

General Terms and Conditions for Labour Hire

Foreword

The Norwegian Federation of Service Industries and Retail Trade, an affiliate of the Norwegian Confederation of Norwegian Enterprise (NHO), in cooperation with the recruitment industry in Norway, have prepared this contract.

This contract regulates the general contractual conditions between the hiring company and the recruitment agency, and includes labour hire when the hiring company has the right to instruct the employee with responsibility for daily guidance and work supervision. These general terms and conditions of contract are supplemented by assignment-specific terms and conditions that are confirmed in writing for each assignment in the assignment confirmation.

1. Representatives of the Parties

The parties shall keep each other updated about their representatives at all times. The representatives shall have the power of attorney to act on behalf of the party concerned to enable the labour hire contract to be executed without any unnecessary complications.

2. Priority of the Contract Documents

Should the provisions of the contract documents contravene each another, the documents shall take precedence in the following order:

- a) Assignment confirmation for each assignment.
- b) Recruitment Agency's quote with specifications.
- c) The hiring company's order, offer/invitation to tender with specifications.
- d) General terms and conditions of the contract.

3. Price Clause

3.1 Pricing

The Recruitment Agency's prices are based on the principle of equal treatment, and rely on full and correct information from the hiring company regarding the company's pay and employment conditions pursuant to the requirements of the law and Clause 4.2 below.

Upon the request of the hiring company, the recruitment agency shall document the pay and working conditions agreed with contract workers.

The recruitment agency's prices for each effective working hour cover all costs connected to the work associated with the labour hire, such as the contracted worker's pay; social costs, for example, holiday pay; occupational injury insurance any sick pay; employer national insurance contributions; administration; obligatory occupational pension (OTP) and general profit. Potential overtime pay, inconvenient working hours, shifts, etc., in accordance with Clause 11, remuneration for leisure time equivalent to the hiring company's employees in accordance with Clause 3.2, and access to joint benefits and services in accordance with Clause 7 below, shall be added.

The recruitment agency's services are subject to VAT, except for agency work connected to labour hire for work within the health services or alternative therapy, labour hire for work within the social services, or teaching in accordance with the exceptions set out in the Norwegian VAT Act, Section 3-2 and subsequent sections. VAT is added to prices in accordance with the section above.

The minimum billed working time is four hours per day.

3.2 Payment

The hiring company is billed every 14 days based on the hours worked and the leisure time the hiring company is obliged to remunerate according to the equal treatment rules set out in the Norwegian Working Environment Act, Section 14-12 (a). Contracted employees are remunerated for travel expenses according to the same rules applicable to the hiring company's employees. Such expenses are charged with the addition of administration costs.

The payment terms are net cash within 10 days. In the event of overdue payment, the hiring company pays overdue payment interest pursuant to the Act of 17 December 1976, No. 100, relating to overdue payments.

3.3 Price adjustments

The hourly price for the agreed assignment period is proportionally adjusted to the corresponding changes to the pay and working conditions of the hiring company's own employees and, therefore, the contract worker during the assignment period according to the principle of equal treatment set out in Clause 4.2 below. If the hiring company does not provide full and correct information, or inform the recruitment agency about relevant changes to the company's own pay and working conditions in time, the recruitment agency may retroactively change the price and demand a back payment.

Should any amendments be made to laws, regulations or collective agreements after the assignment has been agreed, the recruitment agency can also adjust the price or other conditions for the assignment to cover necessary and documented additional costs resulting from the amendments. Such adjustments will be effectuated upon entry into force of the amendments.

4. Entering into an Assignment Agreement

4.1 Assessment of needs and selection of candidates

After receiving a written or oral order for an assignment, the recruitment agency will find a candidate for the assignment. Once a suitable candidate has been found, the hiring company is contacted for information about the candidate's qualifications and background. If the client would like to have more suitable candidates than agreed, the recruitment agency is entitled to remuneration for each additional candidate.

4.2 Hiring company's duty to provide information about pay and working conditions. Principle of equal treatment

The hiring company shall provide the recruitment agency with the information that is required to enable the agency to fulfil the legal requirement of equal pay and working conditions pursuant to the Norwegian Working Environment Act, Section 14-12 (b) (1) and Section 14-12 (a) or the Civil Service Act, Section 11.

The information shall cover the conditions that would have been applied if the hiring company had employed the contracted worker to perform the same work with regard to the following:

- a) Agreed working hours – length and placing.
- b) Overtime
- c) Duration and placing of breaks and periods of rest.
- d) Night work
- e) Holidays, holiday pay, days off and remuneration for such days.
- f) Pay and coverage of expenses.

The hiring company shall also give the recruitment agency information about the company's own joint benefits and services in accordance with Clause 7 below.

