

ACT no. 93 of 15 June 2001: Act relating to Health Authorities and Health Trusts (Health Authorities and Health Trusts Act)

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Act relating to Health Authorities and Health Trusts (Health Authorities and Health Trusts Act)

Cf. Act no 71 of 30 August 1991

Chapter 1. General provisions

Section 1. Objectives of the Act and the health enterprises

The objective of the Act is to contribute to achieving the goals established in Section 1-1 of the Specialized Health Services Act and Section 1-1 of the Patients' Rights Act, by:

1. the establishment of regional health authorities, which, pursuant to the owner's guidelines, shall plan and organise the specialist health service and facilitate research and teaching.
2. ensuring that the regional health authorities shall organise their hospitals and other health institutions as health enterprises.

The objective of the health enterprises is to provide good and equal specialist health services to all those who require such services when they require them, regardless of age, gender, place of residence, financial situation and ethnic background, as well as facilitating research and teaching.

Amended by Act no. 30 of 24 June 2011 (entered into force 1 January 2012 pursuant to Decree no. 1252 of 16 December 2011).

Section 2. The scope of the Act

This Act applies for regional health authorities and health enterprises.

The regional health authority is an entity that is owned exclusively by the State and that is established in accordance with Section 8. The regional health authority facilitates specialist health services, research, teaching and other services that have a natural connection to these or are decreed by law.

Health enterprises are enterprises that are owned by one or more regional health authority or health enterprise and are established in accordance with Section 9. Health enterprises provide specialist health services, research, teaching and other services that have a natural connection to these or are decreed by law or agreed to with the municipal health and care service.

This Act does not apply to Svalbard and Jan Mayen. The King may stipulate that the Act should wholly or partly apply to Svalbard and Jan Mayen and may issue more detailed rules in consideration of local conditions, including rules that deviate from the provisions in this Act.

Amended by Act no. 14 of 28 February 2003 (entered into force 1 January 2004 pursuant to Decree no. 1402 of 28 November 2003), Act no. 30 of 24 June 2011 (entered into force 1 January 2012 pursuant to Decree no. 1252 of 16 December 2011), Act no 86 of 14 December 2012 (entered into force 1 January 2013 pursuant to Decree no. 1210 of 14 December 2012).

Section 2a. *Responsibilities and duties of regional health authorities*

Regional health authorities have overall responsibility for implementing the national health policy in the health region. Regional health authorities must plan, organise, manage and coordinate the operations of the health enterprises that they own. In connection with long-term planning, regional health authorities must assess whether parts of the services shall be provided by entering into of agreements with private or public entities that they do not own.

Added by Act no. 86 of 14 December 2012 (entered into force 1 January 2013 pursuant to Decree no. 1210 of 14 December 2012).

Section 3. *Definitions*

The following definitions apply in this Act:

1. enterprise: regional health authorities and health enterprises
2. owner: the State through the Ministry for regional health authorities and the State through the regional health authorities for health enterprises.

Section 4. *Health regions*

The realm is divided into as many health regions as decreed by the King. There shall be one regional health authority in each health region.

The State shall organise its ownership of entities that provide specialist health services and services that have a natural connection to this in accordance with this Act.

Section 5. *Relationship to other legislation*

The Public Administration Act applies to the operations of the enterprises. However, in matters concerning hiring, dismissal or other personnel matters, only chapters 2 and 3 of the Public Administration Act shall apply. The Ministry is the appellate authority for individual decisions made by the enterprises when no separate appellate authority is specified by law or regulations. The Ministry may issue regulations identifying the appellate authority for individual decisions made by the enterprises.

Act no. 2 of 18 July 1958 relating to Civil Service Disputes and Act no. 3 of 4 March 1983 relating to Civil Servants, do not apply to health enterprises.

Pursuant to the Bankruptcy Act, bankruptcy proceedings may not commence and debt settlement proceedings may not be opened in enterprises. The enterprises' assets may not be subject to attachment or seizure.

The enterprises are considered to be government agencies pursuant to Section 2 (g) of Act no. 126 of 4 December 1992 relating to Archives.

Amended by Act no 16 of 19 May 2006 (entered into force 1 January 2009 pursuant to Decree no. 1118 of 17 October 2008).

