

This document is a translation from Swedish of the document designated ABSE 09. Consequently, Swedish law will apply. If there is any ambiguity in the interpretation of the meaning of the English wording, the Swedish version shall apply.

Standard Conditions

FOR FORESTRY-RELATED CONTRACTING, ABSE 09

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The web site, www.apse.se, contains additional information about ABSE 09 and contracting agreements, as well as ABSE 09 and contract templates in digital format.

TABLE OF CONTENTS

Foreword.....	2
Definitions	3
Chapter 1 Applicability.....	4
Chapter 2 Performance	5
Chapter 3 Organization	6
Chapter 4 Times.....	7
Chapter 5 Liability and remediation.....	8
Chapter 6 Financial matters.....	10
Chapter 7 Rescission and withdrawal.....	11
Chapter 8 Disputes.....	12

Foreword

These Standard Conditions are intended to be used for various types of contracted work in the forestry sector, such as logging, forest fuel extraction, cleaning, regeneration, scarification and fertilization. These conditions, however, are not intended to be used in road construction, as there are general conditions for construction, civil engineering, and installation works that can be used for this.

The definitions shall be instructive in the application and interpretation of these conditions.

These conditions are written on the basis of contracted works where the remuneration is on the basis of unit prices for quantities of work actually performed.

ABSE 09 is based on a balance between rights and obligations aimed at achieving an economically optimal division of risk between the parties. Changes in these provisions should therefore be avoided. The introduction of optional clauses (Sw. *Täckbestämmelser*), leaves the parties free to change certain provisions of ABSE 09 based on the conditions of the contracting situation in question. The optional clauses are indicated by the wording "if the parties have not agreed otherwise ". A deviation from an optional clause in other contract documents is not to be considered as a conflicting provision or information in relation to ABSE 09, as this clause is defined in Chapter 1 § 3.

In addition to the provisions of ABSE 09, the planning and organisation of the parties are important factors in being able to achieve a result in accordance with their agreement. The parties should therefore find ways to conduct a continuing dialogue, as well as display openness and trust for their mutual benefit. Good cooperation, communication and clarity are necessary in order to reach the intended result in all kinds of contracted work.

In the preparation of ABSE 09, a great deal of attention has been directed to issues related to the work environment, and to values of the natural and cultural environment. In addition, it is important that the parties conduct their operations in a serious manner so that applicable laws, agreements and generally accepted labour market practices are not disregarded.

Definitions

ABSE 09: These Standard Conditions for Forestry-related Contracting.

Work: Work performed, as well as equipment, goods and materials used in conjunction with that work.

Defect: When part of the contracted work has not been performed.

Self-checking: The monitoring of work performed that the contractor is required to document in writing according to the agreement between the parties.

Contracted work: Work that is included in the contractor's undertaking according to the contract documents and later agreements made by the parties during the term of the contract.

Error: A deviation that means that the contracted works was not performed in a manner pursuant to the contract.

Law: Statute, regulation or other binding rules according to Chapter 8 of the Constitution Act.

Equipment: Device needed to the performance of the contracted work, including transport. Examples of equipment include machinery, vehicles, hand tools and instruments.

Contract documents: The contract, as well as those documents appended thereto, or documents that the aforementioned documents cite as applying to the contracted work.

Term of contract: The time indicated in the contract documents for the performance of the contracted work.

Basic amount: the basic amount (*Basic Amount*) (not raised) pursuant to the National Insurance Act (1962:381).

Coordination tract: Two or more tracts that can be coordinated to increase work efficiency.

In writing: information that can be read and stored. The modes of transmission of this information include mail, fax and e-mail.

Tract: The geographical area within the area of operations in which the task is to be performed (the object).

Tract directive: Work regulations that the principal gives the contractor in conjunction with the sub-ordering of the tract task.

Tract task: A sub-ordered component task forming part of the contracted work. The tract task is considered sub-ordered at the time the contractor has received the tract directive.

Sub-contractor: Person or entity performing work pursuant to contract for the contractor as part of the contracted work.

Area of operations: The geographical area within which the tract task is to be performed.

