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|---|--|--|--------------------|-------------------------|
|  <b>NORWEGIAN DEFENCE<br/>MATERIEL AGENCY</b>   |  | <b>SPECIFICATION<br/>OF PRICE</b>  |                    | Invitation to tender no |
| Issued by (Contractor's name and address)   |  |  | The price applies: |                         |
| <b>Cost elements</b><br>(figures in brackets refer to note number in the instructions)  |  | <b>Cost elements</b>   |                    | <b>Sum</b>              |
| <b>1. Direct Costs:</b>   |  |  |                    |                         |
| 1.1 Direct materiel costs(1)  |  |  |                    |                         |
| 1.2 Direct hourly costs (2)   |  |  |                    |                         |
| 1.3 Other direct costs (3)  |  |  |                    |                         |
| <b>2. Indirect costs:</b>   |  |  |                    |                         |
| 2.1 Material overhead (4)   |  |  |                    |                         |
| 2.2 Manufacturing overhead (5)  |  |  |                    |                         |
| <b>3. Total production costs</b>  |  |  |                    |                         |
| <b>4. General Administration and sales costs:</b>   |  |  |                    |                         |
| 4.1 Administration, sales and joint costs(6)  |  |  |                    |                         |
| 4.2 Other costs(7)  |  |  |                    |                         |
| <b>5. Operating Costs</b>   |  |  |                    |                         |
| <b>6. Independent Research and Development (8)</b>  |  |  |                    |                         |
| <b>7. Capital Cost (9)</b> as percentage of interest bearing capital: "      %"   |  | Converted percentage for the calculation:<br><b>Mark-up for Capital Costs as percentage of operating costs:</b> "      % " \     |                    |                         |
| <b>8. Total Cost</b>  |  |  |                    |                         |
| <b>9. Risk compensation</b> as percentage of interest bearing capital: "      %"  |  | Converted percentage for the calculation:<br><b>Mark-up for risk compensation as percentage of operating costs:</b> "      % " \ |                    |                         |
| <b>10. Price, excluding valued added tax</b>  |  |  |                    |                         |
| Confirmation:<br>It is hereby certified that all cost and pricing data stated above and in the attached specifications, are valid, exact and complete. It is further certified that the notified cost and pricing data conform with the invitation to tender/request for proposal submitted by the Norwegian Defence Materiel Agency, and that the data are based upon the company's calculation and accounting system. The Norwegian Defence Materiel Agency have the right to review the information given, and audit the amounts, in accordance with Form FMA General terms for cost control latest edition. The Contractor has an obligation to provide all relevant data. The Norwegian Defence Materiel Agency decides which information is relevant. |  |  |                    |                         |
| Date                      Signature<br><br>.....  |  | Name – position  |                    |                         |



## INSTRUCTIONS FOR USE OF FORM FMA SPECIFICATION OF PRICE

This form should be completed in accordance with the instructions given below and signed by authorized personnel. If the delivery consists of several independent products, units, services etc which are, or may be, calculated independently, a separate form should be completed and submitted for each. This is also a requirement if an independent development phase is to be followed by production, or when different end-products are to be produced and delivered according to the same contract.

If completing the form overleaf results in unreasonable additional work for the Contractor, he may attach his own calculation and accounting scheme/method. The price, however, must still be entered in field no. 10 and the form must be duly signed by an authorised person.

Line items 1-5 only provide a limited overview of the most central cost elements and must therefore be supported by detailed appendices which are numbered in the same manner as the notes. When itemizing the individual line items, the following applies:

### *Note 1 Direct Material*

Specify utilized materials that can be charged directly to the delivery, itemized by type, source, quantity and price, as to all materials that individually exceed NOK 100.000. If anticipated wage and salary increases are included in the calculation, this must be listed separately and reference appropriate official indexes.

### *Note 2 Direct Labour*

List wage and salary costs that can be directly charged to the delivery. Specify man-hours and wage rates for the various personnel categories. If anticipated wage and salary increases are included in the calculation, this must be listed separately and reference appropriate official indexes.

### *Note 3 Other Costs*

If direct costs other than direct material and labour costs are to be charged to the contract, list such costs on line 1.3 and specify to the extent necessary in Appendix 3.

### *Note 4 Material Overhead*

Indicate rates used and provide explanation. Provide the method of computation and application of the overhead costs, including breakdown.

### *Note 5 Manufacturing Overhead*

Manufacturing overhead shall not include any material overhead if such overhead has been specified under material overhead (Line 2.1 on the previous page and Appendix 4). Provide method of computation and application of overhead, including cost breakdown. Indicate rates and provide explanation.

### *Note 6 Administration, Sales and Overhead Costs*

This line is used for listing administration and sales overhead, if included in the calculation method. Provide explanation as to which costs are included, allocations basis and if applicable percentage rate(s).

### *Note 7 Other Costs/Selling Costs*

List other administration and selling expenses which are not included in the above overhead costs.

### *Note 8 Independent Research and Development*

If applicable, indicate rate used and provide explanation as to which costs are included and method of computation, ref article 4 in Form FMA General Conditions for Cost Control.

### *Note 9 Cost of Capital*

Include recoupage of the calculated interest. Provide method of computation, including rates and the basis for calculation.

### *Note 10 Profit/Risk compensation*

List the coverage of risk cost. Explain the method of calculation by stating allocation basis and rates.

The risk cost shall in the calculations be calculated on a percent rate of the operating costs. The rate must therefore be converted from a percentage of interest-bearing capital to a percentage of operating expenses, see section 6 in the Form FMA General Conditions for cost control.