Chapter 2. Legal party status and liability

Section 6. *Legal party status*

The enterprise itself has rights and obligations, is a party to agreements with private and public authorities and has legal party status before courts and other authorities.

Section 7. *Liability for the enterprise's obligations*

The owner has unlimited liability for the enterprise's obligations. When more than one enterprise owns the entity together, all owners will be liable for the entity's obligations.

A creditor must first assert a claim against the enterprise. A creditor that has asserted claims against the enterprise for clear and overdue debt that does not have adequate security may assert the claim against an owner. To assert the claim against an owner, the creditor must, no later than four weeks after the first statutory demand for payment, send a further statutory demand for payment to the original debtor with a minimum deadline for payment of four weeks, and payment must not have been received before the deadline expired.

Amended by Act no. 86 of 14 December 2012 (entered into force 1 January 2013 pursuant to Decree no. 1210 of 14 December 2012).

Chapter 3. Establishment and articles of association

Section 8. *Establishment of regional health authorities*

The King in Council makes decisions to establish a regional health authority. The decision must explicitly refer to the enterprise as a regional health authority and must include the articles of association of the enterprise. It must also contain provisions relating to:

1. who shall be the members of the board of directors, including the chair and deputy chair.
2. who shall be the enterprise's auditor.
3. contributions from the state, including the hospitals and other institutions the enterprise shall take over upon its establishment.

The regional health authority is established when the King has made a decision pursuant to paragraph one.

Section 9. *Establishment of health enterprises*

Executive entities shall be organised as health enterprises. The boards of regional health authorities or health enterprises shall themselves make the decision to establish health enterprises. The decision must explicitly refer to the enterprise as a health enterprise and include the enterprise's articles of association. It must also include provisions relating to:

1. the identities of the board members, including the chair and deputy chair.
2. who shall be the enterprise's auditor.
3. the owner's contribution.

The health enterprise is established when the board of the enterprise that owns it has made a decision pursuant to paragraph one. If more than one enterprise establishes a health enterprise to own jointly, the boards must also enter into a written partnership agreement.

Amended by Act no. 86 of 14 December 2012 (entered into force 1 January 2013 pursuant to Decree no. 1210 of 14 December 2012).

Section 10. *Articles of association for regional health authorities*

The regional health authority must have articles of association that state, at a minimum:

1. the name of the regional health authority
2. the health region that the regional health authority covers,
3. the objectives of the regional health authority,
4. the municipality in which the regional health authority shall have its head office
5. the number of board members, or lowest and highest number of board members,
6. health policy, educational policy and research policy goals and main tasks, as well as more detailed provisions concerning the rights of universities or university colleges in connection with these duties.
7. provisions relating to borrowing, cf. Section 33.
8. the cases or types of cases that must be submitted to the Ministry, cf. Section 30.
9. more specific rules relating to notice to the Ministry about the enterprise and the enterprise's operations, cf. Section 34.

All enterprises must have one and the same employer affiliation. The King in Council decides what employer affiliation the enterprises shall have. The articles of association must also state the employer affiliation the King has decided that the enterprises shall have.

Amended by Act no. 86 of 14 December 2012 (entered into force 1 January 2013 pursuant to Decree no. 1210 of 14 December 2012).

Section 11. *Articles of association of health enterprises*

Health enterprises must have articles of association that state, at a minimum:

1. the name of the enterprise
2. the enterprise that owns the health enterprise
3. the enterprise's operations, including the health services that are to be provided and the teaching tasks and research tasks the health enterprise shall have, including more detailed provisions relating to the rights of universities or university colleges in connection with these tasks.
4. the municipality in which the health enterprise shall have its head office
5. the number of board members, or lowest and highest number of board members,
6. health policy, educational policy and research policy goals and tasks.
7. more detailed rules concerning reporting to the owner about the enterprise and the enterprise's operations,
8. provisions relating to borrowing, cf. Section 33.
9. the cases or types of cases that must be submitted to the Ministry, cf. Section 30.
10. the employer affiliation the health enterprise shall have, cf. Section 10, subsection 2.

Amended by Act no. 86 of 14 December 2012 (entered into force 1 January 2013 pursuant to Decree no. 1210 of 14 December 2012).

Section 12. *Amendments to articles of association*

Amendments to articles of association must be approved at the enterprise general meeting.