The hiring company's duty to provide information regarding pay and working conditions, and joint benefits and services, applies when entering into assignment agreements and throughout the duration of the assignment. While the assignment is in progress, the hiring company shall keep the recruitment agency continuously informed about expected and relevant potential changes to the company's pay and working conditions as soon as possible, and always prior to implementation for the hiring company's own employees where possible. The hiring company is responsible for providing the aforementioned non-exhaustive and updated information in order to fulfil the requirements of the law for equal treatment of the hiring company and recruitment agency.

Under the duty of confidentiality, the hiring company's employee representative can demand information/documentation from the hiring company to show that the contract worker's pay and working conditions fulfil the requirements of equal treatment pursuant to the Norwegian Working Environment Act, Section 14-12 (b), or the Civil Service Act, Section 11. The contract worker can demand the equivalent conditions from the recruitment agency. Such disclosure may include information the hiring company has given the recruitment agency regarding the company's own pay and working conditions.

4.3 Written assignment confirmation

Once the orderer has approved the candidate, the recruitment agency sends a written assignment confirmation specifying, for example, the name of the contracted worker, the agreed date, place, duration, work tasks, price, pay, holiday pay and other important working conditions. The hiring company shall review the contents of the assignment confirmation and is responsible for notifying the recruitment agency without undue delay of any errors or shortcomings in the content.

4.4 Documentation of the basis for hiring

If the basis for hiring is authorised pursuant to the Norwegian Working Environment Act, Section 14-12 (2), the hiring company shall provide documentation upon the request of the recruitment agency showing that the hiring company is bound by a collective agreement entered into with a trade union with nominating rights and that an agreement has been entered into with employee representatives for fixed-term hiring. This will enable the recruitment agency to fulfil its obligations towards the Norwegian Labour Inspection Authority pursuant to the Norwegian Working Environment Act, Section 14-12 (2), second sentence.

The hiring company is responsible for assessing the extent to which the basis for hiring contract workers is legal.

5. Changes

The hiring company is not permitted to change the assignment with the contract worker without a prior written agreement with the recruitment agency's representative. If the work is changed and would have resulted in better pay or other working conditions, if the employee had been employed by the hiring company to perform the changed work tasks, the price/conditions will be proportionally increased with effect from the date of the change.

6. Extension of the Assignment

Should the hiring company wish to extend the assignment beyond the agreed period, a written notification must be sent to the recruitment agency at the earliest opportunity. The recruitment agency will subsequently try to arrange an extension agreement with the employee. Upon acceptance, the extension must be confirmed in writing with a new assignment confirmation.

7. Access to the Hiring Company's Joint Benefits and Services

The hiring company shall inform the recruitment agency about all the company's joint benefits and services for its own employees, for example, a canteen, corporate childcare, transportation, gym, cloakroom, etc. The contracted employee shall have access to such benefits and services on the same terms and conditions as the hiring company's employees, unless objectively justified pursuant to the Norwegian Working Environment Act, Section 14-12 (a) (2), or the Civil Service Act, Section 11.

All costs associated with such access to the hiring company's joint benefits and services are borne by the hiring company in the same way as they are covered for the hiring company's employees.

8. Responsibility for Managing and Following up Employees

Contracted workers fall under the hiring company's management and instruction, and shall be integrated into the hiring company's work. The recruitment agency is responsible for making the right choice based on the hiring company's requested formal competence and reference checks. As such, the recruitment agency's liability is limited to cases where negligence during the selection process can be documented. The hiring company is liable for any damages/losses/omissions suffered by the hiring company or third parties due to errors or misconduct on the part the contracted worker during execution of his/her work. The recruitment agency's liability towards the hiring company, however, is limited to the matters covered by the recruitment agency's insurance schemes.

Contracted workers shall always follow the rules and instructions of the hiring company, and work under the hiring company's management and control. The hiring company is responsible for ensuring that the working conditions at the workplace comply with the provisions of the Norwegian Working Environment Act and are adapted to enable the contracted worker to perform his/her work.

9. Assumed Qualifications, Attendance

The recruitment agency is obliged to provide personnel who fulfil the hiring company's requirement specifications. If the contracted worker does not, however, fulfil the qualification requirements set out in the order, does not turn up or cannot complete the assignment for other reasons, the agency shall provide new qualified personnel at the earliest opportunity. The recruitment agency has a quality assurance system to ensure that services meet the hiring company's needs and quality requirements. The recruitment agency is not responsible if the hiring company or a third party prevents the contracted employee from performing their work.

The recruitment agency's workers shall not work with or have responsibility for keys, money and securities without the written consent of the agency.