Chapter 1

APPLICABILITY

Work pursuant to the contract	§1	<p>The Contractor undertakes to perform the amounts of work quantified in the contract in accordance with the contract documents.</p> <p>The Contractor should be sufficiently flexible to perform increased or decreased quantities of work within the limits indicated in the contract documents.</p>
	§2	<p>The contract documents supplement each other, unless circumstances indicate otherwise.</p>
Conflicting information	§3	<p>In the event of conflicting provisions or information in the documents, the documents shall apply in the following order, unless circumstances indicate otherwise:</p> <ol style="list-style-type: none">1. Contract documents:<ol style="list-style-type: none">1.1 Contract1.2 ABSE 091.3 Appended mutually agreed remuneration form1.4 Appended task description1.5 Appended mutually agreed checklist1.6 Other appended or cited documents2. Tender documents:<ol style="list-style-type: none">2.1 Tender2.2 Completed checklist2.3 Remuneration form with rates entered2.4 Other documents3. Invitation to tender documentation:<ol style="list-style-type: none">3.1 Task description3.2 Check list3.3 Remuneration form3.4 Other documents
	§4	<p>If the same document contains conflicting facts or provisions, the fact or provision that would result in the lower cost for the Contractor shall apply, unless circumstances obviously indicate otherwise.</p>
Responsibility for information	§5	<p>The party that supplies information in documents shall be responsible for its accuracy. The approval of the other party shall not release the first party from liability.</p>
Knowledge of circumstances	§6	<p>The Contractor shall be obligated to obtain the necessary knowledge regarding facts of importance to the performance of the contracted work. This shall not limit the Principal's liability pursuant to § 5 of this chapter.</p>
Professional assessment	§7	<p>If, at the time of the submission of the tender, information is lacking as to a given set of facts, these circumstances shall be deemed discoverable by the assessment of a professional.</p>
Material, etc	§8	<p>If the parties have not otherwise agreed, the Contractor, at its own expense, shall be required to obtain everything needed for the performance of the contracted work, including vehicles, machinery, equipment, fuel, hand tools and transportation.</p>

Permits	§9	The Principal is required to secure and pay the cost of the required permits for the stipulated performance of the contracted work.
Notification	§10	The Principal is required to arrange and pay the costs of the required notifications regarding the performance of the contracted work.
Compliance with law	§11	<p>The Contractor is responsible for ensuring the compliance with laws and government regulations to the extent they apply to the Contractor's obligations. These include but are not limited to norms relating to occupational safety, the natural and cultural environment, stacking at landing, and traffic regulations.</p> <p>If laws and government regulations are supplemented or replaced, the new wording shall apply.</p>

Chapter 2

PERFORMANCE

Performance of contracted work	§1	The Contractor is required to perform the contracted work pursuant to the contract documents as well as the tract directives, instructions and regulations pertaining to application that the Principal may submit to the Contractor during the term of the contract.
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The Contractor is required to perform the work in a professional manner, and is obligated to verify the information and other matters of importance to the task that the Principal may supply. This does not limit the Principal's liability pursuant to Chapter 1 § 5.

The Contractor is required to the greatest extent possible to prevent the contracted work from causing damage or injury to land, roads, water, and remaining forests, as well as to especially take into account objects relating to the natural and cultural environments.

The Contractor shall be required to take into account the Principal's interests, and complete the task so that the Principal receives the best production engineering and financial results.

Tract directives	§2	The Principal shall be required to submit tract directives sufficiently in advance of the commencement of a tract task. A tract directive shall clearly state the rules for every specific object.
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Machinery equipment	§3	Machinery and equipment included in the contracted work are required to be in satisfactory conditions, and to comply with the requirements of the Principal, as well as with applicable laws and government regulations.
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Duty to notify	§4	The parties are required to keep each other informed regarding circumstances that can be deemed to be of significance for the contracted work. After this notification, the parties, without delay, shall consult with each other, and if required, the Principal shall provide information on the continued conduct of the work.
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The Principal is responsible for foreseeable and typical damage or injury as a result of information issued about routes or work relating to fire hazards, for example. However, the Contractor is always obligated to do its own professional risk assessments. as well as to take reasonable measures to avoid and limit this

