



**MASTER SERVICES AGREEMENT
EMERGENCY WELL SERVICES**

Contract Number : BPM-04-00764

MASTER SERVICES AGREEMENT FOR EMERGENCY WELL CONTROL PLANNING, PREVENTION AND RESPONSE

INDEX

| SECTION | TITLE |
|----------------|--|
| 1. | AGREEMENT |
| 2. | GENERAL CONDITIONS OF CONTRACT <ul style="list-style-type: none">• Appendix 1 - Special Conditions of Contract• Appendix 2 - Local Tax Provisions |
| 3. | SCOPE OF WORK <ul style="list-style-type: none">• Appendix 1 - Performance Measurement• Appendix 2A - WORK ORDER for US• Appendix 2B - WORK ORDER for Non-US Sites• Appendix 3 - CHANGE ORDER |
| 4. | REMUNERATION <ul style="list-style-type: none">• Appendix 1 - Local Payment and Invoicing Procedures• Appendix 2 - Depreciation of CONTRACTOR's Tools and Equipment• Appendix 3 - Lost In Hole Charges |
| 5. | QUALITY ASSURANCE AND QUALITY CONTROL |
| 6. | HEALTH, SAFETY AND ENVIRONMENT <ul style="list-style-type: none">• Appendix 1 - Getting HSE Right• Appendix 2 - BP's Golden Rules for Safety• Appendix 3 - Drug and Alcohol Standards and Expectations (UK and International Sites)• Appendix 3A - Substance Abuse Policy (US Only)• Appendix 4 - Minimum Health, Safety, and Environmental Requirements (US Only) |
| 7. | BUSINESS ETHICS |
| 8. | LOCAL POLICIES AND REQUIREMENTS <ul style="list-style-type: none">• Appendix 1 - Form of Parent Company Guarantee• Appendix 2 - Equal Opportunity and Affirmative Action (US Only)• Appendix 3 - Non-Harassment Policy (US Only)• Appendix 4 - Voluntary Principles on Security and Human Rights• Appendix 5 - Other Local Clauses / Policies |



**MASTER SERVICES AGREEMENT
EMERGENCY WELL SERVICES**

**SECTION 1
AGREEMENT**

AGREEMENT

This CONTRACT is made between the following PARTIES : BP AMERICA PRODUCTION COMPANY a company having its registered office at 501 WESTLAKE PARK BLVD., HOUSTON, TEXAS 77079, hereinafter called COMPANY and WELL FLOW DYNAMICS AS, having its main or registered office at BILLINGSTADSLETTA 19 B, 1376 BILLINGSTAD, NORWAY, hereinafter called CONTRACTOR. PARTY or PARTIES shall mean individually the COMPANY or CONTRACTOR or collectively as both COMPANY and CONTRACTOR.

WHEREAS:

- 1) COMPANY wishes that the WORK shall be carried out, all as described in the CONTRACT;
- 2) CONTRACTOR wishes to carry out the WORK in accordance with the terms and conditions of this CONTRACT; and
- 3) CONTRACTOR represents that it has the requisite skills, experience and resources to carry out the WORK to the reasonable satisfaction of Company in accordance with the terms and conditions specified herein.

NOW THEREFORE, the PARTIES hereto agree as follows:

- 1) In this CONTRACT all capitalised words and expressions shall have the meanings assigned to them in this AGREEMENT or elsewhere in the CONTRACT.

The following Sections shall form and be read and construed as the CONTRACT:

| | |
|-----------|--|
| Section 1 | Agreement |
| Section 2 | General Conditions of Contract <ul style="list-style-type: none">• Appendix 1 : Special Conditions of Contract• Appendix 2 : Local Tax Provisions |
| Section 3 | Scope of Work (including Appendices) <ul style="list-style-type: none">• Appendix 1 : Performance Measurement• Appendix 2A: WORK ORDER for US• Appendix 2B: WORK ORDER for Non-US Sites• Appendix 3 : CHANGE ORDER |
| Section 4 | Remuneration (including Appendices) <ul style="list-style-type: none">• Appendix 1 : Local Payment and Invoicing Procedures• Appendix 2 : Depreciation of CONTRACTOR's Tools and Equipment• Appendix 3 : Lost in Hole Charges |
| Section 5 | Quality Assurance & Quality Control |
| Section 6 | Health, Safety and Environment (including applicable Appendices) <ul style="list-style-type: none">• Appendix 1 : Getting HSE Right• Appendix 2 : BP's Golden Rules for Safety• Appendix 3 : Drug and Alcohol Standards and Expectations (UK and |

International Sites)

- Appendix 3A : Substance Abuse Policy (US Only)
- Appendix 4 : Minimum Health, Safety, and Environmental Requirements (US Only)

Section 7 BP Policy on Business Ethics

Section 8 Local Policies and Requirements

- Appendix 1 : Form of Parent Company Guarantee
- Appendix 2 : Equal Opportunity and Affirmative Action (US Only)
- Appendix 3 : Non-Harassment Policy (US Only)
- Appendix 4 : Voluntary Principles on Security and Human Rights
- Appendix 5 : Other Local Clauses / Policies

The Sections shall be read as one document, the contents of which, in the event of ambiguity or contradiction between Sections, shall be given precedence in the order listed, with the exception that the Special Local Conditions of Contract as stated in Appendix 1 to Section 2 - Special Conditions of Contract shall take precedence over the General Conditions of Contract.

- 3) In accordance with the terms and conditions of the CONTRACT, CONTRACTOR shall perform and complete the WORK and COMPANY shall pay the CONTRACT PRICE.
- 4) The EFFECTIVE DATE OF THE CONTRACT shall be April 1, 2004. Notwithstanding the EFFECTIVE DATE of the CONTRACT, the WORK is scheduled to commence on the date specified in each individual WORK ORDER issued pursuant to the provisions of Section 3 and shall continue until completed to the reasonable satisfaction of COMPANY. Subject to the terms and conditions contained in Section 2 - General Conditions of Contract, the CONTRACT duration shall be for a term of three (3) years from the EFFECTIVE DATE OF THE CONTRACT. COMPANY shall have the option to extend this CONTRACT annually for up to two (2) consecutive years following the expiration of the three (3) year term.
- 5) This CONTRACT constitutes the entire agreement between the PARTIES hereto with respect to the WORK and supersedes all prior negotiations, representations or agreements related to the CONTRACT, either written or oral. No amendments to the CONTRACT shall be effective unless evidenced in writing and signed by the PARTIES to the CONTRACT.

The authorized representatives of the PARTIES have executed the CONTRACT in duplicate upon the dates indicated below:

For COMPANY



Name: Russell N. Brown

Title: Manager, Drilling and Well Services
Houston E&P Supply Chain Management

Date: April 23, 2004

For CONTRACTOR



Name: OLE B RYGG

Title: Well Flow Dynamics AS

Date: May 3, 2004



**MASTER SERVICES AGREEMENT
EMERGENCY WELL SERVICES**

**SECTION 2
GENERAL CONDITIONS OF CONTRACT**

INDEX

| CLAUSE | HEADING | Page |
|---------------|--|-------------|
| 1. | DEFINITIONS | 1 |
| 2. | INTERPRETATION..... | 2 |
| 3. | COMPANY AND CONTRACTOR REPRESENTATIVES..... | 2 |
| 4. | CONTRACTOR'S GENERAL OBLIGATIONS | 3 |
| 5. | TRANSPORTATION | 5 |
| 6. | CONTRACTOR TO INFORM ITSELF | 5 |
| 7. | CONTRACTOR TO INFORM COMPANY | 6 |
| 8. | ASSIGNMENTS AND SUBCONTRACTING | 6 |
| 9. | CONTRACTOR PERSONNEL | 7 |
| 10. | DEFECTIVE PERFORMANCE | 9 |
| 11. | CHANGES TO THE WORK | 10 |
| 12. | FORCE MAJEURE | 10 |
| 13. | SUSPENSION..... | 11 |
| 14. | TERMS OF PAYMENT | 12 |
| 15. | TAXES..... | 13 |
| 16. | OWNERSHIP | 15 |
| 17. | PATENTS AND OTHER PROPRIETARY RIGHTS..... | 16 |
| 18. | LAWS AND REGULATIONS | 18 |
| 19. | INDEMNITIES | 19 |
| 20. | INSURANCE BY CONTRACTOR..... | 22 |
| 21. | CONSEQUENTIAL LOSS..... | 23 |
| 22. | CONFIDENTIALITY | 23 |
| 23. | TERMINATION | 25 |
| 24. | AUDIT..... | 26 |
| 25. | LIENS | 27 |
| 26. | BUSINESS ETHICS..... | 27 |
| 27. | GENERAL LEGAL PROVISIONS..... | 28 |
| 28. | RESOLUTION OF DISPUTES..... | 31 |
| 29. | WARRANTY..... | 31 |
| 30. | ACCESS TO LOCATIONS..... | 32 |
| 31. | HEALTH, SAFETY, ENVIRONMENT AND THE WELFARE OF PERSONNEL | 32 |
| 32. | PERFORMANCE MANAGEMENT | 34 |
| 33. | AGGREGATE OF LIABILITY | 35 |
| 34. | CONTINUING OBLIGATIONS..... | 35 |
| 35. | SPECIAL CONDITIONS | 36 |

APPENDICES

APPENDIX 1 SPECIAL CONDITIONS OF CONTRACT

APPENDIX 2 LOCAL TAX PROVISIONS

GENERAL CONDITIONS OF CONTRACT

1. DEFINITIONS

The following definitions shall be used for the purpose of interpreting the CONTRACT. Further definitions not contained in this Clause shall apply to the Section in which they are stated and subsequent Sections.

- 1.1 "AFFILIATE" of a company means a person or entity directly or indirectly controlling, controlled by, or under common control with such company. "Control" for this purpose shall, in the case of a corporation with outstanding voting stock, require the direct or indirect ownership of, or power to vote with respect to, outstanding shares of a corporation's capital stock constituting fifty per cent (50%) or more of the votes of any class of such corporation's outstanding voting stock.
- 1.2 "CHANGE ORDER" shall mean the written instruction in the form similar to Section 3, Appendix 3 issued by COMPANY in accordance with the provisions of Clause 11 describing a change or variation to the WORK or a specific WORK ORDER.
- 1.3 "COMPANY GROUP" shall mean COMPANY, its CO-VENTURERS, its and their respective AFFILIATES and its and their respective directors, officers, and employees (including agency personnel), but shall not include any member of CONTRACTOR GROUP.
- 1.4 "COMPANY REPRESENTATIVE" shall mean that person referred to in Clause 3.
- 1.5 "CONTRACT" shall have the meaning described in Section 1 - Agreement.
- 1.6 "CONTRACT PRICE" shall mean the price for the WORK calculated in accordance with Section 4 - Remuneration and where applicable as set forth in any WORK ORDER, as modified by any CHANGE ORDERS, issued hereunder.
- 1.7 "CONTRACTOR GROUP" shall mean CONTRACTOR, its SUBCONTRACTORS their subcontractors of any tier, its and their respective AFFILIATES or co-venturers and, its and their respective directors, officers, and employees (including agency personnel), but shall not include any member of COMPANY GROUP.
- 1.8 "CONTRACTOR REPRESENTATIVE" shall mean that person referred to in Clause 3.
- 1.9 "CO-VENTURERS" shall mean any co-venturers and / or Co-Lessees with COMPANY from time to time having an interest in the exploration and production license under which the WORK is being performed and the successors in interest of such CO-VENTURERS or the assignees of any interest of such CO-VENTURERS.
- 1.10 "DEFECTS LIABILITY PERIOD" shall mean the period from the commencement of the WORK up to ninety (90) days after completion of the WORK during which CONTRACTOR shall remain liable for the correction of defects to the work or services as provided for under Clause 10.
- 1.11 "SERVICE COMPANY(IES)" shall mean any contractor(s) other than CONTRACTOR who have entered into contract(s) with COMPANY and are engaged by COMPANY to provide services or perform work at the WORKSITE or engaged by COMPANY to provide services or perform work in connection with the WORK

- 1.12 "SERVICE COMPANY GROUP" shall mean any SERVICE COMPANY, its sub-contractors of any tier, its and their AFFILIATES, and its and their respective directors, officers and employees (including agency personnel), but shall not include any member of COMPANY GROUP or CONTRACTOR GROUP.
- 1.13 "SUBCONTRACT" shall mean any contract between CONTRACTOR and any party or between such party and its subcontractors of any tier (other than COMPANY or any employees of CONTRACTOR) for the performance of any part of the WORK.
- 1.14 "SUBCONTRACTOR" shall mean any party (other than CONTRACTOR) to a SUBCONTRACT.
- 1.15 "TECHNICAL INFORMATION" shall mean all such information provided by or caused to be provided by COMPANY pursuant to the CONTRACT.
- 1.16 "WARRANTY PERIOD" in respect of equipment and products provided by CONTRACTOR hereunder shall mean a period of 12 months from date of installation or 24 months from date of shipment of any product, whichever first occurs, as provided for under Clause 29.
- 1.17 "WORK" shall mean all work, including each service to be rendered, related equipment or materials supplied, or products provided pursuant to each WORK ORDER (as modified by any CHANGE ORDER), that CONTRACTOR is required to carry out in accordance with the provisions of the CONTRACT.
- 1.18 "WORK ORDER" shall mean the written instruction in a form similar to Section 3, Appendix 2 that will be issued by COMPANY in accordance with the provisions of the CONTRACT describing the WORK required to be performed at a specific WORKSITE.
- 1.19 "WORKSITE" shall mean the lands, waters and other places on, under, in or through which the WORK is to be performed including COMPANY owned, leased or operated premises, land drilling and production sites, offshore installations, floating construction equipment, vessels (including the area covered by approved anchor patterns) or places where equipment, materials or supplies are being obtained, stored or used for the purposes of the CONTRACT.