Section 13. *Registration in the Register of Business Enterprises*

The enterprise must be reported to the Register of Business Enterprises no later than three months after the decision to establish the enterprise was made.

Chapter 4. The enterprise's capital

Section 14. *The enterprise's equity*

The enterprise shall have equity that is in reasonable proportion to the enterprise's operations.

If it must be assumed that the enterprise's equity is lower than what is justifiable based on the risk associated with and scope of the operations, the board of directors must immediately address the matter. Within a reasonable period of time, the board must notify the enterprise's

owner or owners, give an account of the enterprise's financial situation and propose measures that will give the enterprise adequate equity.

Amended by Act no. 86 of 14 December 2012 (entered into force 1 January 2013 pursuant to Decree no. 1210 of 14 December 2012).

Section 15. *Allocation of the enterprise's funds*

The allocation of the enterprise's funds is decided at the enterprise general meeting pursuant to a proposal from the board or with the consent of the board.

Chapter 5. The enterprise general meeting

Section 16. *Corporate governance Authority of the enterprise general meeting etc.*

The owners exercise the enterprise's supreme decision-making authority at the enterprise general meeting. The owner may not exercise corporate governance in the enterprise outside of the enterprise general meeting.

The owner may hold a joint enterprise general meeting for enterprises with one owner.

Outside the enterprise general meeting, the owners may allocate grants to enterprises and set conditions for the allocation of these.

The Ministry shall hold an annual enterprise general meeting in the first two months of the year to determine the financial and organisational requirements and frameworks for regional health authorities.

Amended by Act no. 86 of 14 December 2012 (entered into force 1 January 2013 pursuant to Decree no. 1210 of 14 December 2012).

Section 16a. *The Ministry's collection of data from regional health authorities*

The Ministry shall keep informed about the enterprises' operations and whether the operations are managed in accordance with the requirements specified at enterprise general meetings and the conditions that are set for the allocation of grants. The Ministry shall collect written data from regional health authorities and arrange reporting meetings. Reporting meetings may be held outside of enterprise general meetings.

Added by Act no. 86 of 14 December 2012 (entered into force 1 January 2013 pursuant to Decree no. 1210 of 14 December 2012).

Section 17. *The management's right and duty to attend the enterprise general meeting*

The chair and deputy chair of the board of directors should be in attendance at the enterprise general meeting. In the event of absence, a deputy shall be appointed. Other board members may attend the enterprise general meeting.

Board members and the managing director have the right to make statements at the enterprise general meeting

Section 18. *Notice of the enterprise general meeting*

The owner shall send notice of the enterprise general meeting and decide the method of notice. Notification must be sent with a minimum of one week's notice, unless a shorter deadline is necessary in special cases. Those summoned to the meeting are the managing director, board members and the auditor who audited the enterprise's annual accounts if the items that are to be considered are of such a nature that the auditor's presence may be desirable. The auditor shall otherwise be summoned when this is required by the Office of the Auditor General. After being summoned, the auditor has a duty to attend the enterprise general meeting.

The notice shall clearly state the items that are to be considered at the enterprise general meeting. Proposals to amend the articles of association must be cited in the notice.

Owners may decide that the enterprise general meeting will be held as a video or telephone conference.

The enterprise general meeting may not make decisions on matters other than those referred to in the notice, unless all those who have the right to attend the meeting pursuant to Section 17 consent to this. Consent may not be granted to approve amendments to the articles of association other than the proposed amendments stated in the notice.

Amended by Act no. 86 of 14 December 2012 (entered into force 1 January 2013 pursuant to Decree no. 1210 of 14 December 2012).

Section 19. *Administrative procedures at the enterprise general meeting*

The enterprise general meeting shall be chaired by the owner. The owner may allow the chair of the board to chair the enterprise general meeting.

Enterprise general meetings for health enterprises are chaired by the chair of the board.

The chair of the meeting must ensure that minutes are kept of the enterprise general meeting. The decisions by the enterprise general meeting shall be cited in the minutes. The minutes shall be signed by the chair and another person elected from among those in attendance. If any of the parties who have the right to attend pursuant to Section 17 disagree with the owner's decision, their opinions must be entered in the minutes.

Amended by Act no. 86 of 14 December 2012 (entered into force 1 January 2013 pursuant to Decree no. 1210 of 14 December 2012).