Chapter 3

ORGANIZATION

Work supervision	§1	<p>Unless the parties have agreed otherwise, the Contractor shall have sole authority to supervise the performance of the contracted work.</p> <p>The Contractor is required to have competent supervision for the performance of the contracted work.</p>
Personnel	§2	<p>The Contractor is responsible for ensuring that its own personnel and the personnel it hires possess the knowledge and capability needed to perform the contracted work in an efficient, professional, and safe manner.</p> <p>The Contractor is responsible for ensuring that its own personnel and the personnel it hires participate in the training and information activities designated by the Principal. The Principal will pay the cost of this training and information. However, the Contractor shall be responsible for the wage expenses of the participating personnel (including social insurance payment, annual leave compensation, contract-related costs, etc) of up to five days per employee and year.</p>
Occupational safety measures	§3	<p>If the Contractor conducts operations together with one or more other contractors at the same workplace, the Contractor is required to consult with the other contractors, and together with these, arrange for satisfactory occupational safety on the workplace, as well as, if necessary, promote agreement regarding which of the contractors should be responsible for the coordination of protective measures to prevent poor health and accidents at their common workplace.</p>
Protection and safety	§4	<p>The Contractor is responsible for providing its own personnel and the personnel it hires with information and training regarding the applicable regulations and recommendations regarding the work environment, particularly as these relate to security and safety. The required safety equipment must always be used.</p>
Fire protection measures	§5	<p>Unless the parties have otherwise agreed, the Contractor, in cases where there is a risk of fire in forested or other rural areas, has sole responsibility to monitor the situation, as well as to ensure that the required fire extinguishing equipment is available at the workplace, and in the vicinity of vehicles and machinery.</p> <p>The Contractor is required to continually keep updated regarding SMHI's fire risk forecasts for those parts of the area of operations where the work is performed.</p> <p>In cases of fire risk index values of 4, 5 and 5E, the Contractor is required to consult with the Principal before the work is performed.</p> <p>The Contractor is responsible for ensuring that its own personnel and the personnel it hires have completed training in the handling and use of fire extinguishing equipment.</p>
Initial meeting	§6	<p>Unless the parties have agreed otherwise, an initial meeting is required to be held before the commencement of the contracted work. At such a meeting, the parties are required to review the contract documents, further detail the forms for the sharing of information and coordination between the parties, as well as deal with other issues of importance.</p> <p>The Principal is responsible for arranging, convening, and keeping notes of that meeting.</p>

Development meetings	§7	<p>Development meetings should be held as mutually agreed by the parties. At these meetings, the parties shall evaluate their cooperation and sharing of information, as well as submit suggestions for improvements where needed.</p> <p>The Principal is responsible for arranging, convening and keeping notes of these meetings.</p>
Self-checking	§8	<p>If the parties have not agreed otherwise, the Contractor, no later than in conjunction with invoicing, shall report on the stipulated checks regarding the work performed.</p>
Inspection by the Principal	§9	<p>The Principal will check the work of the Contractor to the extent the Principal determines appropriate. This inspection shall not constitute any limitation on the contractual liability of the Contractor. To the extent possible, inspections should be performed so as not to interfere with the contracted work.</p>
Areas of operation	§10	<p>The Contractor is entitled to use the tracts relating to the tract task, and otherwise use the area of operations in the manner required for the performance of the contracted work. The Contractor, however, shall always comply with the instructions contained in any tract directives received.</p>
Business tax certificate, etc	§11	<p>The Contractor is required to hold a valid business tax certificate and be registered for VAT in Sweden, as well as perform its obligations regarding the payment of taxes and social insurance fees.</p>
Assignment	§12	<p>No party may assign the contract to another, without the written consent of the first party.</p>
Sub-contractors	§13	<p>The Contractor may not hire a sub-contractor without the Principal's written consent.</p> <p>The Contractor is required to ensure that the sub-contractors hired observe the provisions of the contract documents that relate to their undertaking.</p> <p>If a sub-contractor fails to comply with the provisions set out in the previous paragraph, the Contractor shall be required, free of any costs to the Principal, to rescind the contract with that sub-contractor, without undue delay, unless the Principal and the Contractor agree otherwise, and the matter concerns an excusable omission that is remedied directly after it was pointed out.</p>

Chapter 4

TIMES

Schedule	§1	<p>The contracted work and the sub-ordered tract task that forms a part of it, must be performed according to established schedules, and be completed by the delivery times agreed.</p>
Handover	§2	<p>The contracted work will be handed over gradually in connection with the completion of each tract task.</p>

A completed tract task is deemed handed over when the Contractor has completed the work, and signed off on that tract or coordinated tract.