2. INTERPRETATION

- 2.1 All instructions, notices, agreements, authorisations, approvals and acknowledgements shall be in writing. All such documentation together with all correspondence and other documents shall be in the English language.

Nevertheless, if for any reason it is considered necessary by COMPANY to give an instruction to CONTRACTOR orally in the first instance, CONTRACTOR shall comply with such instruction. Any such oral instruction shall be confirmed in writing as soon as is possible under the circumstances, provided that, if CONTRACTOR confirms in writing any such oral instruction which is not contradicted in writing by COMPANY without undue delay, it shall be deemed to be an instruction in writing by COMPANY.

- 2.2 Any reference to statute, statutory provision or statutory instrument shall include any re-enactment or amendment thereof for the time this CONTRACT is in force.

3. COMPANY AND CONTRACTOR REPRESENTATIVES

- 3.1 General

- (a) COMPANY REPRESENTATIVE and CONTRACTOR REPRESENTATIVE are the persons named as such in Appendix 1 to this Section 2.
- (b) Such representatives, or delegates appointed in accordance with the provisions of this Clause, shall be readily available to enable both COMPANY and CONTRACTOR to discharge their obligations under the CONTRACT.
- (c) COMPANY REPRESENTATIVE and any person authorised by him shall have access at all reasonable times to the WORKSITE and CONTRACTOR shall afford every facility for and every assistance in obtaining the right of access.

3.2 COMPANY REPRESENTATIVE

- (a) COMPANY REPRESENTATIVE has the authority to commit COMPANY in all matters under the CONTRACT and, subject to any delegation of such authority, shall be responsible for issuing to and receiving from CONTRACTOR all notices, information, instructions and decisions.
- (b) By notice to CONTRACTOR, COMPANY REPRESENTATIVE may at any time delegate any of his authority to any nominated deputy. Such notice shall specify the precise authority of any such deputy and shall be sent to CONTRACTOR REPRESENTATIVE.
- (c) COMPANY may change COMPANY REPRESENTATIVE at any time and shall notify CONTRACTOR of any change.
- (d) Except as expressly stated in the CONTRACT, COMPANY REPRESENTATIVE has no powers to amend the CONTRACT or to relieve CONTRACTOR from any of its obligations under the CONTRACT.

3.3 CONTRACTOR REPRESENTATIVE

- (a) CONTRACTOR REPRESENTATIVE has the authority to commit CONTRACTOR to any course of action within the rights and obligations of CONTRACTOR under the CONTRACT and, subject to any delegation of such authority, shall be responsible for issuing to and receiving from COMPANY all notices, information, instructions and decisions.
- (b) CONTRACTOR REPRESENTATIVE may delegate any of his authority to any nominated deputy, the terms of such delegation being subject to the prior approval of COMPANY which shall not be unreasonably withheld or delayed.
- (c) CONTRACTOR shall not change CONTRACTOR REPRESENTATIVE without cause or any nominated deputy without the prior approval of COMPANY which shall not unreasonably be withheld or delayed.
- (d) CONTRACTOR REPRESENTATIVE has no powers to amend the CONTRACT.

4. CONTRACTOR's GENERAL OBLIGATIONS

- 4.1 CONTRACTOR shall in accordance with Section 3, carry out all of its obligations under the CONTRACT and provide all management, supervision, personnel, materials and equipment, (except materials and equipment specified to be provided by COMPANY), plant, consumables,

facilities and all other things whether of a temporary or permanent nature, so far as the necessity for providing the same is expressed with reasonable clarity in the CONTRACT.

4.2 CONTRACTOR represents and warrants that it:

- (a) has the competence to perform the services;
- (b) has or shall obtain the necessary tools, products, equipment and personnel to provide the services;
- (c) shall maintain and use all tools and equipment in accordance with manufacturer's specifications and recommendations and good engineering and operational practices;
- (d) has or shall obtain, at its expense, before performing any services all the necessary certificates, permits, licenses and authorizations to conduct business and perform the services;
- (e) shall perform all services in accordance with all applicable Law;
- (f) shall perform all services in good faith, promptly, with due diligence and competence;
- (g) fully comprehends the requirements and contingencies for providing services and it shall examine the WORKSITE for any additional or special requirements and contingencies prior to performing Services; and
- (h) shall ensure that services, materials and equipment provided will meet any descriptions or specifications set out in Section 3 Scope of Work or in any WORK ORDER at all times except to the extent of normal wear and tear and/or abuse by personnel other than CONTRACTOR and its SUBCONTRACTORS.

4.3 CONTRACTOR represents and warrants that it shall not perform any aspect of the services that it knows or has reason to believe cannot be performed in conformity with the provisions of this Agreement and applicable WORK ORDER. If CONTRACTOR determines that it cannot perform services in conformity with these provisions, CONTRACTOR shall immediately advise COMPANY and work with COMPANY to develop a mutually satisfactory resolution for the inability to perform. CONTRACTOR further represents and warrants that it shall ascertain whether any drawings and specifications applicable to the services are at variance with any applicable Law and good engineering and operational practices before beginning any services. If CONTRACTOR discovers any variance, it shall promptly notify COMPANY in writing and ensure the necessary changes are made before proceeding with the part of the services affected.

4.4 CONTRACTOR shall take full responsibility for the adequacy, stability, health, safety and environmental protection of all its operations and methods necessary for the performance of the WORK and shall keep strictly to the provisions of Section 6 - Health, Safety and Environment.

4.5 Except to the extent that it may be illegal or physically impossible or create a hazard to safety CONTRACTOR shall comply with COMPANY's instructions and directions on all matters relating to the WORK.

4.6 In order to ensure that performance and completion of the WORK are not delayed or impeded CONTRACTOR shall be responsible for the timely provision of all matters referred to in Clause

4.1 and, where provided for elsewhere in the CONTRACT, for the timely request of COMPANY provided materials, services and facilities.

- 4.7 COMPANY reserves the right to let other contracts for work or services to be performed coincidentally with the WORK at the WORKSITE. CONTRACTOR shall afford COMPANY and SERVICE COMPANY(IES) reasonable access and opportunity for the performance of their work or contracts and shall cooperate fully with SERVICE COMPANY(IES).
- 4.8 CONTRACTOR shall be responsible for the programming of the WORK.
- 4.9 On completion of the WORK or any portion thereof and subject to any modifications set forth in Section 3, Scope of Work, CONTRACTOR shall without delay clear and remove all equipment and materials owned or in the custody and control of CONTRACTOR (other than equipment and material addressed in Clause 4.9) including debris, thereby leaving the WORKSITE in a clean, tidy and safe condition consistent with the provisions of Section 6 - Health, Safety and Environment. Nothing contained herein shall oblige CONTRACTOR to dispose of hazardous waste unless expressly stated otherwise. Notwithstanding the foregoing, nothing in this CONTRACT shall obligate the CONTRACTOR to raise and recover any item of sunken equipment whether lost overboard in transit or on location unless CONTRACTOR is required by statute or regulation to raise and recover such item or where COMPANY requires such item to be recovered as interfering with COMPANY's future operations at the location.
- 4.10 Surplus COMPANY material in the possession of CONTRACTOR on completion of the WORK shall be disposed of by CONTRACTOR in accordance with the instructions of COMPANY REPRESENTATIVE which shall be the subject of a CHANGE ORDER in accordance with Clause 11.

5. TRANSPORTATION

The responsibility and obligations of COMPANY with respect to the provision of onshore or offshore transportation, where applicable, for CONTRACTOR provided personnel, equipment and materials are as stated in Section 3 - Scope of Work.

6. CONTRACTOR TO INFORM ITSELF

- 6.1 CONTRACTOR shall be deemed to the extent reasonably possible to have satisfied itself, before entering into the CONTRACT, as to the extent and nature of the WORK including but not limited to the services, personnel, materials and equipment, plant, consumables and facilities required for the WORK, the correctness and sufficiency of the rates and prices entered in Section 4 - Remuneration, general and local conditions, and all other matters which could affect progress or performance of the WORK.
- 6.2 Any failure by CONTRACTOR to take account of matters, which affect the WORK, will not relieve CONTRACTOR from its obligations under the CONTRACT.
- 6.3 CONTRACTOR shall check all TECHNICAL INFORMATION in accordance with good oilfield practice and advise COMPANY of any errors or inconsistencies it finds. COMPANY shall resolve those errors or inconsistencies as soon as reasonably possible and CONTRACTOR shall thereafter be entitled to rely on all TECHNICAL INFORMATION furnished to CONTRACTOR by COMPANY (as corrected by COMPANY if applicable).
- 6.4 The COMPANY shall without undue delay provide to CONTRACTOR all information affecting the WORK which CONTRACTOR reasonably requires from COMPANY in order to properly perform the WORK in accordance with the CONTRACT.

7. CONTRACTOR TO INFORM COMPANY

- 7.1 CONTRACTOR shall notify COMPANY without undue delay of all things, which in the opinion of CONTRACTOR appear to be deficiencies, omissions, contradictions or ambiguities in the CONTRACT or conflicts with applicable law. COMPANY shall review these items and issue the necessary instructions before CONTRACTOR proceeds with any part of the WORK affected. Subject to the provisions of Clause 11, COMPANY shall issue a CHANGE ORDER if CONTRACTOR can show that it has suffered delay and/or incurred additional cost as a result of any such instruction.
- 7.2 In addition to the requirements of Section 6 - Health, Safety and Environment, CONTRACTOR shall notify COMPANY without delay of any health, safety and environmental incidents and accidents that occur in connection with the carrying out of the WORK. CONTRACTOR shall also notify COMPANY of any other incidents which occur which might affect the carrying out of the WORK or the CONTRACT.
- 7.3 CONTRACTOR shall notify COMPANY immediately of any proposed or actual stoppages of work, industrial disputes or other matters affecting or likely to affect the carrying out or completion of the WORK.

When requested by COMPANY, CONTRACTOR shall also supply to COMPANY other information in connection with the WORK relating to industrial relations.

8. ASSIGNMENTS AND SUBCONTRACTING

8.1 Assignment

- (a) COMPANY is entitled to assign the CONTRACT or any part of it or any benefit or interest in or under it to any CO-VENTURER or AFFILIATE of COMPANY. In addition, COMPANY may make any such assignment to any other third party but only with the prior agreement of CONTRACTOR which shall not unreasonably be withheld or delayed.
- (b) CONTRACTOR undertakes that, in the event of any assignment described above, it will execute without delay a formal assignment of interest in the CONTRACT to the relevant party, to be effective upon the written assumption by the assignee of all obligations of COMPANY under the CONTRACT.
- (c) CONTRACTOR shall not assign the CONTRACT or any benefit or interest therein, whether in whole or in part, except to a CONTRACTOR AFFILIATE without the prior approval of COMPANY, which approval shall not be unreasonably withheld or delayed.

8.2 Subcontracting

- (a) CONTRACTOR shall not subcontract the whole of the WORK. CONTRACTOR shall not subcontract any material part of the WORK without the prior approval of COMPANY which approval shall not unreasonably be withheld or delayed.
- (b) Before entering into any SUBCONTRACT as provided in 8.2 (a), COMPANY shall be given an adequate opportunity to review the form of SUBCONTRACT, the choice of SUBCONTRACTOR, the part of the WORK included in the SUBCONTRACT and any other relevant details requested by COMPANY.

Where COMPANY will be required to reimburse to CONTRACTOR the sum paid to the SUBCONTRACTOR, any procedure for award of such SUBCONTRACTS included in the CONTRACT shall be followed and COMPANY shall be entitled to review all relevant aspects of the SUBCONTRACT.

- (c) No SUBCONTRACT shall bind or purport to bind COMPANY or the CO-VENTURERS. CONTRACTOR shall ensure that any SUBCONTRACTOR shall be bound by and observe the provisions of the CONTRACT in so far as they apply to the SUBCONTRACT.

Each SUBCONTRACT shall expressly provide for CONTRACTOR's unconditional right of assignment of the SUBCONTRACT to COMPANY in the event that COMPANY terminates the CONTRACT or the WORK.

- (d) CONTRACTOR shall be responsible for all work, acts, omissions and defaults of any SUBCONTRACTOR as fully as if they were work, acts, omissions or defaults of CONTRACTOR.

9. CONTRACTOR PERSONNEL

- 9.1 CONTRACTOR undertakes to provide sufficient personnel at all times to ensure performance and completion of the WORK in accordance with the provisions of the CONTRACT.
- 9.2 All personnel employed on the WORK shall, for the work they are required to perform, be competent, properly qualified, skilled and experienced in accordance with good industry practice.

CONTRACTOR shall verify all relevant qualifications of such personnel. This includes, but is not limited to, CONTRACTOR's:

- a) Site based personnel,
- b) Shore base / shop personnel who prepare equipment and materials pre-job,
- c) QA/QC personnel,
- d) HSE personnel,
- e) Logistics personnel,
- f) Technical support staff.

- 9.3 Where CONTRACTOR's key personnel are specified in the CONTRACT, they shall not be replaced without prior COMPANY approval which shall not unreasonably be withheld or delayed. Any replacement shall work with the person to be replaced for a reasonable handover period.
- 9.4 CONTRACTOR shall maintain full and up to date records of its personnel employed on the WORK and register all periods worked offshore by its personnel and make records available to COMPANY if or when required.
- 9.5 CONTRACTOR shall be solely responsible for and shall meet all costs incurred in connection with the employment and administration of its personnel, local or otherwise, together with all necessary and routine medical services to be provided for its personnel, and all other matters relating thereto, including making all travel arrangements (reservations, onshore transport,

lodging, maintenance, etc) except as set out in Section 3 hereof, obtaining all necessary passports and visas (and renewals thereof) and all to satisfy the requirement of all applicable laws, rules, regulations and decrees of any governmental or regulatory body having jurisdiction over its WORK.