Chapter 6. The board of directors and day-to-day management of the enterprise

Section 20. *The enterprise's management*

An enterprise is managed by a board of directors and a managing director.

Section 21. *Composition of the board of directors etc.*

The board of directors shall have a minimum of five members. In health enterprises, the board of directors shall have a minimum of seven members when the employees have representation pursuant to Section 23, paragraph two. The rules in Section 20-6 of the Limited Liability Company Act relating to representation by both genders on the board of directors apply correspondingly.

The enterprise's managing director may not be a member of the board of directors. The managing director of a health enterprise may not be a member of the board of directors of the regional health authority that owns the health enterprise.

The board members are elected at the enterprise general meeting, with the exceptions stated in Section 22 and Section 23. In the regional health authority the board members who are elected at the enterprise general meeting must have an affiliation with the region that the enterprise comes under the authority of. Remuneration to the board members is decided at the enterprise general meeting.

The board of directors must have a chair and deputy chair who are elected at the enterprise general meeting. It can be stipulated in the articles of association that the board of directors must elect a chair and deputy chair from among the board members elected at the enterprise general meeting.

Amended by Act no. 120 of 19 December 2003 (entered into force on 1 January 2004), and Act no. 86 of 14 December 2012, (entered into force 1 January 2013 pursuant to Decree no. 1210 of 14 December 2012).

Section 21a. *The board of directors' audit committee*

The board of directors of the regional health authority shall elect a minimum of three people from among its members to sit on the board of directors' audit committee. Both genders must be represented. The chair may not be elected. A minimum of one of the members must have knowledge about accounting or auditing.

The board of directors will appoint the chief audit executive and specify instructions and annual plans for the internal audit.

Amended by Act no 86. of 14 December 2012 (entered into force 1 January 2013 pursuant to Decree no. 1210 of 14 December 2012).

Section 22. *Employee board representation in the regional health authority*

Up to one third and a minimum of two of the board members including deputy board members must be elected by and from among the employees of the regional health authority and health enterprises that are owned by the regional health authority.

The King may issue regulations relating to the election, including the conditions for voting rights and eligibility, the type of election and decisions relating to disputes regarding the election and the lapse of the term as board member. It can be specified in the articles of association that the members of the board who are elected pursuant to paragraph one may not be involved in the consideration of matters that concern the employer's preparations for negotiations with employees, labour disputes, legal disputes with employee organisations or the termination of collective agreements.

Amended by Act no. 120 of 19 December 2003 (entered into force on 1 January 2004), and Act no. 86 of 14 December 2012, (entered into force 1 January 2013 pursuant to Decree no. 1210 of 14 December 2012).

Section 23. *Employee board representation in health enterprises*

In health enterprises that have more than thirty employees, a majority of the employees may request that up to a third and a minimum of two of the board members, including deputy board members, are elected by and from among the employees.

If the health enterprise has more than 200 employees, the employees must elect one board member and one deputy board member in addition to the representation specified in paragraph one. An agreement may be entered into between the health enterprise and a trade union that includes two-thirds of the employees or a majority of the employees for the employees to be able to elect two observers and deputy board members instead of this board member.

The King may issue regulations for the calculation of the number of employees, including for the use of average figures. Section 22, paragraph two shall apply correspondingly.

Section 24. *Period of service*

The board members are elected for two years. Shorter or longer periods of service may be stipulated in the articles of association, but not for longer than four years. Shorter periods of service may be stipulated in the event of by-elections.

A board member will remain in his/her position until a new board member is elected even if the period of service has ended.

Section 25. *Termination of board positions before the period of service has ended*

In special circumstances a board member has the right to resign before the period of service has come to an end. The board and the party that elected the board member must be given reasonable prior notice.

A board member may be dismissed by the party that elected the board member. This does not apply to board members who have been elected pursuant to Section 22 or Section 23.

In connection with the restructuring of enterprises, a new election or by-election may be conducted by board members elected pursuant to Section 22 or Section 23. The Ministry may specify more detailed provisions concerning such elections in regulations.

Amended by Act no. 86 of 14 December 2012 (entered into force 1 January 2013 pursuant to Decree no. 1210 of 14 December 2012).

Section 26. *Board meetings*

The chair of the board shall ensure that meetings are held as often as necessary. Board members and the managing director may request that the board is convened.