10. Responsibility for Health, Safety and the Environment (HSE) and Statutory Safety Rules

The hiring company is considered the main employing company with responsibility for coordination pursuant to the Norwegian Working Environment Act, Section 2-2, and shall provide a fully sound working environment for contracted workers and permanent employees pursuant to the Norwegian Working Environment Act, Section 2-2 (1) (b).

In terms of the hiring company's HSE rules, etc., the company shall inform, train and check contracted workers in the same way as its own employees, ensure that the worker is covered by the hiring company's safety services and give the worker information about his/her local safety representative at the company.

The recruitment agency's consultant and safety ombudsperson must be able to access to the hiring company to assess the working environment and to contact the company's safety services as and when needed. In addition, the hiring company is also responsible when the coordination of work schedules is necessary for safety reasons.

11. Overtime and Supplements

The hiring company shall ensure that the contracted worker's working hours comply with the provisions of the Norwegian Working Environment Act, Chapter 10, cf. the Working Environment Act, Section 2-2 (1) (c). In the event of overtime, the recruitment agency's consultant shall continuously be informed of its scope.

In accordance with the principle of equal treatment in Clause 4.2 and pricing in Clause 3.1, overtime, shifts, inconvenient working hours and other pay supplements are proportionally billed and added to the agreed price in the same way as if the contracted employee was an employee of the hiring company.

12. Joint and Several Liability

Along with the recruitment agency, the hiring company is jointly and severally liable for ensuring that the contracted worker receives the correct pay, holiday pay and other remuneration pursuant to the requirements of the Act relating to equal treatment as set out in Clause 4.2. See the Norwegian Working Environment Act, Section 14-12 (c) or the Civil Service Act, Section 11.

If the hiring company is obliged to fulfil its responsibility for joint and several liability, the company can seek recourse from the recruitment agency for all associated costs, unless the claim arises from insufficient information on the part of the hiring company about the principle of equal treatment as set out in Clause 4.2. In the event of the latter, the breach of contract provisions set out below in Clause 16 will be applied.

13. Duty of confidentiality

Information exchanged between the parties must not be divulged to third parties without the written consent of the other party. This also applies after termination of the assignment.

The hiring company cannot use the recruitment agency's documents, price calculations, plans, etc., when gathering competing price quotes, etc.

The recruitment company's employees are subject to the duty of confidentiality in relation to company secrets and other descriptions, patterns, models, personal data, etc., the employee becomes familiar with during the assignment. The recruitment agency's employees are not permitted to remove written work materials or documents from the hiring company's premises without obtaining special permission to do so.

The hiring company, recruitment agency and employee representatives at the hiring company are subject to the duty of confidentiality in relation to information they receive regarding the pay and working conditions of the hiring company and recruitment agency pursuant to the Norwegian Working Environment Act, Section 14-12 (b) (5) or the Civil Service Act, Section 11. The information can only be used to safeguard or investigate compliance with the requirement of equal treatment.

14. Property/User Rights and Exclusivity

The hiring company has full copyright and property rights to all source materials and results of the work performed by the contracted worker for the client. Contracted workers have the right to use acquired knowledge during the course of his/her own work off the premises of the hiring company. The above does not, however, include competition sensitive information.

The hiring company is obliged to abstain from entering into contracts with other recruitment companies or competing businesses for services covered by the contract herein for the full term of the contract.

15. Breach on the Part of the Recruitment Agency

15.1 Complaints

Any complaints from the hiring company must immediately be reported in writing to the recruitment agency's representative. A breach cannot be invoked without the latter complaint.

15.2 Remediating shortcomings

Both parties can demand that insufficient qualifications or poor attendance on the part of the contracted worker is remedied by replacement with another worker if this can be arranged without an unacceptable amount of inconvenience or high costs.

With insufficient documentation of pay and working conditions, and insufficient pay and working conditions pursuant to the equal treatment rules set out in the Norwegian Working Environment Act, the recruitment agency is entitled to back payment for the difference for the employee within 14 days from the date the breach was detected and pointed out in writing by the hiring company.

15.3 Right to withhold payment and price discounts

The hiring company can withhold payment for the part of the work affected by the breach until remedying takes place. If the breach is not remedied, the hiring company can demand a proportional price discount. The hiring company cannot demand a price discount if the company or third party prevents the recruitment agency from delivering the agreed service or from remedying shortcomings.

15.4 Compensation

The hiring company can demand compensation for documented financial losses resulting from the liability of the recruitment agency under the contract herein. The recruitment agency is not responsible for consequential losses.

The recruitment agency is only responsible for financial losses, such as losses directly arising from documented negligence in connection with selecting workers or in cases when workers are not selected in time. The contracted worker falls under the hiring company's general management, instruction and monitoring in accordance with Clause 8. In addition, the recruitment agency is not responsible for work results.