- 9.6 CONTRACTOR shall also be solely responsible for the timely payment of wages, salaries and allowances for its personnel including the withholding of any taxes required by any governmental or regulatory body having jurisdiction over the WORK and/or the WORKSITE. CONTRACTOR shall make and file all returns and reports in connection therewith and account thereafter to the appropriate authorities.
- 9.7 Except for transportation, related travel expenses and as otherwise provided herein, CONTRACTOR shall be responsible for all matters and costs associated with rest periods for its personnel including all crew changes which may take place during the period of the WORK. CONTRACTOR is responsible for ensuring that all personnel are properly rested in order to carry out the WORK in a safe, efficient and environmentally responsible manner.
- 9.8 CONTRACTOR shall, as its own expense unless otherwise provided, provide its personnel with all necessary protective clothing and safety equipment suitable for the working conditions. For duty offshore/onshore such clothing/equipment shall be in accordance with statutory requirements.
- 9.9 CONTRACTOR shall ensure that such key personnel and supervisory personnel of CONTRACTOR and SUBCONTRACTORS shall read, write and speak fluent English.
- 9.10 CONTRACTOR shall be as responsible for any WORK performed by any CONTRACTOR agency personnel and by any other person provided by CONTRACTOR in connection with the WORK as if the WORK was performed by the CONTRACTOR's employees.
- 9.11 CONTRACTOR shall ensure that all employees of CONTRACTOR and any SUBCONTRACTOR engaged in the performance of the WORK comply with applicable laws including immigration laws and where required are in possession of a valid work permit, travel permits, for the duration of the CONTRACT. When requested, details of such work permits shall be submitted to COMPANY.
- 9.12 COMPANY may verbally or in writing instruct CONTRACTOR to remove from the WORKSITE any CONTRACTOR GROUP personnel engaged in any part of the WORK who in the reasonable opinion of COMPANY is either:
- (a) incompetent or negligent in the performance of their duties; or
 - (b) engaged in activities that are contrary or detrimental to the interests of COMPANY; or
 - (c) not conforming with relevant safety procedures described in Section 6 - Health, Safety and Environment or persists in any conduct likely to be prejudicial to safety, health or the environment.

CONTRACTOR shall remove or lawfully secure such removal of any such person forthwith from the WORKSITE. COMPANY shall state the reason for such removal in a subsequent written instruction if requested by CONTRACTOR. CONTRACTOR shall provide a suitable replacement for any such person within 24 hours or longer time as may be agreed by COMPANY.

Any person removed for any of the above reasons shall not be engaged again in the WORK or on any other work of COMPANY without the prior informed approval of COMPANY

- 9.13 CONTRACTOR shall forthwith at its cost and expense replace any such person removed under the provisions of Clause 9.12 hereof with such replacement being a person qualified and capable of performing in an efficient manner the duties of any such person being replaced. This Clause shall also apply to CONTRACTOR's and SUBCONTRACTOR's personnel leaving of their own volition.

- 9.14 CONTRACTOR shall take all requisite precautions and use its best endeavours to prevent any riotous or unlawful behaviour by or amongst any of CONTRACTOR's personnel.

10. DEFECTIVE PERFORMANCE

- 10.1 If at any time within the DEFECTS LIABILITY PERIOD and without prejudice to COMPANY'S other rights under Clause 23, where COMPANY has found that the WORK or part thereof or any re-work performed by CONTRACTOR has not been performed in accordance with the CONTRACT, COMPANY shall detail in writing such fault or defect ("DEFECTS"), the specific nature of the DEFECTS and the Clause and Section of the CONTRACT that contains the obligation that CONTRACTOR has failed to meet.

- 10.2 Starting on the date set out in COMPANY's notice under Clause 10.1 to CONTRACTOR (or if no such date is specified, commencing immediately upon such notice becoming effective), CONTRACTOR shall expeditiously take all necessary action to remedy the DEFECTS. CONTRACTOR's obligations under this Clause shall continue until the DEFECTS have been remedied in full compliance with the requirements of the CONTRACT.

- 10.3 Subject to Clause 10.4 and without prejudice to COMPANY'S other rights under Clause 23, if following receipt of COMPANY notification as set out in Clause 10.1, CONTRACTOR is unwilling or unable to perform the work necessary to correct the DEFECTS in a time which is reasonable in all circumstances then COMPANY may decide that CONTRACTOR's failure to correct such DEFECTS will be prejudicial to its interests. In such cases COMPANY may at its option either:

- a) at CONTRACTOR's expense, either re-perform the defective WORK or have the defective WORK remedied by others at best market rates available to COMPANY taking into account HSE, technical and cost considerations. CONTRACTOR's liability in respect of this Clause 10.3(a) shall extend to the full amount of the incremental cost, meaning the amount by which the cost of procuring such alternative performance exceeds the CONTRACT PRICE, incurred by COMPANY in procuring alternative performance of the defective WORK as aforesaid; or

- b) terminate the CONTRACT or WORK ORDER as provided under Clause 23.1 (b)

- 10.4 For the purposes of Clause 10.2, 10.3 and 23.5, CONTRACTOR shall not be liable to COMPANY for the costs of any items which are specified in the CONTRACT or WORK ORDER as items to be provided by COMPANY or items which were previously provided by COMPANY.

- 10.5 CONTRACTOR's limit of financial liability expressed under Clause 10.3(a) shall be limited to a sum equivalent to the costs incurred by COMPANY and in any event to a sum not greater than thirty percent (30%) of the price of the element of the work or services in respect of which a notice of DEFECTS has been issued pursuant to Clause 10.1 plus all reasonable and documented third party mobilization (and de-mobilization, as applicable) costs necessary to re-perform the work or services in question.

11. CHANGES TO THE WORK

- 11.1 COMPANY has the right to issue instructions in the form of a CHANGE ORDER to CONTRACTOR at any time to make any variation or changes to the WORK which are within the capability and resources of CONTRACTOR. CONTRACTOR shall proceed immediately as instructed.
- 11.2 CONTRACTOR shall notify COMPANY if any CHANGE ORDER issued pursuant to Clause 11.1 will result in an adjustment to CONTRACT PRICE. Any adjustment to the CONTRACT PRICE resulting from any CHANGE ORDER shall be valued at the appropriate rates and prices included in the CONTRACT, or in the absence of any appropriate rates and prices, a fair valuation shall be mutually agreed by COMPANY and CONTRACTOR.
- 11.3 Any additions or modifications to the schedule of rates defined in the remuneration section shall be treated as contractual amendments requiring the approval of both PARTIES' authorised representatives.

12. FORCE MAJEURE

- 12.1 Neither COMPANY nor CONTRACTOR shall be responsible for any failure to fulfill any term or condition of the CONTRACT (other than any obligation to make payment when due for WORK already carried out) if and to the extent that fulfilment has been delayed or temporarily prevented by a force majeure occurrence, as herein defined, which has been notified in accordance with this Clause and which is beyond the control and without the fault or negligence of the PARTY affected and which, by the exercise of reasonable diligence, the said PARTY is unable to provide against.
- 12.2 For the purpose of this CONTRACT, force majeure as defined in Clause 12.1 shall be considered to include, but not be limited to, the following:
- (a) Riot, war, invasion, act of foreign enemies, hostilities (whether war be declared or not), acts of terrorism, civil war, rebellion, revolution, insurrection of military or usurped power;
 - (b) Ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel or radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof;
 - (c) Earthquake, flood, fire, explosion, Acts of God and/or other natural physical disaster; but excluding weather conditions as such, regardless of severity, for which operational contingency plans exist;
 - (d) Strikes at a national or regional level or industrial disputes at a national or regional level, or strikes or industrial disputes by labour not employed by the affected PARTY its subcontractors or its suppliers and which affect a substantial or essential portion of the WORK;
 - (e) Maritime or aviation disasters;
 - (f) Changes to any general or local Statute, Ordinance, Decree, or other Law or any regulation or bye-law of any local or other duly constituted authority or the introduction of any such Statute, Ordinance, Decree, Law, regulation or bye-law.

- 12.3 In the event of a force majeure occurrence, the PARTY that is or may be delayed in performing the CONTRACT shall notify the other PARTY without delay giving the full particulars thereof and shall use all reasonable endeavours to remedy the situation without delay.
- 12.4 Save as otherwise expressly provided in the CONTRACT, no additional payments of whatever nature shall be made in respect of a force majeure occurrence.
- 12.5 Following notification of a force majeure occurrence in accordance with Clause 12.3, the PARTIES shall meet at appropriate intervals to agree on a mutually acceptable course of action to minimize the impact and effects of such an occurrence to either PARTY.
- 12.6 In the event that a force majeure occurrence causes the WORK to be halted for a period longer than thirty (30) days, the PARTIES shall meet and agree to:
- (a) extend the term of the CONTRACT in accordance with Clause 11.1, with appropriate adjustments in remuneration to compensate for delayed completion, or
 - (b) re-schedule the WORK.

Failing agreement either PARTY shall be entitled to terminate the WORK ORDER or CONTRACT in accordance with Clause 23.6.

13. SUSPENSION

- 13.1 COMPANY shall have the right, by notice to CONTRACTOR, to suspend the WORK or any part thereof to the extent detailed in the notice, for any of the following reasons:
- (a) subject only to Clause 13.3, in the event of some default on the part of CONTRACTOR; or
 - (b) in the event that suspension is necessary for the proper execution or safety of the WORK, or persons or,
 - (c) to suit the convenience of COMPANY.
- 13.2 Upon receipt of any such notice, CONTRACTOR shall, unless instructed otherwise:
- (a) discontinue the WORK or the part of the WORK detailed in the notice, on the date and to the extent specified; and
 - (b) properly protect and secure the WORK as required by COMPANY.
- 13.3 In the event of default on the part of CONTRACTOR and before the issue by COMPANY of a notice to suspend the WORK or any part thereof COMPANY shall give notice of default to CONTRACTOR giving details of such default. If CONTRACTOR, upon receipt of such notice, does not commence and thereafter continuously proceed with action reasonably satisfactory to COMPANY to remedy such default COMPANY may issue a notice of suspension in accordance with the provisions of Clause 13.1.
- 13.4 Unless the suspension arises as a result of default on the part of CONTRACTOR, CONTRACTOR shall be reimbursed in accordance with the provisions of Section 4 - Remuneration or, in the absence of such provisions, in accordance with Clause 11.

- 13.5 COMPANY may, by further notice, instruct CONTRACTOR to resume the WORK to the extent specified.
- 13.6 In the event of any suspension, COMPANY and CONTRACTOR shall meet at not more than 7 day intervals with a view to agreeing upon a mutually acceptable course of action during the suspension.
- 13.7 If the period of any suspension not arising as a result of default on the part of CONTRACTOR exceeds thirty (30) days hereto, CONTRACTOR may serve a notice on COMPANY requiring permission within fourteen (14) days from the receipt of such notice to proceed with the WORK or that part thereof subject to suspension. If within the said fourteen (14) days COMPANY does not grant such permission CONTRACTOR, by a further notice, may (but is not bound to) elect to treat the suspension as either:
- (a) where it affects part only of the WORK, an omission of such part under Clause 11; or
 - (b) where it affects the whole of the WORK, termination in accordance with Clause 23.1 (a).

14. TERMS OF PAYMENT

- 14.1 For the performance and completion of the WORK, COMPANY shall pay or cause to be paid to CONTRACTOR the amounts provided in Section 4 - Remuneration at the times and in the manner specified in Section 4 - Remuneration and in this Clause.
- 14.2 Except where it is expressly provided that COMPANY shall carry out an obligation under the CONTRACT at its own cost, all things to be supplied or performed by CONTRACTOR under the CONTRACT shall be deemed to be included in the rates and prices included in Section 4 - Remuneration. All obligations of CONTRACTOR pursuant to the provision of Clause 10 shall be performed by CONTRACTOR at its sole cost and expense.
- 14.3 CONTRACTOR shall invoice COMPANY for WORK performed in accordance with the provisions stated in Appendix 1 to Section 4 - Remuneration. All invoices will be submitted no later than ninety (90) days after the completion of the whole of the WORK or such longer period as mutually agreed.
- 14.4 To the extent payments to be made under the CONTRACT attract any national and/or local government, federal or state sales and/or service type tax, the invoicing provisions for such sales and/or taxes shall be as stated in Appendix 1 to Section 4 - Remuneration.
- 14.5 COMPANY shall pay CONTRACTOR's invoice(s) within the period, in the currency, in the manner, and at the address stated in Appendix 1 to Section 4 - Remuneration.
- 14.6 CONTRACTOR shall submit all documentation reasonably required by COMPANY to substantiate all invoices.
- 14.7 If COMPANY disputes any items on any invoice in whole or in part or if the invoice is prepared or submitted incorrectly in any respect, COMPANY shall promptly notify CONTRACTOR of the reasons and request CONTRACTOR to issue a credit note for the disputed part pending resolution of the dispute or whole of the invoice as applicable. Upon receipt of such credit note, COMPANY shall be obliged to pay the undisputed part of a disputed invoice.

If any other dispute connected with the CONTRACT exists between the PARTIES, COMPANY may withhold from any money which becomes payable under the CONTRACT the amount which

is the subject of the dispute. COMPANY shall not be entitled to withhold monies due to CONTRACTOR under any other contracts with COMPANY as set off against disputes under the CONTRACT, nor shall it be entitled to withhold monies due under the CONTRACT as set off against disputes under any other contract.