Unless the board decides otherwise in individual cases, the managing director has the right and duty to be in attendance and the right to make statements at board meetings.

Board meetings are chaired by the chair or, in his/her absence, by the deputy chair. If neither is in attendance, the board itself shall elect the chair.

Minutes must be taken at board meetings, which are signed by all board members in attendance. A board member or managing director who disagrees with a decision by the board may request to have his/her opinion recorded in the minutes.

Section 26a. *Open board meetings*

Board meetings of enterprises must be open door unless otherwise stipulated in the statutory duty of confidentiality or by decisions pursuant to paragraph two.

If there is an actual and reasonable need to do so, the board may decide to consider a matter behind closed doors in the following instances:

1. In the interest of personal privacy. Personnel cases must always be handled behind closed doors.
2. Information about a case that is at a preparatory stage in the enterprise's administrative procedures.
3. Information about legal violations, legal proceedings or out of consideration to the enterprise's legal party status in cases before the Norwegian courts.
4. Out of consideration for proper performance of the enterprise's financial, payroll or human resource management.
5. Matters that concern offers and protocol pursuant to the regulations relating to public procurement until the choice of supplier has been made.

The assessment of whether the meeting or parts of the meeting must take place behind closed doors shall be carried out at the time of the meeting.

Added by Act no. 86 of 14 December 2012 (entered into force 1 January 2013 pursuant to Decree no. 1210 of 14 December 2012).

Section 27. *Requirements regarding a quorum and majority decisions*

The board has decision-making authority when more than half of all board members are in attendance. The board may not make a decision unless all board members are given the opportunity, insofar as this is possible, to participate in the consideration of the matter. If a board member is unable to attend and a deputy member is available, the deputy member shall be given the opportunity to attend.

A decision by the board is what the majority of those in attendance voted for unless otherwise specified in the articles of association. In the event of a tied vote, the chair has the casting vote. Those who vote for a proposal must, however, constitute more than one third of all board members for the proposal to be deemed to have been approved.

For elections and hiring, the person regarded to be elected or hired is the person who receives the most votes. The board may decide in advance that a new vote shall be held if no one receives a majority of votes cast. If there is a tied vote for electing the chair or deputy chair of the board or the chair of the meeting, the election shall be decided by drawing lots.

Chapter 7. The board of directors' duties and expertise

Section 28. *The board of directors' duties*

The administration of the enterprise is the duty of the board of directors, which is responsible for the adequate organisation of the enterprise's combined operations.

The board of directors shall set budgets and plans for the enterprise's operations.

The board of directors shall remain updated about the enterprise's operations and financial position. It shall monitor that the operations are managed in accordance with the objectives established in Section 1, the enterprise's articles of association, decisions made at the general meeting and approved plans and budgets.

For regional health authorities, the duties of the board of directors pursuant to paragraph three also include health enterprises owned by the enterprise.

The board of directors shall ensure that accounting and the administration of assets are subject to adequate controls.

Section 29. *Supervision of the managing director by the board of directors*

The board shall supervise the managing director and may stipulate instructions for this.

Section 30. *Matters of material importance*

The general meeting of regional health authorities shall make decisions in matters that are considered to be of material importance to the enterprise's operations or the resolution of stipulated objectives or duties. The same applies to decisions in other matters that are considered

to have fundamental aspects of importance or that could have important societal consequences, such as:

1. Decisions that can alter the nature of the operations.
2. Decisions concerning the closure of hospitals.
3. Extensive changes to the hospital structure in the health region.
4. Extensive changes in the services offered.
5. Decisions concerning changes to the number of health enterprises in the health region.
6. Decisions concerning important changes in the catchment area for health enterprises.

More detailed provisions concerning the matters that the enterprise general meeting of the regional health authority may make decisions on pursuant to this provision can be specified in the articles of association.

The matters referred to in paragraph one and paragraph two, must be presented to the Ministry by the board of directors of the regional health authority.

Amended by Act no. 86 of 14 December 2012 (entered into force 1 January 2013 pursuant to Decree no. 1210 of 14 December 2012).

Section 31. *The sale of the enterprise's real property etc.*

Decisions to mortgage or sell real property shall be made at the enterprise general meeting pursuant to a proposal from the board.

