



Service Contract

The Ministry of Education, Science and Culture, on the one hand, and the Education and Training Service Centre for the Employment Sector ehf., on the other hand, enter into this service contract between them on the basis of Article 15 of Act No. 27/2010 on continuing education and Article 30 of Act No. 88/1997 on the Treasury's finances.

Article 1 Tasks

The Education and Training Service Centre for the Employment Sector ehf. (FA) which operates in accordance with resolutions dated May 6, 2010 undertakes to handle the following tasks in accordance with this contract:

1. Write curricula and study descriptions and collaborate with others in their development, cf. Article 6 of Act No. 27/2010 on continuing education. The Ministry of Education, which certifies the curricula, will be consulted on this task.
2. Administer The Education Fund and its finances, cf. Article 10 of Act No. 27/2010 on continuing education. The Education Fund's finances shall be administered in accordance with Act No. 88/1997 on the Treasury's finances and regulations established on the basis of that Act.
3. Collect, preserve and share information in cooperation with the Ministry of Education, Science and Culture and The National Statistical Institute of Iceland (Statistics Iceland), cf. Article 13 of Act No. 27/2010 on continuing education.
4. Gather information on the target group, cf. items a) – c) of Article 2 and item a) of Article 3 of Act No. 27/2010 on continuing education, and its educational requirements.
5. Identify the group's educational requirements in cooperation with the employment sector and educators and develop a supply of long- and short-term courses to satisfy those requirements.
6. Develop methods in the field of continuing education in cooperation with educators and communicate national and international innovations to specialists.
7. Ensure the development and propagation of recognition of non-formal and informal learning and monitor its implementation, and provide training and feedback to specialists.
8. Supervise the development of study and vocational guidance for the target group, cf. item 4 of this Article, in cooperation with educators and specialists in this country and abroad, and share knowledge in that field to specialists.
9. Enhance the quality of educational activities and guidance by recognised educators through the development of quality standards in consultation with the Ministry.
10. Develop and maintain a student registry in cooperation with educators and the Ministry of Education, Science and Culture where account shall be taken of assessments of informal study and non-formal and informal learning, cf. the second and third paragraphs of Article 13 of Act No. 27/2010 on continuing education.
11. Share information on the work being undertaken in the field of continuing education, both in this country and abroad, in order to increase knowledge and enhance understanding of the field.

12. Promote increased creation of study materials for continuing education and give professional advice to authors and publishers in that field.
13. Prepare for the participation of new groups in continuing education and utilise synergistic effects in the work of FA.
14. Handle such other tasks in the field of continuing education as the Ministry of Education, Science and Culture may assign to FA.

Article 2

Scope and emphases

Allocations for tasks under this contract are determined in each year's budget, cf. Article 9 of the Act on continuing education. The Ministry of Education, Science and Culture handles all interactions by the parties with the Ministry of Finance and Althing in respect of this contract. FA shall present its ideas on allocations for the contract in the next fiscal year to the Ministry no later than in February of the preceding year. The Ministry aims at presenting its budgetary proposals for the contract to FA in October each year. In the budget for 2011, allocations to FA for the contract are estimated at ISK 111.4 million.

FA shall submit a draft plan for its work and operations in the next calendar year to the Ministry of Education, Science and Culture for its finalisation before November 15 each year, unless the Ministry decides on a different deadline. The plan shall address in more detail the emphases of tasks and demarcate their scope.

If a budgetary allocation for the contract differs from that proposed by the Ministry, FA shall submit a revised plan before the end of January of the fiscal year.

Article 3

Interactions and supervision

The Ministry of Education, Science and Culture supervises this service contract. Representatives of the Ministry of Education, Science and Culture are authorised to follow and prepare assessments of all aspects of FA's administration and operations. In this connection they shall have access to all relevant data at FA, including documents, reports, books and letters. The service contract and agreed tasks are subject to supervision by The Icelandic National Audit Office in accordance with Act No. 86/1997.

The Ministry of Education, Science and Culture shall convene regular consultation meetings between the parties twice a year for a systematic review of the operations and plans of FA.

FA shall submit an annual report to the Ministry of Education, Science and Culture before April 30 of each year, providing an account of the progress of tasks performed by FA under this contract as well as the progress of other tasks requested by the Ministry of Education, Science and Culture. Also to be submitted are annual accounts for the previous year endorsed by a chartered accountant.

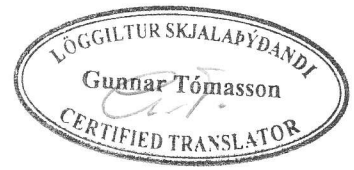
The Ministry of Education, Science and Culture, having consulted with FA, will have a comprehensive evaluation made of the operations of the centre before the end of calendar year 2013.

Article 4

Financial issues

FA may undertake tasks in the field of continuing education funded by outside parties provided that the tasks do not interfere with implementation of this contract. Expenses and income from such tasks shall be kept separate in FA's financial book-keeping from operational tasks under this contract.

The annual contribution under this contract shall be made in equal monthly deposits to FA's bank account.



Article 5 FA's responsibility

FA has full responsibility for the implementation of tasks under this service contract but may, however, purchase the services of contractors for specific tasks. However, FA is solely responsible for the tasks and shall not make any lesser demands on sub-contractors than are made on FA under this contract.

FA may not enter into financial obligations which can affect its ability to fulfill the contract, such as taking loans which are not necessary for daily operations, assign the contract to others or hypothecate it.

FA may not disburse allocations for the contract for purposes other than those which are approved by the Ministry in accordance with the plan in Article 2.

Article 6 Treatment of disagreements

The parties to the contract will themselves seek to resolve any disagreements which may arise. Court cases which may arise on account of this contract shall be referred to the District Court of Reykjavík.

Article 7

This service contract is valid from January 1, 2011 to the end of the year 2015.

The parties to the contract, one or both, may seek revision or cancellation of the contract before the end of the contract period in the event of disagreements between the parties about the contract's implementation due to alleged non-compliance or breach of the contract which have failed to be resolved, cf. the provisions of Article 6. Negotiations shall begin at the latest one month after a request for them has been made.

A formal notice of cancellation shall be given nine months before its effective date.

The parties to the contract shall advise each other half a year before the contract's expiration whether they wish to continue a contractual relationship in respect of the contract's tasks or other tasks in the field of the Act on continuing education.

This contract is made in two identical originals, one for each party.

Reykjavík, November 24, 2010

[sign.]

Katrín Jakobsdóttir,
Minister of Education, Science and Culture

[sign.]

Halldór Grönvold, Chairman of the Board of
The Education and Training Service Centre

[sign.]

Guðrún Eyjólfsdóttir, Vice Chairman of the Board of
The Education and Training Service Centre

[sign.]

Ingibjörg E. Guðmundsdóttir, Managing Director of
The Education and Training Service Centre