On settlement of any dispute CONTRACTOR shall submit an invoice for sums due and COMPANY shall make the appropriate payment in accordance with the provisions of this Clause 14.

- 14.8 Neither the presentation nor payment nor non-payment of an individual invoice shall constitute a settlement of a dispute, an accord and satisfaction, a remedy of account stated, or otherwise waive or affect the rights of the PARTIES hereunder.

In particular, COMPANY may correct or modify any sum previously paid in any or all of the following circumstances:

- (a) any such sum was incorrect;
- (b) any such sum was not properly payable to CONTRACTOR;
- (c) any WORK in respect of which payment has been made and which does not comply with the terms of the CONTRACT.

- 14.9 If COMPANY, at any time, incurs costs which, under the provisions of the CONTRACT, COMPANY is entitled to recover from CONTRACTOR, COMPANY may invoice CONTRACTOR for such costs, provided always that COMPANY may deduct the amount of such costs from any amount due, or that may become due to CONTRACTOR under the CONTRACT.

CONTRACTOR shall pay COMPANY within thirty (30) days of receipt of invoice any undisputed sums outstanding after such deduction.

- 14.10 For the purposes of Clause 14.9, and elsewhere in the CONTRACT, wherever one PARTY is entitled to recover from the other PARTY any costs incurred then the amount of such costs shall be the amount of all claims, loss, damages, charges, disbursements, costs (including amounts paid to third parties), overheads and expenses directly resulting from the matter in question, but no element of profit.

15. TAXES

- 15.1 CONTRACTOR shall co-operate with COMPANY and at the request of COMPANY, CONTRACTOR or its permitted assigns shall use its best efforts to supply and shall procure any SUBCONTRACTOR or supplier hereunder to supply to COMPANY such information (including documentary information) in connection with its activities or its SUBCONTRACTORS' or suppliers' activities hereunder as may be required by COMPANY for any of the following purposes:

- (a) to enable COMPANY to comply with the lawful demand or requirement for such information by appropriate taxing authority having jurisdiction over the area in which the WORK is to be performed to ensure that all requirements of the applicable law are being complied with by CONTRACTOR.
- (b) to enable COMPANY to conduct, defend, negotiate or settle any claim arising out of, or in connection with, such activities, whether or not such claim shall have become the

subject of arbitration or judicial proceedings,

- (c) to enable COMPANY to make any application (including, but without limitation, any claim for any allowances or relief) or representation in connection with, or to contest any assessment on, or liability of COMPANY to any taxes,

COMPANY'S request for such information and documents shall allow CONTRACTOR a reasonable time to prepare, provide and submit that information requested.

- 15.2 The obligations of CONTRACTOR set forth above shall exist for a period of six (6) years commencing with the date of CONTRACTOR's final statement for the specific WORK ORDER under the CONTRACT, and CONTRACTOR shall retain and shall procure any SUBCONTRACTOR or supplier hereunder to retain, all information and documents in connection with its activities under or pursuant to the CONTRACT as shall enable CONTRACTOR to comply with its above obligations.

- 15.3 Except as specifically addressed elsewhere in CONTRACT including without limitation Appendix 2, CONTRACTOR shall assume full and exclusive liability for payment, and shall procure that its SUBCONTRACTORS shall assume full and exclusive liability for payment of all taxes properly and lawfully assessed or imposed on CONTRACTOR or its SUBCONTRACTORS by any competent Government or regulatory authority having jurisdiction over the WORKSITE and any other areas where the WORK is to be performed in connection with the carrying out of the WORK.

Notwithstanding the foregoing, the CONTRACTOR's liability for any claims or liability of the COMPANY in respect of taxes is subject to the following: If the COMPANY receives any demand or request for payment of any levies, charges, taxes or contributions of the type referenced in this Clause 15.3 for which it would seek indemnity or reimbursement from CONTRACTOR, the COMPANY shall forthwith notify the CONTRACTOR in writing of such demand or request. The COMPANY shall consult with the CONTRACTOR on its response to such demand or request and the COMPANY shall use its reasonable endeavours to appeal against such demand or request.

- 15.4 CONTRACTOR shall indemnify and keep indemnified COMPANY against all liabilities incurred as a consequence of breach by CONTRACTOR or any SUBCONTRACTOR of any of the obligations under Clauses 15.1, 15.2 and 15.3 hereof and all actions, proceedings, claims, damages, charges, costs and expenses whatsoever in relation thereto.
- 15.5 Except as specifically addressed in Appendix 2 to Section 2, Local Tax Provision, or elsewhere in this CONTRACT, CONTRACTOR is considered to have taken into account in the CONTRACT PRICE all taxes, levies or contributions having effect on the EFFECTIVE DATE.

- 15.6 CONTRACTOR shall insert provisions into each SUBCONTRACT or purchase order hereunder imposing on each SUBCONTRACTOR or supplier obligations, which will enable CONTRACTOR to comply with its obligations under Clauses 15.1 to 15.6 hereof. The net amount due to, or from, any SUBCONTRACTOR or supplier hereunder as a result of any change, new incidence or abolition arising from the provisions of Clause 15.6 hereof shall be paid to, or recovered from CONTRACTOR by COMPANY as though such increase or decrease had directly affected CONTRACTOR.

- 15.7 When operating outside of country where CONTRACTOR has a head or branch office, CONTRACTOR, its SUBCONTRACTORS and suppliers or its and their permitted assigns shall follow the instructions of COMPANY's branch office regarding such offices' registration requirements, licenses, permits, local taxes, and local levies including maintaining the proper

accounting records, filing and properly paying all fiscal dues on its or their activities. CONTRACTOR, its SUBCONTRACTOR'S and suppliers or its and their permitted assigns shall declare in a timely manner all custom duties, local sales tax if any and satisfying all indirect taxes that may be due hereunder.

- 15.8 In the event that CONTRACTOR benefits from a deduction in taxes paid in CONTRACTOR's country of fiscal residence by way of receiving a tax credit, offset, deduction or otherwise in respect of any tax withheld from payments due under the CONTRACT and which is borne or paid for by COMPANY on behalf of CONTRACTOR, its SUBCONTRACTOR or its or their personnel, such reimbursement of the aforesaid tax savings shall be made to the COMPANY at the amount of net savings and after the payment of tax deduction is made by the fiscal authority to CONTRACTOR.

- 15.9 For the purposes of this Clause only, "tax" shall mean and include any tax, duty or charge and any penalty or interest thereon and any other costs and charges whatsoever assessed or imposed by any competent Government or regulatory authority having jurisdiction over the WORKSITE and any other areas where the WORK is to be performed.

16. OWNERSHIP

- 16.1 COMPANY shall retain title to COMPANY provided items and information, including but not limited to, TECHNICAL INFORMATION and materials and equipment.

- 16.2 All equipment, materials and supplies provided by CONTRACTOR for permanent incorporation into the WORK shall become and be clearly identified as the property of COMPANY upon delivery to the WORKSITE or payment by COMPANY whichever is the earlier. Risk of loss and title to this property passes to COMPANY at this time.

CONTRACTOR shall ensure that all CONTRACTOR provided items are free from all liens and/or retention of title claims from any third party.

16.3 Title

- (a) Title in any equipment, materials and supplies provided by CONTRACTOR which do not comply with the requirements of the CONTRACT and which are rejected by COMPANY, shall re-vest immediately in CONTRACTOR.
- (b) Title in items provided by CONTRACTOR for which no payment has been made by COMPANY and which are no longer required for the purposes of the CONTRACT, shall re-vest in CONTRACTOR.

- 16.4 Where designs, drawings, reports, sketches and other documents and data to be provided by CONTRACTOR hereunder are created and stored electronically, CONTRACTOR shall provide to COMPANY such designs, drawings, reports, sketches and other documents and data on a CD-ROM (2 copies minimum) or other mutually agreed electronic media compatible with COMPANY's systems at the times specified in Section 3 – Scope of Work or if no times specified, when reasonably required by COMPANY. If required by COMPANY, files will be provided in original format (i.e. Word, Excel, CAD, etc.) and if mutually agreed for specific work in a PDF Format. COMPANY and CONTRACTOR shall mutually agree upon the system compatibility requirement applicable to the WORK.

- 16.5 Without prejudice to CONTRACTOR's right to compensation hereunder, title to all data, test results, charts, and reports of whatever nature in respect of COMPANY's wells including information on wellbore, production, reservoir, geology and formations encountered in the well

that have been created by CONTRACTOR in the performance of the WORK shall vest in COMPANY with effect from the date of creation. Upon completion, suspension or abandonment of each well or if earlier upon completion of CONTRACTOR's WORK in connection with that well, CONTRACTOR shall issue to COMPANY all such documents in its possession.

17. PATENTS AND OTHER PROPRIETARY RIGHTS

17.1 Neither PARTY shall have the right of use other than for the purposes of performing WORK pursuant to the CONTRACT, whether directly or indirectly, of any patent, copyright, proprietary right or confidential know how, trademark or process provided by the other PARTY.

17.2 Where any potential patent or registrable right in any country in the world results from:

- (a) developments by the CONTRACTOR which are based wholly on data, equipment, processes, substances and the like in the possession of the CONTRACTOR or its AFFILIATES at the EFFECTIVE DATE or otherwise produced outside of the CONTRACT or,
- (b) enhancements of or in the existing intellectual property rights of the CONTRACTOR or its AFFILIATES

such rights shall vest in the CONTRACTOR and COMPANY agrees to take such action as may be reasonably requested by CONTRACTOR, including execution of assignments, to enable CONTRACTOR to perfect such rights and to obtain the full benefit of this Clause.

17.3 Where any potential patent or registrable right in any country in the world results from:

- (a) developments by the COMPANY or its AFFILIATES or CO-VENTURERS which are based wholly on data, equipment, processes, substances and the like in the possession of the COMPANY at the EFFECTIVE DATE or otherwise produced outside the CONTRACT or,
- (b) enhancements of or in the existing intellectual property rights of the COMPANY or its AFFILIATES or CO-VENTURERS,

such rights shall vest in the COMPANY and CONTRACTOR agrees to take such action as may be reasonably requested by COMPANY, including execution of assignments, to enable COMPANY to perfect such rights and to obtain the full benefit of this Clause.

17.4 Except as otherwise provided in Clauses 17.2 and 17.3, during the term of the CONTRACT, and in the course of performance of the CONTRACT, in an effort to address and provide solutions for problems that are specifically related to the performance of the CONTRACT, employees of COMPANY and/or CONTRACTOR may conceive or make new inventions, ideas, or discoveries that may be protected by patent or copyright or maintained as a trade secret (hereinafter "Intellectual Property"). Subject to the obligation of the respective employees of COMPANY or CONTRACTOR to assign their interest in such Intellectual Property to the employing party, COMPANY and CONTRACTOR agree that the right, title, and interest in and to any such Intellectual Property shall be allocated as set forth below:

- (a) COMPANY shall own all Intellectual Property conceived or made during the term of the CONTRACT solely by any COMPANY employee(s).

- (b) CONTRACTOR shall own all Intellectual Property conceived or made during the term of the CONTRACT solely by any CONTRACTOR employee(s).
 - (c) COMPANY and CONTRACTOR shall each have an equal, undivided interest in the right, title and interest in and to any Intellectual Property that is jointly conceived or made during the performance of the CONTRACT by any COMPANY employee(s) along with any CONTRACTOR employee(s).
 - i) In the event that either PARTY believes that a patent application should be filed on such a joint invention, they shall then attempt in good faith to agree upon filing a patent application on the same.
 - ii) In the event that either PARTY does not wish to share equally in payment of the costs for preparing, filing and prosecuting such jointly owned application, the PARTY paying such costs shall be the assignee of that patent application and subsequent patent or patents issuing therefrom, if any, and the other, non-paying PARTY and its affiliates shall have an irrevocable, royalty-free license, without the right to sublicense, to practice but not sell or lease the subject joint invention to third parties. Both COMPANY and CONTRACTOR agree to co-operate fully in the preparation, filing and prosecution of subsequent judicial or administrative proceedings involving such and to pay its share of all necessary fees to maintain any jointly owned application or patent assigned to it in force throughout its full term; provided, however, that a PARTY may elect to notify the other PARTY that it intends to discontinue payment of such fees and thereafter promptly assign such patent to the other PARTY, retaining no interest therein in exchange for an irrevocable, royalty free license for the remainder of the term of each such patent.
 - (d) CONTRACTOR agrees to grant the COMPANY and its AFFILIATES a non-exclusive, royalty free, irrevocable, non-sublicensable, non-transferable, worldwide licence to use any patent or other registrable right vesting in CONTRACTOR pursuant to clause 17.4(b) above, but which was solely conceived and developed on COMPANY owned or operated wells and for which COMPANY engaged the services of CONTRACTOR. COMPANY agrees to grant the CONTRACTOR and its AFFILIATES a non-exclusive, royalty free, irrevocable, non-sublicensable, non-transferable, worldwide licence to use any patent or other registrable right vesting in COMPANY pursuant to clause 17.4(a) above but which was solely conceived and developed during the provision of services by CONTRACTOR to COMPANY.
- 17.5 Both COMPANY and CONTRACTOR shall, on request, disclose promptly to the other all inventions, ideas and discoveries which it or its employees may conceive or make to address and provide solutions for problems that are specifically related to the performance of WORK pursuant of the CONTRACT.
- 17.6 Subject to Clause 17.7 below, COMPANY and CONTRACTOR may decide to jointly develop Intellectual Property which may or may not be related to the WORK, in which case COMPANY and CONTRACTOR shall enter into a separate technology collaboration agreement (unless an agreement has been previously entered into) addressing each PARTY's obligations with respect to joint development costs, ownership and licensing rights of any registrable item or idea arising out of or invented during the term of that agreement as a direct or indirect result of joint cooperation between COMPANY and CONTRACTOR.
- 17.7 The technology collaboration of the PARTIES described in Clauses 17.6 above shall be preceded by a mutually acceptable confidentiality agreement, and neither PARTY shall acquire

any Intellectual Property rights unless a separate technology collaboration agreement is fully agreed and executed.