If the recruitment agency is negligent during the selection of employees, the hiring company cannot make any claims against the recruitment agency if the shortcoming is remedied or remedying is offered. Regardless of this, the recruitment agency is not responsible if the hiring company selected the contracted employee.

Compensation can only be claimed for physically caused damage. Operational losses, loss of use, compensation for third parties or similar are not replaced. Damage caused by fire or an explosion is not compensated. The hiring company is responsible for any lost keys/access cards, if issued by the company

15.5 Rescindment

In the event of gross breach on the part of the recruitment agency, where the breach is not remedied within an acceptable time frame, the hiring company is entitled to rescind the contract.

When entering into framework agreements or agreements for multiple deliveries/assignments, the breach of one assignment/delivery will only give the right to rescind (or other remedies for breach) the assignment/delivery the breach concerns. The parties' contractual obligations for the other parts of the whole contract are not affected. Thus, other remedies for breach cannot be applied to other parts of the whole contract that have not been breached.

16. Breach on the Part of the Hiring Company

16.1 Breach of the duty to inform and consequence for equal treatment rules

Throughout the period of the assignment, the hiring company is objectively liable towards the recruitment agency for all financial losses resulting from a breach of the duty to inform the recruitment agency of any information relevant to equal treatment in relation to pay and working conditions in accordance with Clause 4.2.

The hiring company shall document the necessary information as soon as possible upon the written request of the recruitment agency. If the hiring company does not meet the demands of the recruitment agency and employee representatives for such information within three working days, the recruitment agency can terminate the continuing assignment agreement and/or demand compensation for the agency's financial losses.

16.2 Non-payment

In the event of non-payment, the recruitment agency can withhold its services until payment is received. With gross breach, the recruitment agency has the right to terminate the contract. If the hiring company does not pay within seven days after receiving a written warning, the recruitment agency is entitled to terminate the contract.

With breach of the payment terms, overdue payment interest will be charged in accordance with the Norwegian Act relating to interest on overdue payments. If the hiring company has breached the payment terms earlier, the recruitment agency can demand advance payment for future labour hire.

Should the recruitment agency terminate the contract due to a breach of the payment terms, the agency has the right to claim compensation in accordance with the right to compensation rules and principles. In the event of insufficient other documentation, the recruitment agency is entitled to a compensation sum corresponding to 20% of the agreed payable amount for the remaining portion of the contract term.

16.3 Breach of the duty of confidentiality, exclusivity, etc.

With breach of the provisions governing the duty of confidentiality and prohibition against using information to gather competing quotes set out in Clause 13, or exclusivity in Clause 14, the recruitment agency is entitled to the payment of at least 30% of the annual contract sum without additional compensation claims being ruled out.

17. Cancellation and Termination in Cases other than Breach

Each confirmed and/or commenced assignment is considered binding for both parties and cannot be cancelled before expiration of the agreed term.

18. Insurance

Occupational insurance has been taken out for all contracted workers.

19. Miscellaneous Provisions

19.1 Contracted personnel and data protection

It will be necessary to process or exchange the personal data of contracted workers to fulfil statutory employer/hiring company liabilities pursuant to the Norwegian Working Environment Act and regulations, for tax purposes and to complete the operative parts of the agreement herein.

In terms of the processing of personal data of contracted workers (exchange of personal data, storage, registration, etc.) by and between the recruitment agency and hiring company, each of the parties to this agreement are independently liable pursuant to the Norwegian *Act relating to the processing of personal data (Personal Data Act)*.

The recruitment agency has employer responsibilities for the contracted worker and is the data controller for its employees. By 'data controller' it means a physical or legal person, who independently or with others, decides the reason for processing personal data and the processing methods used. Similarly, the hiring company is considered an independent data controller. Consequently, both parts are independently responsible for ensuring that:

- personal data is only processed for specific, expressed, designated and legitimate purposes;
- the parties limit the volume of collected personal data to the volume that is necessary to realise the purpose of collection; the data is deleted or anonymised when they are no longer required for the purpose they were collected;
- the information is processed in a way that maintains *integrity, confidentiality* and *accessibility*. This means that the data controller must ensure that measures are implemented to prevent accidental and illegal destruction, loss and changes to personal data.

Should the parties enter into additional agreements, e.g., regarding recruitment on behalf of the hiring company, and the respective data is collected by the client, the parties shall consider whether the Norwegian Personal Data Act requires a data controller agreement for the applicable part.

20. Force Majeure

In the event of force majeure, including a strike in one's own company and all types of labour conflicts, all the parties obligations will be waived for the duration of the force majeure situation, provided that the hiring company notifies the recruitment agency without undue delay. In the event of a strike, the hiring company shall continuously update the recruitment agency about the need for continued labour hire.

Hiring company

Recruitment agency