When the enterprise general meeting of the health enterprise shall make a decision pursuant to this provision, the matter must be presented to the Ministry before the decision is made. Exemptions to this provision can be specified in the articles of association in instances in which the value of the property does not exceed a specifically determined amount.

Amended by Act no. 86 of 14 December 2012 (entered into force 1 January 2013 pursuant to Decree no. 1210 of 14 December 2012).

Section 32. *Sale of hospital businesses*

Hospital businesses may not be sold without the consent of the Storting (the Norwegian Parliament).

Section 33. *Loans and guarantees*

Enterprises may not take up loans unless it is specifically stated in the articles of association that this is permitted. More detailed provisions concerning borrowing are specified in the articles of association.

The enterprise may not provide a guarantee or mortgage its assets as security for the financial obligations of other parties.

Amended by Act no. 30 of 24 June 2011 (entered into force 1 January 2012 pursuant to Decree no. 1252 of 16 December 2011), Act no. 46 of 22 June 2012, Act no. 86 of 14 December 2012, (entered into force 1 January 2013 pursuant to Decree no. 1210 of 14 December 2012).

Section 34. *Annual report concerning operations etc. of the regional health authority*

Each year the regional health authority must prepare a report about the enterprise and the enterprise's operations, which is presented to the Ministry. The report must also include the health enterprises that are owned by the regional health authority.

Among other things, the report must provide an overview of the operations in the previous year, including an overview of the implementation of requirements set by the Ministry for the operations. The report must include a plan for the operations in the coming years.

More specific rules concerning the content of the report and the deadline for presenting this to the Ministry are stipulated in the articles of association.

Section 35. *Influence of patients and other health care users*

The regional health authority must ensure that the opinions of representatives of patients and other health care users are heard in connection with the preparation of plans pursuant to Section 34, paragraph two, second sentence.

The regional health authority shall ensure that enterprises that provide specialist health services and other services that have a natural connection to these, establish systems for gathering information about the experiences and viewpoints of patients and other health care users.

The regional health authority shall ensure that each patient's expanded right to use the Sami language in the specialist health service is ensured, cf. Section 3-1, sub-section 4 and Section 3-5 of the Sami Act.

Amended by Act no. 46 of 22 June 2012.

Chapter 8. Managing director

Section 36. *Managing director*

The enterprise shall have a managing director who is appointed by the board of directors, which will also determine the managing director's salary. The board of directors may decide whether to terminate or dismiss the managing director.

Section 37. *The managing director's authority*

The managing director is responsible for the day-to-day management of the enterprise and shall comply with the guidelines and instructions issued by the board of directors.

The managing director of a regional health authority must also supervise health enterprises that are owned by the regional health authority and ensure that the operations are in accordance with the articles of association of the regional health authority and with decisions made at the enterprise general meeting and by the board of directors.

Day-to-day management does not include matters that are of an unusual nature or of major significance to the enterprise. The managing director can only make decisions concerning such matters when the board of directors has granted the managing director the authority to do so in each case or when a decision by the board of directors cannot be awaited without major disadvantage to the enterprise's operations. In such an event, the board of directors must be informed about the matter as soon as possible.

The managing director must ensure that the enterprise's registration and documentation of accounting information are in accordance with laws and regulations and that the administration of assets has been arranged in a satisfactory manner.

Amended by Act no. 86 of 14 December 2012 (entered into force 1 January 2013 pursuant to Decree no. 1210 of 14 December 2012).

Section 37a. *Internal audit*

The regional health authorities shall establish an independent and objective internal audit.

Through a systematic and structured procedure and the provision of confirmation, the internal audit shall contribute to improvements in risk management, internal controls and performance management. The internal audit shall report functionally to the board of directors and administratively to the managing director. The internal audit shall also include the health enterprises that are owned by the regional health authority and the entering into and monitoring of agreements with other service providers.

The internal audit shall be carried out in accordance with recognised standards and follow the operations on an on-going basis.

Notwithstanding the duty of confidentiality, the internal audit may request any data, report or document and carry out the investigations that are considered necessary for completing the tasks. Insofar as this is possible, the data must be provided without individualising characteristics. The rules concerning the duty of confidentiality apply accordingly to the party that receives the data.

Amended by Act no. 86 of 14 December 2012 (entered into force 1 January 2013 pursuant to Decree no. 1210 of 14 December 2012).