The Contractor, in the self-checking it submits pursuant to Chapter 3 § 8, shall notify the Principal of the time at which the tract task in question was completed and handed over.

Duty to notify §3 The Contractor, without undue delay, shall notify the Principal regarding circumstances that the Contractor realized, or should have realized, would result in the stipulated quantities not be able to be completed within the stipulated delivery times.

Chapter 5

LIABILITY AND REMEDIATION

Performance bond §1 If there is a deviation from the contract with regard to the stipulated quantities, the Contractor, upon the expiry of the stipulated times for delivery, is required to produce a performance bond, in conformance with the contract. In addition to the stipulated performance bond, no further damages will be paid for deviations with regard to the stipulated quantities.

If the parties have not agreed on a performance bond, the Principal shall be entitled to compensation for demonstrated damage due to deviations from the contractual quantities according to the previous paragraph.

Adjustment §2 The Contractor's obligation to produce a performance bond or damages according to § 1 of this chapter shall be adjusted to the extent that the Contractor is able to demonstrate that it was not possible to deliver the stipulated quantities within the stipulated times due to circumstances related to the Principal or to *force majeure* according to § 13 of this chapter.

Limitation of claims §3 Claims for a performance bond or damages pursuant to § 1 of this chapter must be presented in writing to the Contractor no later than three months after the expiry of the relevant time for delivery. Claims for a performance bond or damages shall be deemed waived if they are not presented in a timely manner.

Danger to property §4 The Contractor shall bear the risk of loss or destruction during the term of the contract for its own property and for property it leases, such as machinery, vehicles, equipment, material, goods, etc, due to events not caused by the Principal.

Liability §5 The Contractor shall be liable for any damage that the Contractor may have caused the Principal by negligence or omission.

Errors and defects §6 The Contractor shall be liable for errors and defects in the contracted work.

Consequential damage §7 The Contractor shall be liable for errors and defects present at the time of the hand-over pursuant to Chapter 4 § 2, even though the error or defect did not become apparent until later.

If the Contractor is liable for errors or defects, the Contractor shall also be liable for damage that results from any such error or defect.

Third party §8 The Contractor shall be liable to the Principal for the obligation of the Principal to a third party resulting from the contracted work.

The Contractor, however, shall not be liable for damages pursuant to the previous paragraph if the Contractor can demonstrate that it could not have reasonably been able to prevent or mitigate the damage.

		<p>The Principal shall be liable to the Contractor for the obligation of the Contractor to a third party pursuant to Chapter 32 of the Environmental Code (1998:808) if the Contractor can demonstrate that it could not have reasonably been able to prevent or mitigate the damage.</p>
Limitation of liability	§9	<p>The Contractor's liability for damages arising from the contracted work shall be limited to 235 Basic Amounts per loss. This limitation shall not apply if the Contractor has insurance coverage up to a higher amount. In such a case, the obligation to compensate shall be maximized at the latter amount, plus any excess /deducible that may apply.</p> <p>The term "Basic Amount" shall be construed to mean the Basic Amount at the time the contract for the contracted work was signed.</p>
Duration of liability	§10	<p>The Contractor shall not be liable for errors and defects that first appear more than two years after the handover pursuant to Chapter 4 § 2. The term of liability pursuant to the previous sentence, however, shall not apply in cases where the Contractor was grossly negligent. In the latter case, a ten year limitations period shall apply.</p>
Duty to notify	§11	<p>The Principal shall be required to notify the Contractor without undue delay when the Principal discovers any error or defect, or damage resulting from any error or defect. The Principal shall be liable for the additional cost sustained by the Contractor due to late notification.</p>
Liability for sub-contractors etc	§12	<p>The Contractor shall be liable for the work of sub-contractors to the same extent as for its own work. The same applies to any work or other performance arising from this agreement that may have been performed by other persons who may have been hired by the Contractor for the completion of the contracted work.</p>
Force majeure	§13	<p>If a party's performance of contract shall be prevented, or made significantly more difficult, as a result of war, military preparedness or other military actions, labor conflicts (except for strikes or boycotts as a result of the failure of a party to perform its legal or contractual obligations to an employee), natural disasters, fires, explosions, accidents, rationing of goods, acts of government entities, or other similar events that the party could not have been able to reasonably foresee at the time the contract was entered into, and the consequences of which the party could not have reasonably been able to avoid or overcome, the time for the party's performance of this contract shall be extended by the amount of time required due to the above-mentioned circumstances.</p> <p>A party affected by circumstances listed in the previous paragraph is required, without undue delay, to notify the other party of this, and indicate the estimated duration and consequences.</p>
Remediation of errors	§14	<p>The Contractor shall be obliged, as well as entitled, unless the Principal shall deem this inappropriate, to remedy errors in the contracted work raised by the Principal.</p> <p>The Principal may never refuse the Contractor the right to remedy errors pursuant to the previous paragraph without stating sufficient reasons for this.</p> <p>Requested remediation shall be performed without delay once the Principal has called attention to the error, unless this should be delayed to an appropriate season. Errors that do not damage the contracted work or cause significant inconvenience to the Principal, however, may be remedied at a different time, as agreed upon by the parties.</p> <p>If The Contractor does not remedy the error within the time specified above, or if the Contractor has notified the Principal that it does not intend to remedy the error, the Principal may have the error remedied at the expense of the Contractor.</p>