- 17.8 CONTRACTOR shall save, indemnify, release, defend and hold harmless COMPANY GROUP from all claims, losses, damages, costs (including legal costs), expenses, and liabilities of every kind and nature for, or arising out of, any alleged infringement of any patent or proprietary or protected right, arising out of or in connection with the performance of the obligations of CONTRACTOR under CONTRACT except where such infringement necessarily arises from the TECHNICAL INFORMATION and/or COMPANY's instructions. However, CONTRACTOR shall, when specifically requested, use its reasonable endeavours to identify any infringement in the TECHNICAL INFORMATION and/or COMPANY's instructions of any patent or proprietary or protected right, and should CONTRACTOR become aware of such infringement or possible infringement then the CONTRACTOR shall inform COMPANY immediately.
- 17.9 The COMPANY shall save, indemnify, release, defend and hold harmless the CONTRACTOR GROUP from all claims, losses, damages, costs (including legal costs), expenses, and liabilities of every kind and nature for, or arising out of, any alleged infringement of any patent or proprietary or protected right arising out of or in connection with the performance of the obligations of the COMPANY under the CONTRACT or the COMPANY'S instructions to CONTRACTOR or the use by the CONTRACTOR of TECHNICAL INFORMATION or materials or equipment supplied by the COMPANY. However, COMPANY shall, when specifically requested, use its reasonable endeavours to identify any infringement in the CONTRACTOR furnished information, and should COMPANY become aware of such infringement or possible infringement, then the COMPANY shall inform CONTRACTOR immediately.
18. **LAWS AND REGULATIONS**
- 18.1 CONTRACTOR shall conduct its operations in accordance with all applicable laws, rules, regulations and decrees of any governmental or regulatory body having jurisdiction over the WORK and/or the WORKSITE; provided that nothing in the CONTRACT is intended or should be construed to require CONTRACTOR to act or fail to act if such action or failure to act would be inconsistent with or penalised by (1) the laws and regulations of CONTRACTOR's or COMPANY's country of incorporation and /or (2) the laws and regulations of the country of incorporation of any direct, indirect or ultimate parent company of CONTRACTOR or COMPANY.
- 18.2 CONTRACTOR and COMPANY shall cooperate to obtain all licences, permits, temporary permits and authorisations required by the applicable laws, rules and regulations for the performance of the WORK addressing emergency well services response operations, save to the extent that the same can only be legally obtained by COMPANY.
- 18.3 Notwithstanding Clause 15.6, should changes in any applicable laws, rules and regulations made after the EFFECTIVE DATE, result in increases or decreases in the cost to CONTRACTOR of performing the WORK, then except where there is provision contained within Section 4 - Remuneration, the PARTIES shall mutually agree to the appropriate changes necessary to the CONTRACT PRICE.
- 18.4 CONTRACTOR shall endeavour to ensure that neither it nor any other entity or person in CONTRACTOR GROUP has: a) given any commissions, payments, gifts of substantial value, kickbacks, lavish or extensive entertainment, or other things of value to any officer, director, employee, agent, or representative of COMPANY, or any family member thereof, or received same from any vendor, supplier, or contractor in connection with this CONTRACT or b) paid any fee, commission, rebate, or anything of value to or for the benefit of any official or functionary of the government having jurisdiction over the WORKSITE and acknowledges that the giving or receiving of any such payments, gifts, kickbacks, extensive entertainment or anything of value is

strictly in violation of COMPANY's corporate policy and may result in the cancellation of this CONTRACT and other contracts. CONTRACTOR shall notify COMPANY's security department of any such solicitation at the following corporate number in the USA 1-800-225-6141 or in the UK 0 (20) 7 496 4496.

CONTRACTOR's compliance with the provisions of this Clause 18.4 is subject to audit by COMPANY.

19. INDEMNITIES

19.1 Personal Injury or Property Damage suffered by CONTRACTOR GROUP

CONTRACTOR shall be responsible for and shall save, indemnify, release, defend and hold harmless COMPANY GROUP and SERVICE COMPANY GROUP from and against all claims, losses, damages, costs (including legal costs) expenses and liabilities in respect of:

- (a) except as otherwise provided herein, loss of or damage to property or equipment of CONTRACTOR GROUP not including any equipment provided by any member of SERVICE COMPANY GROUP whether owned, hired, leased or otherwise provided by CONTRACTOR GROUP arising from or relating to the performance of the CONTRACT located at the WORKSITE including ingress, egress, loading, and unloading of personnel or cargo;
- (b) except for CONTRACTOR or SUBCONTRACTORS tools or equipment which are lost or damaged while under care, custody and control of COMPANY GROUP,
- (c) personal injury including death or disease to any person employed by CONTRACTOR GROUP arising from or relating to the performance of the CONTRACT including ingress, egress, loading, and unloading of personnel or cargo.

19.2 Personal Injury or Property Damage suffered by COMPANY GROUP

COMPANY shall be responsible for and shall save, indemnify, release, defend and hold harmless CONTRACTOR GROUP from and against any claims, losses, damages, costs (including legal costs) expenses and liabilities in respect of:

- (a) loss of or damage to property or equipment of COMPANY GROUP whether owned, hired, leased or otherwise provided by COMPANY GROUP, not including any equipment provided by any member of SERVICE COMPANY GROUP arising from or related to the performance of CONTRACT located at the WORKSITE including ingress, egress, loading, and unloading of personnel or cargo;
- (b) personal injury including death or disease to any person employed by COMPANY GROUP arising from or relating to the performance of the CONTRACT including ingress, egress, loading, and unloading of personnel or cargo.

19.3 Loss, Damage, Injury or Death suffered by Third Parties

- (a) Subject to Clause 19.4(a), CONTRACTOR shall be responsible for and shall release, save, indemnify, defend and hold harmless COMPANY GROUP and SERVICE COMPANY GROUP from and against all claims, losses, damages, costs (including legal costs) expenses and liabilities in respect of personal injury including death or disease or loss of or damage to the property or equipment of any Third Party to the extent that any

such injury, loss or damage is caused by the negligence or breach of duty (whether statutory or otherwise) of CONTRACTOR GROUP. For the purpose of this Clause, "Third Party" shall mean any party which is not a member of COMPANY GROUP or CONTRACTOR GROUP.

- (b) Subject to Clause 19.4(b), COMPANY shall be responsible for and shall release, save, indemnify, defend and hold harmless CONTRACTOR GROUP from and against any claims, losses, damages, costs (including legal costs) expenses and liabilities in respect of personal injury including death or disease or loss of or damage to the property or equipment of any Third Party to the extent that any such injury, loss or damage is caused by the negligence or breach of duty (whether statutory or otherwise) of COMPANY GROUP. For the purposes of this Clause, "Third Party" shall mean any party which is not a member of CONTRACTOR GROUP or COMPANY GROUP.

19.4 Pollution

- (a) Notwithstanding the provisions of Clause 19.3(a) and except as provided by Clause 19.1(a), Clause 19.1(b) and Clause 19.4(b) COMPANY shall save, indemnify, release, defend and hold harmless CONTRACTOR GROUP from and against any claim of whatsoever nature arising from pollution and/or contamination including without limitation such pollution or contamination from the reservoir or from the property or equipment of COMPANY GROUP arising from or related to the performance of the CONTRACT.
- (b) Notwithstanding the provisions of Clause 19.3(b) and except as provided by Clause 19.2(a) and Clause 19.2(b) CONTRACTOR shall save, indemnify, release, defend and hold harmless COMPANY GROUP and SERVICE COMPANY GROUP from and against any claim of whatsoever nature arising from pollution occurring on the premises of CONTRACTOR GROUP or originating from the property or equipment of CONTRACTOR GROUP located above the surface of the land or water arising from or relating to the performance of the CONTRACT.

19.5 CONTRACTOR's Tools and Equipment

Without limiting CONTRACTOR GROUP's obligation to furnish equipment which is in good working order and notwithstanding the provisions of Clause 19.1(a), COMPANY shall be responsible for and shall reimburse CONTRACTOR GROUP in respect of loss of or damage to property, materials or equipment (tools) or component part thereof, of CONTRACTOR GROUP's tools and equipment which occurs whilst in-hole below the rotary table other than normal wear and tear or damaged / lost during a well control event. COMPANY's liability for such loss or damage shall, subject to the provisions contained in Section 4 - Remuneration and its appendices, be either the actual repair or replacement cost, whichever is the lesser, as substantiated by CONTRACTOR to COMPANY REPRESENTATIVE.

Notwithstanding the reasons for any loss or damage to CONTRACTOR's equipment, nothing herein contained shall absolve CONTRACTOR from its obligation to provide such equipment as and when reasonably required by COMPANY

19.6 Other COMPANY Responsibilities

Subject to Clauses 19.1 and 19.4(b), but notwithstanding anything contained elsewhere in the CONTRACT to the contrary, COMPANY shall save, indemnify, release, defend and hold harmless CONTRACTOR GROUP against all claims, losses, damages, costs (including legal costs) expenses and liabilities resulting from:

- (a) loss or damage to any well or hole (including the cost to re-drill);
- (b) blowout, fire, explosion, cratering or any uncontrolled well condition (including the costs to control a wild well and the removal of debris);
- (c) damage to any reservoir, aquifer, geological formation or underground strata or the loss of oil or gas therefrom;
- (d) the use of radioactive sources in relation to the WORK or any contamination resulting therefrom (including retrieval and/or containment, clean up and /or containment of contamination from naturally occurring radioactive materials).

19.7 Indemnities in their Entirety

All exclusions, releases of liabilities and indemnities given under this Clause (save for those under Clauses 19.3(a) and 19.3(b)) and Clause 21 shall apply irrespective of cause and notwithstanding the negligence or breach of duty (whether statutory or otherwise) of the indemnified PARTY or any other entity or party and shall apply whether or not the claim, liability, damage, or expense in question is:

- (a) predicated on sole, joint or concurrent fault, negligence (whether active, passive or gross), strict liability, statutory duty, contractual indemnity or otherwise at law, or
- (b) sought directly or indirectly by way of recovery, indemnification, or contribution by any person or entity against COMPANY GROUP, SERVICE COMPANY GROUP, or CONTRACTOR GROUP as the case may be.

19.8 Claims

If either PARTY becomes aware of any incident likely to give rise to a claim under the above indemnities, they shall notify the other and both PARTIES shall co-operate fully in investigating the incident.

19.9 It is the intent of the PARTIES hereto that the releases of liability and indemnities furnished by CONTRACTOR in this Clause and in Clause 21 and the releases of liability and indemnities given by SERVICE COMPANY in COMPANY contracts shall apply:

- (a) save as provided below for the benefit of the SERVICE COMPANY GROUP in the case of the releases of liability and indemnities furnished by CONTRACTOR; and,
- (b) for the benefit of CONTRACTOR GROUP in the case of the releases of liability and indemnities given by the SERVICE COMPANY in COMPANY contracts.

The releases of liability, indemnities, defence, save and hold harmless provisions given by CONTRACTOR in Clauses 19 and 21 herein in favour of SERVICE COMPANY GROUP shall be provided by CONTRACTOR on the express understanding that they shall apply in favour only of such SERVICE COMPANY(IES) who have provided substantially similar reciprocal releases of liability, indemnities, defence, save and hold harmless provisions in favour of CONTRACTOR GROUP in their respective contracts with COMPANY. The releases of liability, indemnities, defence, save and hold harmless provisions provided by CONTRACTOR in Clauses 19 and 21 herein in favour of SERVICE COMPANY GROUP shall become effective from such time and for such duration as such SERVICE COMPANY(IES) become bound by substantially similar

reciprocal releases of liability, indemnities, defence, save and hold harmless provisions in favour of CONTRACTOR GROUP in their respective contracts with COMPANY.

In fulfilment of this objective, COMPANY shall use its reasonable endeavours to ensure that in its respective contracts with SERVICE COMPANY(IES), the releases of liability, indemnities, defence, save and hold harmless provisions contained in such contracts in favour of CONTRACTOR GROUP shall be substantially similar to the releases of liability, indemnities, defence, save and hold harmless provisions given by CONTRACTOR in Clauses 19 and 21 herein in favour of SERVICE COMPANY GROUP.

In the event that COMPANY is unable to fully fulfil the foregoing objective, COMPANY shall, without delay, notify CONTRACTOR in writing with details of the additional risk being assumed by CONTRACTOR, as soon as is reasonably practicable thereafter and the PARTIES further undertake to meet to discuss ways of minimising the impact of such a notification within the overall requirements of the CONTRACT. Failure by COMPANY to issue such written notification as required herein will constitute a material breach of the terms of the CONTRACT.

In the event that COMPANY advises CONTRACTOR that one of more SERVICE COMPANY(IES) have declined to provide substantially similar releases of liability, indemnities, defence, save and hold harmless provisions in favour of CONTRACTOR GROUP in their respective contracts with COMPANY, the PARTIES shall meet to discuss and agree ways of minimising the impact of such additional risks as may be identified by either PARTY which may include: alternative working practices or arrangements to minimise the impact of such risks; a separate mutual hold harmless agreement applicable at the WORKSITE or additional compensation to enable CONTRACTOR to insure against such additional risks.

Notwithstanding the foregoing, the failure of one of more SERVICE COMPANY(IES) to provide substantially similar releases of liability, indemnities, defence, save and hold harmless provisions in favour of CONTRACTOR GROUP in its respective contracts with COMPANY as envisaged herein shall cause such SERVICE COMPANY(IES) to be considered a Third Party for the purpose of Clause 19.3 herein.