Section 38. *The managing director's reporting to the board of directors*

At a minimum of every four months, the managing director must provide a written report to the board of directors about the enterprise's operations. In the regional health authority, the report must also include the operations of the health enterprises that are owned by the regional health authority. In particular, an overview must be provided of the enterprise's position and development in relation to approved plans and budgets.

Chapter 9. The enterprise's external representation

Section 39. *The enterprise's representation*

The board of directors represents the enterprise externally and signs on its behalf.

The board of directors may grant a board member or the managing director the right to sign on behalf of the enterprise. The articles of association can restrict the board of director's authority pursuant to the preceding sentence and also issue provisions concerning authority as referred thereto.

The managing director represents the enterprise externally in matters that fall under his/her authority pursuant to Section 37.

Section 40. *Exceeding the right of representation*

If someone who represents the enterprise externally pursuant to the rules in Section 39 exceeds his/her authority when making a transaction on behalf of the enterprise, the transaction will not be binding for the enterprise when the enterprise establishes that the other contracting party understood or should have understood that authority had been exceeded and it would be dishonest to insist upon making the transaction.

Chapter 10. Organisation of cooperation with other parties etc.

Section 41. *Cooperation with other parties*

The enterprise shall cooperate with other parties when this is necessary for promoting the objectives of the enterprise or this is required or provided by law. The enterprise shall also cooperate with other parties when this is considered a suitable means of promoting the tasks and objectives the enterprise must safeguard.

Amended by Act no. 86 of 14 December 2012 (entered into force 1 January 2013 pursuant to Decree no. 1210 of 14 December 2012).

Section 42. *Form of liability for businesses owned by enterprises*

Enterprises may not own all or parts of businesses that provide specialist health services and that are organised with limited liability. Businesses that provide specialist health services must be organised as health enterprises.

Enterprises may not own businesses that provide specialist health services together with other enterprises. If more than one enterprise owns a business that provides specialist health services jointly, the business must be organised as a health enterprise or as a general partnership pursuant to the Partnership Act.

When it is considered suitable for promoting the enterprise's objectives, the enterprise may own businesses that do not provide specialist health services alone or together with other parties. Only businesses that are a necessary and vital prerequisite for the provision of specialist health services may be organised as health enterprises. Other businesses must be organised as limited liability companies.

Amended by Act no. 86. of 14 December 2012 (entered into force 1 January 2013 pursuant to Decree no. 1210 of 14 December 2012).

Chapter 11. Accounting, audits and supervision

Section 43. *Accounting etc.*

The provisions in the Accounting Act apply for enterprises.

The annual accounts and annual report shall be approved by the enterprise general meeting.

Section 44. *Audits*

Enterprises must have auditors that are elected by the enterprise general meeting.

The enterprise general meeting shall approve the remuneration to the auditor.

Section 45. *Supervision by the Office of the Auditor General*

The Office of the Auditor General conducts audits of the administration of the State's interests and may conduct investigations etc. of the regional health authority, health enterprises and wholly-owned subsidiaries of such enterprises pursuant to the Act relating to the Office of the Auditor General and instructions specified by the Storting (the Norwegian Parliament).

Amended by Act no. 21 of 7 May 2004 (entered into force 1 July 2004).

Chapter 12. Dissolution and liquidation

Section 46. *Decisions concerning dissolution*

The enterprise general meeting makes decisions concerning the dissolution of the enterprise.

Section 47. *Liquidation committee etc.*

When the enterprise general meeting has made a decision to dissolve pursuant to Section 46, a liquidation committee must be elected as soon as possible and issued specific rules concerning the method of liquidation. The liquidation committee itself shall elect its chair and deputy chair if the enterprise general meeting has not already done so.

When the liquidation committee is elected, the ordinary board shall cease to function.

Notice of a decision to dissolve must immediately be sent to the Register of Business Enterprises. As well as registering the notice announcing the decision, the Register of Business Enterprises must also give notice to the enterprise's creditors that they have to report to the enterprise within two months. The deadline is calculated from the date of the announcement in the Brønnøysund Register Centre's electronic version of the Official Norwegian Gazette. The announcement must be inserted in the Brønnøysund Register Centre's electronic version of the Official Norwegian Gazette and twice, with an interval of at least one week, in a newspaper that is generally read at the location.