If the Contractor is not liable for an error the Principal objects to, the Contractor shall be entitled to compensation for this remediation. If the Contractor is liable for the error, however, the Contractor shall pay for the remediation.

Remediation of defects §15 The Contractor is required to remedy defects in the contracted work if the Principal so requests. Remediation shall be at the expense of the Principal, unless the Contractor has previously received compensation for the work in question. However, the Contractor shall pay any added costs, such as re-introduction, as a result of the remediation of defects.

Price reduction §16 Provided the Principal is not obligated to offer the Contractor an opportunity to remedy errors pursuant to § 14 of this chapter, the Principal shall be entitled, at its discretion, to effect a price reduction instead of requested remediation of the error.

This price reduction shall be equivalent to the reasonable cost to the Principal of having the error remedied. In the case of errors that cannot be remedied without significant inconvenience, the price reduction shall instead be equivalent to the difference in value of the result of the work being done as contracted, and the value with the error. However, that price reduction should at least be equal to the savings to the Contractor as a result of the performance with the error.

Insurance §17 The Contractor shall have in place the property and liability insurances for its operations that are customary for in the industry. The insurances shall continue in force during the term of the contract, with the liability insurance continuing at least two years after the expiry of the contract.

The Contractor shall furnish the Principal with evidence that the stipulated insurances are in place, as well as subsequently furnish evidence of insurances in conjunction with their renewal.

In the event of loss, the Contractor is required to claim under the stipulated insurances.

Chapter 6

FINANCIAL MATTERS

Regulation of unit prices §1 Stipulated unit prices shall apply, and these should be regulated only in accordance with the provisions of the contract documents, unless the parties, during the period of the contracted work, specifically agree otherwise.

Unit prices §2 A unit price for a stipulated unit of quantity shall include all remuneration for a completed unit of work, exclusive of VAT, as provided in the contract documents. No compensation over and above of the stipulated unit prices shall be paid to the Contractor of any nature whatsoever, unless indicated in the contract documents.

Invoicing §3 If the parties have not agreed otherwise, the Contractor shall invoice once each calendar month for the value of the work at each invoicing point in time.

If the parties have not agreed otherwise, no invoicing shall take place until the Contractor has reported its contractual self-checking for the work performed, as provided in Chapter 3 § 8.

If the parties have not agreed otherwise, invoices are required to be paid within 30 days after their receipt. If the parties are not in agreement regarding part of the invoiced amount, however, the amount not in dispute shall be paid within the time set out herein.

Value added tax §4 In addition to the remuneration, the Principal is required to pay the VAT due on the amount.

Penalty interest §5 If payment is not been made in a timely fashion, the other party may claim penalty interest from the due date, according to the Interest Act (1975:635).

Limitations period §6 The Contractor's claims regarding a completed tract task must be asserted within six months after handover according to Chapter 4 § 2.

After a stay of the limitations period, a limitations period of two years shall apply.

In other cases, the Statute of Limitations (1981:130) shall apply.