20. INSURANCE BY CONTRACTOR

20.1 CONTRACTOR shall arrange as a minimum the insurances set out in the CONTRACT and ensure that they are in full force and effect throughout the life of the CONTRACT.

All such insurances shall be placed with reputable and substantial insurers, reasonably satisfactory to COMPANY.

All insurances (including insurances provided by SUBCONTRACTORS), other than Employers Liability Insurance / Workmen's Compensation only, shall to the extent of the liabilities assumed and indemnities offered by CONTRACTOR under the CONTRACT, include COMPANY, CO-VENTURERS and its and their respective AFFILIATES as additional assureds.

All insurances shall, to the extent of the liabilities assumed and indemnities offered by CONTRACTOR under the CONTRACT, be endorsed to provide that underwriters waive any rights of recourse, including in particular subrogation rights against COMPANY, CO-VENTURERS, SERVICE COMPANY(IES), and its and their respective AFFILIATES in relation to the CONTRACT.

Such insurances shall also where possible, provide that COMPANY shall be given not less than thirty (30) days notice of cancellation of or material change to cover. The provisions of this Clause 20 shall in no way limit the liability of CONTRACTOR under the CONTRACT.

COMPANY'S insurances in respect of the operations under the CONTRACT shall, to the extent of the liabilities assumed and indemnities offered by COMPANY under the CONTRACT, contain waivers of subrogation in favour of CONTRACTOR GROUP.

Notwithstanding the above paragraph, the provision that CONTRACTOR's underwriters waive any right of recourse against SERVICE COMPANY(IES) and their AFFILIATES, including in particular subrogation rights against the SERVICE COMPANY(IES) and their AFFILIATES, in relation to the CONTRACT, are given with the express understanding that they shall only apply where such SERVICE COMPANY(IES)' underwriters have provided reciprocal waivers of rights of recourse including subrogation rights against CONTRACTOR GROUP and only from such time as such SERVICE COMPANY(IES)' underwriters become bound by such reciprocal waivers of rights of recourse including subrogation rights and only for the duration they remain bound by such reciprocal waivers.

- 20.2 The insurances required to be effected under Clause 20.1 shall be as stated in Appendix 1 hereto.
- 20.3 CONTRACTOR shall supply COMPANY with evidence of such insurance on demand in the form of certificates of insurance on industry standard forms.
- 20.4 CONTRACTOR shall ensure that SUBCONTRACTORS are insured to appropriate levels as may be relevant to their work.

21. CONSEQUENTIAL LOSS

For the purposes of this Clause 21, the expression "Consequential Loss" shall mean consequential loss or damages under applicable law and/or any indirect, special, incidental, punitive, or consequential losses or damages, including without limitation loss of production, loss of product, loss of use, loss of business and business interruption and loss of revenue, profit or anticipated profit whether direct or indirect arising from or related to the performance of the CONTRACT and whether or not such losses were foreseeable at the time of entering into the CONTRACT except to the extent such consequential, indirect, and/or special damages, loss of profits, loss of production, or loss of use are part of a Third Party claim for which a party is seeking contribution or indemnification pursuant to this CONTRACT. For the purpose of this Clause, "Third Party" shall mean any party which is not a member of COMPANY GROUP or CONTRACTOR GROUP and "Third Party claim" shall mean any claim raised by a Third Party not claiming, directly or indirectly, by or through any member of COMPANY GROUP or CONTRACTOR GROUP.

Notwithstanding any provisions to the contrary elsewhere in the CONTRACT and except to the extent of any agreed liquidated damages or any termination fees provided for in the CONTRACT, COMPANY shall save, indemnify, release, defend and hold harmless CONTRACTOR GROUP from COMPANY GROUP's own Consequential Loss and CONTRACTOR shall save, indemnify, release, defend and hold harmless COMPANY GROUP and SERVICE COMPANY GROUP from CONTRACTOR GROUP's own Consequential Loss. CONTRACTOR's obligation with respect to SERVICE COMPANY GROUP shall be subject to the provisions of Clause 19.9.

22. CONFIDENTIALITY

- 22.1 CONTRACTOR shall at no time without the prior agreement of COMPANY either:
 - (a) make any publicity releases or announcements concerning the subject matter of the CONTRACT; or

- (b) publish or permit to be published either alone or in conjunction with any other person any articles, photographs or other illustrations relating to the WORK hereunder, or COMPANY'S business generally, without prior reference to and approval in writing from COMPANY. Such consent shall only apply to each specific application and relate only to that application. The accuracy of any information which was not supplied directly by COMPANY shall be the absolute responsibility of CONTRACTOR; or
- (c) except as may be necessary to enable CONTRACTOR to perform its obligations under the CONTRACT, use, reproduce, copy, disclose to, place at the disposal of or use on behalf of any third party or enable any third party to use, peruse or copy any information including, but not limited to, drawings, data, and computer software which:
 - (i) is provided to CONTRACTOR by or on behalf of COMPANY, the CO-VENTURERS or its or their AFFILIATES in or in relation to the CONTRACT; or
 - (ii) vest in COMPANY in accordance with the CONTRACT; or
 - (iii) CONTRACTOR prepares in connection with the WORK.

In the event CONTRACTOR discloses any information to any third party under the provisions of Clause 22.1(b), CONTRACTOR shall be responsible for ensuring that such third party keeps any such information confidential and complies with all requirements of this Clause 22.1.

22.2 The provisions of Clause 22.1 shall not apply to information which:

- (a) is or becomes part of the public domain; or
- (b) was in the possession of CONTRACTOR prior to award of the CONTRACT and which was not subject to any obligation of confidentiality owed to COMPANY; or
- (c) was received from a third party whose possession is lawful and who is under no obligation not to disclose; or
- (d) is required to be disclosed in order to comply with the requirements of any law, rule or regulation of any governmental or regulatory body having jurisdiction over the WORK or CONTRACTOR, or of any relevant stock exchange; or
- (e) is used or disclosed by CONTRACTOR five (5) years, or such other period specified in Appendix 1 to Section 2, after the completion of the WORK.
- (f) was owned exclusively, developed exclusively or developed independently by CONTRACTOR and does not mention COMPANY or WORK in any respect.

22.3 CONTRACTOR shall ensure that the provisions of this Clause are incorporated in any SUBCONTRACT and that the officers, employees and agents of CONTRACTOR and of the SUBCONTRACTORS comply with the same.

22.4 All information provided by CONTRACTOR which CONTRACTOR wishes to remain confidential shall be clearly marked as being confidential but no markings shall be required for CONTRACTOR's pricing information and trade secrets. COMPANY shall nevertheless be entitled, subject to CONTRACTOR's consent which shall not be unreasonably withheld or delayed, to use and disclose any such confidential information to third parties to the extent

necessary for the execution and maintenance of the project in connection with which the WORK is to be performed and in relation to any statutory or other legal requirement.

With the above exceptions COMPANY will take all reasonable measures to protect the confidentiality of such information.

23. TERMINATION

23.1 COMPANY shall have the right by giving notice to terminate all or any part of the WORK at such time or times as COMPANY may consider necessary for any or all of the following reasons:

- (a) to suit the convenience of COMPANY;
- (b) in the event of i) a default on the part of the CONTRACTOR; or ii) any DEFECTS in the WORK, subject to the provisions of Clause 10; and
- (c) in the event of CONTRACTOR becoming bankrupt or making a composition or arrangement with its creditors or a winding-up order of CONTRACTOR being made or (except for the purposes of amalgamation or reconstruction) a resolution for its voluntary winding-up passed or a provisional liquidator, receiver, administrator or manager of its business or undertaking appointed or presenting a petition or having a petition presented applying for an administration order to be made, or possession being taken by or on behalf of the holders of any debenture secured by a floating charge of any property comprised in or subject to the floating charge, or any equivalent act or thing should be done or suffered under any applicable law.

23.2 In the event of default on the part of CONTRACTOR and before the issue by COMPANY of an order of termination of all or any part of the WORK or the CONTRACT, COMPANY shall give notice of default to CONTRACTOR giving the details of such default. If CONTRACTOR upon receipt of such notice does not commence and thereafter continuously proceed with action satisfactory to COMPANY to remedy such default COMPANY may issue a notice of termination in accordance with the provisions of Clause 23.1.

23.3 In the event of COMPANY giving CONTRACTOR notice of termination of all or any part of the WORK or the CONTRACT, such notice shall become effective on the date specified therein (or in the absence of any specified date at the date of receipt of the notice) whereupon CONTRACTOR shall immediately:

- (a) cease performance of the WORK or such part thereof as may be specified in the notice and may remove its equipment from WORKSITE;
- (b) allow COMPANY or its nominee full right of access to take over the WORK or the relevant part of the WORK;
- (c) assign to COMPANY, or its nominee, to the extent desired by COMPANY all or the relevant parts of the rights, titles, liabilities and SUBCONTRACTS relating to the WORK which CONTRACTOR may have acquired or entered into.

23.4 In the event of termination under Clause 23.1(a) CONTRACTOR shall be entitled to payment as set out in Section 4 - Remuneration for the part of the WORK performed in accordance with the CONTRACT together with such other payments and fees as may be set out in that Section or such reasonable costs as agreed between the PARTIES at the time of termination.

23.5 In the event of termination of part or all of the WORK or the CONTRACT in accordance with Clause 23.1(b) or Clause 23.1(c) the following conditions shall apply:

- (a) CONTRACTOR shall cease to be entitled to receive any money or monies on account of the CONTRACT until the costs of completion and all other costs arising as a result of CONTRACTOR's default or other events giving rise to the termination have been finally ascertained;
- (b) thereafter and subject to any deductions that may be made under the provisions of the CONTRACT, CONTRACTOR shall be entitled to payment only as set out in Section 4 - Remuneration for the part of the WORK completed in accordance with the CONTRACT up to date of termination and;
- (c) any additional costs reasonably incurred by COMPANY as a direct result of such termination shall be recoverable from CONTRACTOR. CONTRACTOR's liability in respect of the foregoing shall be limited to thirty percent (30%) of the price of the specific WORK ORDER leading to the notice of termination plus all reasonable and documented third party mobilization (and de-mobilization, as applicable) costs necessary to re-perform the work or services in question or to remedy the default.

23.6 In the event that a single period of force majeure continues longer than thirty (30) days unless the PARTIES have agreed alternative arrangements as described in Clause 12.6, then either PARTY shall be entitled to terminate the WORK ORDER or CONTRACT by giving the other PARTY ten (10) days written notice of termination and the PARTIES will have no additional obligations to each other as a result of said termination.

24. AUDIT

24.1 During the course of the WORK and for a period ending twenty-four (24) months after the date of its termination, or final payment, whichever occurs last, COMPANY or its duly authorised representative shall have the right to audit at all reasonable times and, upon request, take copies of all of CONTRACTOR's records (written or electronic form or media), books, personnel records, accounts, correspondence, memoranda, receipts, vouchers and other papers of every kind relating to;

- (a) all invoiced charges made by CONTRACTOR on COMPANY, and
- (b) any provision of this CONTRACT under which the CONTRACTOR has obligations, the performance of which is capable of being verified by audit including without limitation COMPANY ethical conduct expectations expressed in Section 7 - BP Policy on Business Ethics.

In this respect, COMPANY shall not generally be entitled to investigate the make up of rates and lump sums included in the CONTRACT except to the extent necessary for the proper evaluation of any CHANGE ORDERS, CONTRACTOR shall also have the right to exclude any trade secrets, formulas or processes from such audit by COMPANY nor will COMPANY be allowed access to CONTRACTOR'S proprietary or trade secret information unless otherwise specifically agreed between the PARTIES.

24.2 CONTRACTOR shall co-operate fully with COMPANY and/or its representatives in the carrying out of any audit required by COMPANY. COMPANY will conduct any audit in a manner, which will keep to a reasonable minimum any inconvenience to CONTRACTOR.

In the event that such audit or audits reveal any error or discrepancy of any nature whatever, such error or discrepancy will be promptly corrected and any amount owing or due to either COMPANY or CONTRACTOR, will be promptly paid by the other PARTY. COMPANY shall have this right to audit CONTRACTOR's accounts and records only after delivery of written notice to CONTRACTOR in accordance with the provisions for notices set forth above.

- 24.3 CONTRACTOR shall obtain equivalent rights of audit to those specified above from all SUBCONTRACTORS and will cause such rights to extend to COMPANY

25. LIENS

- 25.1 CONTRACTOR shall not claim any lien, charge or the like on the WORK or on any property of COMPANY in the possession of CONTRACTOR or at the WORKSITE.
- 25.2 Without prejudice to any other provisions of this Clause, CONTRACTOR shall save, indemnify, release, defend and hold harmless COMPANY from and against all liens, attachments, charges or claims by any of its SUBCONTRACTORS or persons alleging to be SUBCONTRACTORS in connection with or arising out of the CONTRACT.
- 25.3 CONTRACTOR shall immediately notify COMPANY of any possible lien, attachment, charge or claim which may affect the WORK or any part thereof.
- 25.4 If at any time there is evidence of any lien, attachment, charge or claim to which, if established, COMPANY or its property might be subjected, whether made by any persons against CONTRACTOR or made by any of its SUBCONTRACTORS or person alleging to be a SUBCONTRACTOR against COMPANY, then COMPANY shall have the right to withhold and/or set off or otherwise recover from CONTRACTOR such sum of money as will fully indemnify COMPANY against any such lien, attachment, charge or claim.
- 25.5 Before taking any action in accordance with Clause 25.4, COMPANY shall give to CONTRACTOR a reasonable opportunity to demonstrate that the purported lien, attachment, charge or claim is either unenforceable or is covered by the provisions of an enforceable policy of insurance.
- 25.6 For the purpose of this Clause reference to COMPANY shall include the CO-VENTURERS and its and their AFFILIATES.