When the time limit for notification of creditors has expired and the potential obligations of the enterprise have been covered, the liquidation committee shall submit a written proposal for the liquidation settlement to the enterprise general meeting for approval.

When the liquidation settlement has been approved at the enterprise general meeting, the liquidation committee must immediately send notice to the Register of Business Enterprises that the enterprise has been liquidated.

Amended by Act no. 92 of 5 September 2003 (entered into force 1 January 2004 pursuant to Decree no. no. 1119 of 5 September 2003).

Section 48. *Liability following liquidation*

After the enterprise has been liquidated, the State is liable in the case of the regional health authority and likewise the enterprise or the enterprises that owned the health enterprise is liable in the case of the health enterprises to creditors who have not received coverage.

Claims that fall due within three years after the date when the liquidation of the enterprise was registered in the Register of Business Enterprises become time-barred no later than three years after the registration, but no sooner than six months after the deadline. The general rules pertaining to limitation of actions otherwise apply.

For claims that fall due after the expiration of the three year deadline, the general rules in the Limitation Act apply.

Amended by Act no. 86 of 14 December 2012 (entered into force 1 January 2013 pursuant to Decree no. 1210 of 14 December 2012).

Chapter 13. Liability for damages

Section 49. *Liability for damages*

Board members, the managing director and members of the liquidation committee have a duty to compensate losses that they may have wilfully or negligently caused the enterprise, the enterprise's owner or other parties in the performance of their duties.

Liability for damages pursuant to paragraph one may be mitigated pursuant to Section 5-2 of Act no. 26 of 13 June 1969 relating to compensation for damage or injury.

The decision for the enterprise to invoke liability is made at the enterprise general meeting.

Chapter 14. Conversion

Section 50. *Conversion*

County, municipal and central government businesses or parts of such businesses may be transferred to the regional health authority or health enterprise by transferring assets, rights, including government permits, and obligations related to the businesses, as a single entity to the enterprise.

The transfer to the enterprise of obligations associated with the county administration, municipality and the state has freedom from liability. Creditors and other rightful claimants may not oppose the transfer or claim that the transfer constitutes grounds for dismissal of the legal relations.

A document tax shall not be paid pursuant to Section 6 of Act no. 59 of 12 December 1975 relating to Document Tax, re-registration tax pursuant to Section 1 of Act no. 2 of 19 June 1959 concerning excise duties on motor vehicles and boats or court fees pursuant to Act no. 86 of 17 December 1982 relating to court fees, in connection with conversions pursuant to this provision.

The provisions stipulated in this Section apply correspondingly to the transfer of operations to enterprises pursuant to this Act from wholly-owned county, municipal and central government companies or enterprises.

The provisions in this Section also apply to the transfer of operations among enterprises pursuant to this Act. The previous section entails no limitations on liability pursuant to Section 7.

Amended by Act no. 86 of 14 December 2012 (entered into force 1 January 2013 pursuant to Decree no. 1210 of 14 December 2012).

Chapter 15. Entry into force and transitional provisions. Amendments to other Acts

Section 51. *Entry into force*

This Act shall apply from such time as the King will decide. The King may bring into force the individual provisions at different points in time.

Pursuant to Decree no. 669 of 15 June 2001, Sections 1 to 21, Sections 23 to 51, Sections 52, sub-sections 1, 2, 3, 9, 10 and 11 and Section 53 sub-sections 5, 6, 8, 11 and 17 entered into force 1 July 2001. Pursuant to Decree no. 1417 of 14 December 2001, the remainder of the Act entered into force on 1 January 2002.

Section 52. *Transitional provisions*

1. The King may issue more detailed transitional provisions.

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Pursuant to Decree no. 669 of 15 June 2001, sub-sections 1, 2, 3, 9, 10 and 11 entered into force 1 July 2001. Pursuant to Decree no. 1417 of 14 December 2001, the remainder of the Section entered into force on 1 January 2002.

Section 53. *Amendments to other Acts*

The following amendments to other Acts become effective as of the entry into force of this Act: — — —

Pursuant to Decree no. 669 of 15 June 2001, sub-sections 5, 6, 8, 11 and 17 entered into force 1 July 2001. Pursuant to Decree no. 1417 of 14 December 2001, the remainder of the Section entered into force on 1 January 2002.