Chapter 7

RESCISSION AND WITHDRAWAL

Principal's right to rescind §1 The Principal shall be entitled to rescind the contract for the contracted work, in writing, regarding the part of the contracted work not yet performed, provided:

1. The Contractor materially fails to perform its obligations according to the contract, and remediation is not effected without undue delay after the receipt of a notice from the Principal;
2. The contracted work has been delayed so that it apparently cannot be completed by the stipulated delivery times, provided that the delay depends on the Contractor and would result in significant inconvenience for the Principal;
3. The Contractor, without the consent of the Principal, hires a sub-contractor or assigns the contract, in part or in whole;
4. The Contractor is not registered for business tax and VAT, and neglects to perform its obligations relating to payment of taxes and social insurance fees;
5. The Contractor is declared bankrupt, or is otherwise insolvent to an extent the Contractor will not be expected to perform its obligations, and no satisfactory security for the correct performance of the Contractor's obligations to the Principal is furnished without delay upon a request for this; or
6. The Contractor dies or when a guardian ad litem or administrator pursuant to the Children's and Parents' Code (1949:381) has been appointed for the Contractor, or if the Contractor is no longer capable of completing the contracted work due to illness or accident.

If the Principal rescinds the contract for the contracted work on the basis of § 1 clauses 1 - 5 of this Chapter, the Contractor shall be liable to pay compensation to the Principal for the damage or loss that the Principal may sustain as a result of the rescission.

Claims for compensation due to the rescission will not give rise to a right to payment, unless they are presented in writing no more than three months after the damage or loss becomes known.

Contractor's right to rescind

§3 The Contractor shall be entitled to rescind the contract for the contracted work upon written notice, to the extent of the unperformed part of the contracted work, if:

1. The Principal materially fails to perform its obligations according to the contract, and remediation is not effected without undue delay after the receipt of a notice from the Contractor;

2. The Principal is declared bankrupt, or is otherwise insolvent to an extent the Principal will not be expected to perform its obligations, and no satisfactory security for the correct performance of the Principal's obligations to the Contractor is furnished without delay upon a request for this; or

3. The Principal dies or when a guardian ad litem or administrator pursuant to the Children's and Parents' Code (1949:381) has been appointed for the Principal, or if the Principal, due to illness or accident is no longer capable of completing its obligations.

§4 If the Contractor rescinds this contract based on § 3 clauses 1 - 2 of this Chapter, the Principal, in addition to the compensation for the part of the contracted work completed by the Contractor, shall be liable to pay compensation for the damage or loss that the Contractor sustains as a result of the rescission.

Claims for compensation due to the rescission will not give rise to a right to payment, unless they are presented in writing no more than three months after the damage or loss becomes known.

Minimum compensation due to rescission

§5 If the Principal or the Contractor rescinds this contract based on §§ 1 or 3 of this Chapter, and is entitled to damages pursuant to §§ 2 or 4 of this Chapter, the other party shall always pay at least a minimum amount of compensation equivalent to two Basic Amounts. In addition to this minimum compensation, compensation shall be paid only for substantiated damage or loss.

The term *Basic Amount* in this section shall be construed to mean the Basic Amount at the time of the signing of this contract.

Right to withdraw from the agreement

§6 If the performance of this agreement is materially prevented for more than three months due to any of the circumstances referred to in Chapter 5 § 13, either of the parties shall be entitled to withdraw from the contract upon written notice.

Chapter 8

DISPUTES

§1 Disputes regarding the application or interpretation of the contract entered into relating to the contracted work, as well as rights and obligations arising with regard thereto, shall preferably be resolved through negotiations between the parties.

If the parties are unable to resolve the dispute through negotiations, it shall be resolved with finality through arbitration according to the Rules of the Arbitration Institute of the Stockholm Chamber of Commerce. If the amount in dispute does not exceed 25 Basic Amounts,

the case shall be determined according to the Rules for Expedited Arbitration of the Arbitration Institute of the Stockholm Chamber of Commerce.

Unless the parties have agreed on another location, the arbitration proceeding shall take place in Stockholm.

§2 Notwithstanding § 1 of this Chapter, a party may commence an action before a court of general jurisdiction if the amount in dispute does not exceed twelve Basic Amounts.

§3 The term *Basic Amount* in §§ 1 and 2 of this Chapter shall be construed to mean the Basic Amount at the time of the commencement of the action.

The fact that the dispute has been referred for legal resolution shall not entitle the Contractor to interrupt the contracted work. Nor shall the Principal be entitled on this basis to withhold amounts that are not directly affected by the dispute, or refrain from otherwise performing its obligations.