26. BUSINESS ETHICS

- 26.1 CONTRACTOR shall perform the WORK for COMPANY's exclusive benefit. This obligation shall be applicable to CONTRACTOR's agents and employees; they must provide the diligence and care required to prevent any action or condition which might result in a conflict with COMPANY's interests. CONTRACTOR's efforts shall include, but not be limited to, the establishment of measures to prevent its personnel from giving or receiving gifts, payments, loans, or any other inducement, for any purpose whatsoever from any person, firm, corporation or other body in connection with the performance of the CONTRACT.
- 26.2 CONTRACTOR shall endeavor to ensure that COMPANY's Business Ethics Policy, as described in Section 7 - BP Policy on Business Ethics attached hereto, is strictly complied with throughout the performance of the WORK. CONTRACTOR shall endeavor to ensure that similar provisions are included in all purchase orders with vendors and contracts entered into with its SUBCONTRACTORS and/or suppliers who supply labour, equipment, or materials in respect of the WORK. COMPANY reserves the right to modify said policies and shall notify CONTRACTOR of any changes to the terms contained in Section 7.

27. GENERAL LEGAL PROVISIONS

27.1 Waiver

None of the terms and conditions of the CONTRACT shall be considered to be waived by either COMPANY or CONTRACTOR unless a written waiver is given by one PARTY to the other. No failure on the part of either party to enforce any of the terms and conditions of the CONTRACT shall constitute a waiver of such terms.

27.2 Retention of Rights

Subject to the provisions of Clauses 19, 21, 27.10, 29, and 33 unless otherwise specifically stated in the CONTRACT, both COMPANY and CONTRACTOR shall retain all rights and remedies, both under the CONTRACT and at Law, which either may have against the other.

CONTRACTOR shall not be relieved from any liability or obligation under the CONTRACT by any review, approval, authorisation, acknowledgement or the like, by COMPANY.

27.3 CONTRACTOR's AFFILIATES

Any limitation of liability given by COMPANY to CONTRACTOR under the CONTRACT shall include the AFFILIATES of CONTRACTOR.

27.4 Independence of CONTRACTOR

CONTRACTOR shall act as an independent contractor with respect to the WORK and shall exercise control, supervision, management and direction as to the method and manner of obtaining the results required by COMPANY.

27.5 Governing Law and Language

The validity, construction, interpretation, and effect of the CONTRACT shall be governed by the laws and language of the country or state specified in Appendix 1 hereto, excluding any choice of the law rules which would otherwise require the application of the laws of any other jurisdiction.

27.6 Notices

All notices in respect of the CONTRACT shall be given in writing and delivered by hand, by telefax or by first class post to the relevant address specified in Appendix 1 hereto and copied to such other office or offices of the PARTIES as shall from time to time be nominated by them in writing to the other.

Such notices shall be effective:

- (a) if delivered by hand, at the time of delivery;
- (b) if sent by telefax, on the first working day at the recipient address following the date of sending;
- (c) if sent by first class post, 48 hours after the time of posting.

27.7 Status of COMPANY

COMPANY enters into the CONTRACT either:

- a) for itself and as agent for and on behalf of its other CO-VENTURERS; or
- b) as agent for and on behalf of an AFFILIATE and the CO-VENTURERS of that AFFILIATE (in which case this CONTRACT other than this Clause 27.7 shall be interpreted as though all references to "COMPANY" were references to that AFFILIATE).

Notwithstanding b) above:

- (c) CONTRACTOR agrees to look only to COMPANY for the due performance of the CONTRACT and nothing contained in the CONTRACT will impose any liability upon, or entitle CONTRACTOR to commence any proceedings against any CO-VENTURER other than COMPANY;
- (d) COMPANY is entitled to enforce the CONTRACT on behalf of all CO-VENTURERS as well as for itself. For that purpose COMPANY may commence proceedings in its own name to enforce all obligations and liabilities of CONTRACTOR and to make any claim which any CO-VENTURER may have against CONTRACTOR.

Notwithstanding b) above:

- (e) CONTRACTOR agrees to look only to the AFFILIATE of COMPANY for the due performance of the CONTRACT and nothing contained in the CONTRACT will impose any liability upon, or entitle CONTRACTOR to commence any proceedings against COMPANY or CO-VENTURER of an AFFILIATE other than the AFFILIATE;
- (f) the AFFILIATE of COMPANY is entitled to enforce the CONTRACT on behalf of COMPANY and all CO-VENTURERS of that AFFILIATE as well as for itself. For that purpose the AFFILIATE may commence proceedings in its own name to enforce all obligations and liabilities of CONTRACTOR and to make any claim which COMPANY or CO-VENTURER of that AFFILIATE may have against CONTRACTOR.

27.8 Entire Agreement

The CONTRACT constitutes the entire agreement between the PARTIES hereto with respect to the WORK and supersedes all prior negotiations, representations or agreements related to the CONTRACT, either written or oral. No amendments to the CONTRACT shall be effective unless evidenced in writing and signed by the PARTIES to the CONTRACT.

27.9 Mitigation of Loss

Both COMPANY and CONTRACTOR shall take all reasonable steps to mitigate any loss resulting from any breach of CONTRACT by the other PARTY.

27.10 Extent of Exclusion or Limitation of Liability

Any exclusion or limitation of liability under the CONTRACT shall exclude or limit such liability not only in contract but also in tort or otherwise at law.

27.11 Invalidity and Severability

If any provision of this CONTRACT shall be found by any court or administrative body of competent jurisdiction to be invalid or unenforceable, the invalidity or unenforceability of such provision shall not affect the other provisions of this CONTRACT and all provisions not affected by such invalidity or unenforceability shall remain in full force and effect. COMPANY and CONTRACTOR hereby agree to attempt to substitute, for any invalid or unenforceable provision, a valid or enforceable provision which achieves to the greatest possible extent, the economic, legal and commercial objectives of the invalid or unenforceable provision.

27.12 CONTRACTS (RIGHTS OF THIRD PARTIES) ACT

27.12.1 Subject to Clause 27.12.3, the PARTIES intend that no provision of the CONTRACT shall, by virtue of the Contracts (Rights of Third Parties) Act 1999 ("the Act") confer any benefit on, nor be enforceable by any person who is not a party to the CONTRACT.

27.12.2 For the purpose of this Clause 27.12, "Third Party" shall mean any member of COMPANY GROUP (other than COMPANY) or CONTRACTOR GROUP (other than CONTRACTOR) or in respect only of the provisions of Clauses 19, 20 and 21 hereof, the SERVICE COMPANY GROUP.

27.12.3 Subject to the remaining provisions of the CONTRACT,

(a) Clause 17.7, Clause 17.8, Clause 19, Clause 20 and Clause 21 are intended to be enforceable by a Third Party; and

(b) Clause 27.3 is intended to be enforceable by the AFFILIATES of CONTRACTOR; by virtue of the Act.

27.12.4 Notwithstanding Clause 27.12.3, the CONTRACT may be rescinded, amended or varied by the PARTIES to the CONTRACT without notice to or the consent of any Third Party even if, as a result, that Third Party's right to enforce a term of this CONTRACT may be varied or extinguished.

27.12.5 The rights of any Third Party under Clause 27.12.3 shall be subject to the following:

(a) any claim, or reliance on any term of the CONTRACT by a Third Party against a party to the CONTRACT shall be notified in writing in accordance with the requirements of Clauses 19.8 and 27.6 by such Third Party to each party to the CONTRACT as soon as such Third Party becomes aware that an event is likely to give rise to such a claim and such notification shall contain the following information as a minimum:

(i) details of the occurrence giving rise to the claim; and

(ii) the right relied upon by the Third Party under the CONTRACT,

(b) the provisions of Clause 28 shall apply in respect of any claim by a Third Party in that the relevant PARTIES agree to resolve any dispute between them in a prompt and amicable manner by adopting the provisions of Clause 28.

(c) the Third Party's written agreement to submit irrevocably to the jurisdiction of the English Courts in respect of all matters relating to such rights.

27.12.6 In enforcing any right to which it is entitled by virtue of the Act and the provisions of this CONTRACT, the remedies of a Third Party shall be limited to damages.

27.12.7 A Third Party shall not be entitled to assign any benefit or right conferred on it under this CONTRACT by virtue of the Act.

28. RESOLUTION OF DISPUTES

Any dispute arising in connection with this CONTRACT shall be exclusively and finally resolved in accordance with the terms specified in Appendix 1 hereto.

Whilst any matter or matters are in dispute, CONTRACTOR shall proceed with the execution and completion of the WORK and both CONTRACTOR and COMPANY shall comply with all the provisions of the CONTRACT.

29. WARRANTY

29.1 CONTRACTOR warrants and guarantees that:

- (a) it shall exercise all reasonable skill, care and diligence in the performance of the WORK and shall carry out the WORK in accordance with the requirements of the CONTRACT and to internationally recognised good oilfield practices and standards;
- (b) it shall exercise diligence to ensure the completeness and safe transportation of all acquired information including well logs, test and other information ("DATA"), arising out of the performance of the WORK. CONTRACTOR does not warrant the accuracy of DATA transmitted by electronic process, and CONTRACTOR will not be responsible for accidental or intentional interception of such DATA by third parties;
- (c) any equipment and/or related spare parts provided or supplied by CONTRACTOR or its SUBCONTRACTORS for the account of COMPANY: (i) shall meet the detailed specification set forth in the CONTRACT; or (ii) where no detailed specification is provided by COMPANY, shall be of good quality and workmanship and fit for the intended purpose where a specific purpose is defined in the CONTRACT or, where no specific purpose is defined, in fulfilment of the application for which it was designed. CONTRACTOR warrants that all equipment and/or related spare parts provided or supplied by CONTRACTOR or its SUBCONTRACTOR'S and suppliers shall be free from defects in material and/or workmanship during the WARRANTY PERIOD;
- (d) consumable materials and/or products provided or supplied by CONTRACTOR for the account of COMPANY under the terms of the CONTRACT shall meet the detailed specification as defined in this CONTRACT and where no such specification is defined, shall conform to (1) where applicable, recognised industry standards or (2) the standard grade and quality of products in the region.

29.2 The warranties and guarantees provided under Clause 29.1 shall not apply to:

- (a) consumable materials and/or products that have been modified and/or subjected to improper handling, storage, installation, operation or maintenance by any party other than CONTRACTOR and/or its SUBCONTRACTOR'S and suppliers;
- (b) equipment, spare parts, consumable materials and/or products provided by COMPANY and free issued to CONTRACTOR in connection with the WORK;

- (c) samples which are provided by CONTRACTOR to COMPANY as examples or illustrations only of the general properties of CONTRACTOR's products and/or workmanship; and
 - (d) damage to the equipment, materials and/or products caused by improper use by any party other than CONTRACTOR and/or its SUBCONTRACTOR's and suppliers by way of abrasive materials, corrosion due to aggressive fluids, lightning, improper voltage supply, mishandling or misapplication and the like.
- 29.3 CONTRACTOR may give COMPANY the benefit of its judgment based on its experience interpreting information and making recommendations, either written or oral, as to DATA or amount of material or type of oilfield service to be provided by CONTRACTOR, or the manner of performance or in prediction of results. Notwithstanding the foregoing, all such recommendations and/or predictions shall be received by COMPANY as opinions only, and no warranty expressed or implied shall be inferred by COMPANY from such recommendations and or in view of the impracticability of obtaining first-hand knowledge of the many variable conditions, the reliance on inferences, measurements and assumptions which are not infallible, and/or the necessity of relying on facts and supporting oilfield services provided by others.
- 29.4 Save as expressly provided herein all warranties, conditions or other terms implied by applicable law or otherwise are excluded to the fullest extent permitted by law (including without limitation, implied warranties of merchantability and/or fitness for a particular purpose) and, for the avoidance of doubt, no warranty condition or other term is given that DATA resulting from the performance of the WORK will be fit for any particular purpose (including without limitation, implied warranties of merchantability and/or fitness for a particular purpose).
- 29.5 CONTRACTOR shall ensure that similar warranty undertakings are included in all purchase orders with vendors and contracts entered into with its SUBCONTRACTORS and/or suppliers who supply consumable materials/products and/or equipment and spare parts in respect of the WORK. The foregoing obligation shall not apply to purchase orders with vendors and contracts entered into with SUBCONTRACTORS and / or suppliers in those instances where CONTRACTOR and COMPANY have agreed to use a specific vendor and/or supplier and CONTRACTOR has obtained COMPANY's advance written approval to modify the foregoing warranty undertakings.
- 29.6 In the event that any equipment and/or related spare parts or consumable materials provided or supplied by CONTRACTOR do not conform to the warranties set forth in Clause 29.1, COMPANY shall notify CONTRACTOR promptly upon the failure of such warranty, and in any event during the WARRANTY PERIOD, specifying the nature and extent of the failure in question. Upon receipt of such notice, CONTRACTOR shall expeditiously proceed to repair or replace, at CONTRACTOR'S sole cost, the equipment and/or related spare parts or consumable materials in question.
- 30. ACCESS TO LOCATIONS**
- COMPANY shall secure for CONTRACTOR and its SUBCONTRACTOR'S rights of access to and from the WORKSITES. COMPANY shall use its best endeavours to advise CONTRACTOR of any limitations, restriction or conditions which may affect such access and CONTRACTOR shall abide by such limitations, restrictions and conditions as aforesaid.
- 31. HEALTH, SAFETY, ENVIRONMENT AND THE WELFARE OF PERSONNEL**
- 31.1 COMPANY places prime importance on health, safety and environmental (HS&E) issues and requires that CONTRACTOR, SUBCONTRACTORS and their subcontractors subscribe to and

actively pursue the highest standards of HS&E performance. CONTRACTOR shall observe and comply with COMPANY Health, Safety and Environment Policy, Regulations and Procedures as amended from time to time, copies of which will be provided by COMPANY REPRESENTATIVE. CONTRACTOR shall familiarise itself with the following documents:

- a) Getting HSE Right (gHSEr)
- b) BP's Golden Rules for Safety
- c) Drilling and Wells Operations Policy
- d) BP Casing Design Manual
- e) Specific local HSE policies as defined in Appendix 2 to Section 6 or as provided with WORK ORDERS

It shall be the responsibility of CONTRACTOR to ensure that its personnel comply with said policy, regulations and procedures.

