Employer in matters of decisive importance to the Contractor.

Common Rules on Termination

§ 49. Termination shall be made in writing.

Subsection 2. Simultaneously with termination, the terminating party shall convene a joint inspection for the purpose of recording the status of the Works (status inspection), to be held as soon as possible. Unless otherwise agreed, the status inspection shall be held no earlier than 1 working day after receipt of the notice convening it. In case of disagreement regarding the status of the Works, the status inspection may be carried out by expert appraisal appointed by the Arbitration Board, cf. § 52.

J. Disputes

Escalation Ladder

§ 50. A dispute between the parties shall first be sought resolved by negotiation in accordance with AB 18 § 64(1–3).

Subsection 2. Mediation, conciliation, expedited decision and arbitration cannot be initiated before the negotiation procedure under AB 18 § 64 has been completed. The same applies to expert appraisal, unless such appraisal is initiated to secure evidence.

Mediation and Conciliation

§ 51. Upon request by a party, the Arbitration Board shall appoint a mediator to seek settlement of a dispute in accordance with AB 18 § 65(1) and (3–9).

Subsection 2. Mediation cannot be initiated if a party requests the dispute to be decided by expedited decision and submits such request no later than 10 working days after mediation has been requested.

Expert Appraisal

§ 52. Upon request by a party, the Arbitration Board shall appoint an expert appraisal to secure evidence or assess factual matters in accordance with AB 18 § 66(2–8).

Subsection 2. If a party has requested a decision regarding provided security or an expedited decision, expert appraisal on the same matters cannot be appointed until that case has been concluded, unless the purpose is to secure evidence.

Expedited Decision

§ 54. Upon request by a party, the Arbitration Board shall appoint an adjudicator to render an expedited decision in accordance with AB 18 § 68(1) and (3–12).

Subsection 2. Expedited decision proceedings cannot be initiated if arbitration proceedings concerning the same dispute are pending.

Arbitration

§ 55. Disputes between the parties shall be finally settled by arbitration before the Arbitration Board in accordance with AB 18 § 69(3–8).

Subsection 2. Arbitration proceedings cannot be commenced until 4 weeks after the negotiation process under AB 18 § 64 has been concluded. Arbitration cannot be commenced while mediation, conciliation, expedited decision or security decision proceedings regarding the same dispute are pending.

K. Reservations

Retention of Title

Strøm Hansen reserves, subject to mandatory law, title to products delivered in connection with the services until full payment has been made by the Buyer. Until such time, the Buyer may not sell, pledge or otherwise dispose of the plant/product. From the time of delivery, the Buyer bears the risk for any damage to the delivered equipment.

Technical Reservations

A. Protection against indirect contact is assumed to be established in accordance with the minimum requirements of applicable standards unless otherwise specified in the tender documents.

B. Responsibility for pre-assembled apparatus and machines not supplied by the electrical contractor is limited to connection in accordance with wiring diagrams. Commissioning is assumed to be carried out by the Employer.

C. Consumer items and electrical appliances supplied by the Employer are assumed to include necessary connection cables and usable plugs unless otherwise stated in the tender documents.

D. Building components whose nature and installation are not further specified are assumed to be as follows:

1. Brick and wall materials not harder than standard brick (not hard-fired).
2. Timber formwork used for concrete casting.
3. Prefabricated elements manufactured and installed so that installation work can be carried out without obstruction.
4. Pipes, boxes, etc. positioned in prefabricated elements so that wiring and installation can be carried out without obstruction.

L. Recruitment and Employment Conditions

Recruitment of Strøm Hansen Employees

If, within a period of 12 months from the end of the project period, the customer hires an employee of Strøm Hansen A/S, the customer shall pay a recruitment fee corresponding to 3 months of full billable value for the relevant employee to Strøm Hansen A/S.