- 31.2 CONTRACTOR's personnel may be required by COMPANY to attend site induction for Health, Safety and Environmental Policy, Regulations and Procedures before entering a WORKSITE where any part of the WORK is to be performed and it shall be CONTRACTOR's responsibility to establish with COMPANY which personnel must be inducted and to ensure their attendance.
- 31.3 CONTRACTOR shall ensure that its personnel are aware of and carry out their own obligations with regard to health, safety and environment including the strict obligation to report unsafe working conditions, hazards, dangerous incidents, accidents and environmental issues.
- 31.4 CONTRACTOR shall ensure that its personnel:
 - (a) observe and comply with all relevant statutory obligations regarding health and safety at work, environmental protection and all applicable safety regulations and requirements;
 - (b) are fully conversant with and comply with the working conditions, safety regulations and policies at all locations where the WORK is to be performed;
 - (c) are familiar with all local safety instructions, regulations and policies applicable to the WORKSITE where the WORK is to be performed and comply with same;
 - (d) endeavor to advise CONTRACTOR supervisor of any pre-existing medical disability or condition which may adversely effect their own health and safety or the health and safety of others;
 - (e) endeavour to advise CONTRACTOR of over the counter drug warnings for medication they are taking and shall endeavor to ensure that personnel immediately advise CONTRACTOR supervisor where such usage may impact the individual's ability to perform safely.
- 31.5 CONTRACTOR's personnel shall obey and comply with all reasonable instructions or order given to them by COMPANY REPRESENTATIVE or any officer of COMPANY in all matters relating to health, safety, and the environment.

- 31.6 If requested by COMPANY and prior to mobilisation of CONTRACTOR's personnel to the WORKSITE, CONTRACTOR shall submit to COMPANY a certificate of a fully registered medical practitioner indicating medical fitness for duty at the WORKSITE. Cost associated with the supply of this medical certificate shall be borne by COMPANY unless specifically addressed in Section 3, Scope of Work.
- 31.7 WORK provided by CONTRACTOR personnel shall be conducted in accordance with the prevailing health, safety and environmental protection requirements in force in the WORKSITE and in full accordance with statutory and local requirements.
- 31.8 CONTRACTOR shall endeavor to ensure that its personnel and recommendations for performing the WORK are in accordance with World Health Organization recommendations.
- 31.9 If CONTRACTOR's personnel are required by COMPANY to work offshore or at remote sites and are required to be evacuated to a medical facility for medical treatment, the costs of evacuating CONTRACTOR'S personnel to COMPANY's onshore supply base shall be borne by COMPANY. In the event that medical evacuation was for a pre-existing medical condition that was not disclosed by CONTRACTOR to COMPANY, the costs of evacuating CONTRACTOR'S personnel to COMPANY's onshore supply base shall be borne by CONTRACTOR. COMPANY reserves the right to recover on a cost recoverable basis within the scope of CONTRACTOR's insurances for medical evacuations. All other transportation and medical treatment costs shall be borne by CONTRACTOR.
- 31.10 CONTRACTOR shall impose on its SUBCONTRACTORS the same obligations as are described in this Clause 31 and shall ensure that its SUBCONTRACTORS comply therewith.
- 31.11 For the purposes of this Clause 31, all obligations of CONTRACTOR shall include its SUBCONTRACTOR, AFFILIATES, its and their employees, servants and agents.
- 31.12 CONTRACTOR shall observe and comply with the provisions of Section 6 - Health, Safety and Environment and failure to meet these requirements or to satisfy COMPANY with regard to the control of HS&E risks in respect of the CONTRACT will be regarded as due cause for termination of the CONTRACT without notice and without financial penalty to COMPANY in accordance with the provisions of Clause 23.1.
- 31.13 Nothing contained herein will affect the application of Clause 19 and 21 of the CONTRACT.

32. PERFORMANCE MANAGEMENT

- 32.1 CONTRACTOR and COMPANY agree that there are certain Key Performance Indicators (KPI), measures for which are set out in Appendix 1 to Section 3 - Scope of Work. The successful closeout of CONTRACTOR's corrective actions to remedy performance gaps shall be mutually agreed.
- 32.2 For the measures referred to in Clause 32.1 above, well specific targets and objectives, together with any agreed deliverables and any timescales or milestones will be mutually agreed between CONTRACTOR and COMPANY prior to commencement of any well and shall be fully documented.
- 32.3 CONTRACTOR will participate in COMPANY's contractor performance management (CPM) system. This process shall include, but not be limited to, the work scope review, risk review, plus mutual setting of KPI's and objectives. The second phase shall include a post-job evaluation and submittal / approval. Data and associated scorecards gathered will be used to support reviews outlined in Clause 32.4.

- 32.4 Quarterly Performance Reviews (QPR's) – On a quarterly basis, or other frequency as mutually agreed, the COMPANY's REPRESENTATIVE, sector Team (if applicable), CONTRACTOR's management team, and CONTRACTOR's REPRESENTATIVE, shall meet formally to discuss the previous quarter's performance and identify any performance gaps and opportunities for improvement. This QPR shall also be an opportunity to discuss the next period to determine risks to delivery of work programmes or projects. The focus shall be on information sharing and identifying key risks, then agreement on a risk management and action plan for the next period. Previous quarters performance shall be formally agreed at this meeting and recorded for future reference. Progress of follow up actions from the QPR will be recorded and monitored on a monthly CAR (Corrective Action Reporting) register maintained by the CONTRACTOR.
- 32.5 If requested by COMPANY, a performance contract will be mutually agreed upon for the projected WORK scope prior to WORK commencement. This performance contract shall include sections to address HSE, People, Cost, Quality and Innovation. Each section will have measurable targets and reflect KPI's referenced in Clause 32.1.
- 32.6 CONTRACTOR's Safety Management System (SMS) shall be reviewed by COMPANY prior to award. Any gaps identified during this review will be reported to CONTRACTOR as compulsory improvement actions. CONTRACTOR will develop an SMS gap closure plan and the mutually agreed upon actions and completion dates shall be monitored and updated via the scorecard and QPR process. Failure to successfully complete the actions or close the gaps by the agreed due dates shall be deemed to be a failure of the CONTRACTOR to perform the services and COMPANY shall have the right to suspend the WORK in accordance with Clause 13 or terminate the WORK or the CONTRACT in accordance with Clause 23. The SMS gap closure plan shall be maintained by CONTRACTOR and updated after each interim SMS evaluation has been completed.
- 32.7 If requested by COMPANY, CONTRACTOR's Environmental Management System (EMS) shall be reviewed by COMPANY prior to award. CONTRACTOR will develop an EMS gap closure plan and the mutually agreed upon actions and completion dates shall be monitored and updated via the scorecard and QPR process. Failure to successfully complete the actions or close the gaps by the agreed due dates shall be deemed to be a failure of the CONTRACTOR to perform the services and COMPANY shall have the right to suspend the WORK in accordance with Clause 13 or terminate the WORK or the CONTRACT in accordance with Clause 23. The EMS gap closure plan shall be maintained by CONTRACTOR and updated after each interim EMS evaluation has been completed.
33. **AGGREGATE OF LIABILITY**
- CONTRACTOR's cumulative liability hereunder in respect of liabilities incurred pursuant to Clause 10.3 and 23.5 shall not exceed in aggregate (i) fifty percent (50%) of the CONTRACT PRICE where all WORK to be performed under the CONTRACT is set forth in Section 3, Scope of Work independent of WORK ORDERS or, (ii) where WORK ORDERS are issued, fifty percent (50%) of the price of all WORK to be performed under the individual WORK ORDER.
34. **CONTINUING OBLIGATIONS**
- In the event of termination or expiration of this CONTRACT, for any reason, any provision which by its own express terms reflects an intent that it shall continue to apply beyond the term of this CONTRACT shall continue in full force and effect, including without limitation Clauses 19, 21, 22, and 24.

35. SPECIAL CONDITIONS

Any additional special conditions applicable to the CONTRACT shall be as listed in Appendix 1 hereto and shall be numbered consecutively with these General Conditions of CONTRACT.

SPECIAL CONDITIONS OF CONTRACT

CONDITIONS OF PARTICULAR APPLICATION

In the event of any ambiguity or contradiction between the General Conditions of Contract and the Special Conditions of Contract, the latter shall take precedence.

| | |
|------------------|---|
| | |
| Section 2 | General Conditions of Contract |
| | |
| Clause 3.1(a) | COMPANY REPRESENTATIVE is As defined on the WORK ORDER |
| Clause 3.1(a) | CONTRACTOR REPRESENTATIVE is Ole B. Rygg |
| Clause 27.6 | <p>The addresses for the service of notices are:</p> <p>I) COMPANY <u>Commercial Notices</u> BP America Production Company 501 WestLake Park Boulevard Houston, Texas 77079 Attention: Manager, USA E&P Supply Chain Management M/C25.154 WL 1</p> <p>Cc: Farburn Industrial, Estate, Dyce Aberdeen, Aberdeenshire AB21 7PB Attn: Harry Thierens United Kingdom</p> <p><u>Technical Notices</u> Farburn Industrial, Estate, Dyce Aberdeen, Aberdeenshire AB21 7PB Attn: Harry Thierens United Kingdom</p> <p>Cc: BP America Production Company 501 WestLake Park Boulevard Houston, Texas 77079 Attention: Manager, USA E&P Supply Chain Management M/C25.154 WL 1</p> <p>II) CONTRACTOR Well Flow Dynamics AS P.O. BOX 165 N-1376 Billingstad NORWAY</p> |

LOCAL SPECIAL CONDITIONS OF CONTRACT

In the event of any ambiguity or contradiction between the General Conditions of Contract and the Special Conditions of Contract, the latter shall take precedence.

| Local Special Conditions of Contract | Application |
|---|---|
| <i>The Local Special Conditions detailed in the table below will be incorporated as applicable in the specific contract being tendered and negotiated. After incorporation, the table will be completely deleted from the executed contract.</i> | |
| <p>Modify Form of Agreement, Clause 4:</p> <p>The EFFECTIVE DATE OF THE CONTRACT shall be MM-DD-YYYY. Notwithstanding the EFFECTIVE DATE of the CONTRACT, the WORK is scheduled to commence on the date specified in each individual WORK ORDER issued pursuant to the provisions of Section 3 ("COMMENCEMENT DATE") and shall continue until completed to the reasonable satisfaction of COMPANY. Subject to the terms and conditions contained in Section 2 – General Conditions of Contract, the CONTRACT duration shall be for a term of _____ from the EFFECTIVE DATE OF THE CONTRACT.</p> | For contracts where WORK ORDERS will be used. |
| <p>Clause 1 – Definitions</p> <p>Delete sub clause 1.1 and replace with:</p> <p>1.1 "AFFILIATE" as applied to the COMPANY, a CO-VENTURER other than Shell UK Limited, the CONTRACTOR or a SUBCONTRACTOR shall mean any subsidiary, parent or holding company of any company or any other subsidiary of such parent or holding company. For the purpose of this definition, "subsidiary" and "holding company" shall have the meaning assigned to it under Section 736, Companies Act, 1985, as amended by Section 144, Companies Act 1989</p> <p>as applied to Shell UK Limited, shall mean any of the following:-</p> <ul style="list-style-type: none"> (i) N.V. Koninklijke Nederlandsche Petroleum Maatschappij (a Netherlands company); (ii) The Shell Transport and Trading Company, p.l.c. (an English company);(collectively "the Shell Parent Companies"); and (iii) any company (wherever registered), other than Shell UK Limited, which at the time in question is directly or indirectly affiliated with either or both of the Shell Parent Companies. <p>For the purposes of this definition-</p> <p>a company is directly affiliated with another company or companies if the latter is (are) beneficial owner(s) of shares (or their equivalent) controlling more than fifty percent (50%) of votes exercisable at a general meeting (or their equivalent) of such company; and a company is indirectly affiliated with either or both of the Shell Parent Companies if a series of companies can be specified, beginning with either or both of the Shell Parent Companies and ending with the particular company, so related that each company of the series (except either or both of the Shell Parent Companies) is directly affiliated with one or more companies earlier in the series.</p> | UKCS only |

| Local Special Conditions of Contract | Application |
|---|-------------------------|
| <p>Clause 1 Definitions</p> <p>At top of page 3, Section 2- General Conditions of Contract insert:</p> <p>FAIR NOTICE DISCLOSURE STATEMENT</p> <p>BOTH PARTIES TO THIS CONTRACT ACKNOWLEDGE THAT THIS STATEMENT COMPLIES WITH ANY REQUIREMENT TO EXPRESSLY STATE LIABILITY FOR NEGLIGENCE OF THE INDEMNITEE (EXPRESS NEGLIGENCE RULE), IS CONSPICUOUS AND AFFORDS FAIR AND ADEQUATE NOTICE. BOTH PARTIES TO THIS CONTRACT REPRESENT TO EACH OTHER THAT THEY HAVE CONSULTED AN ATTORNEY CONCERNING THE CONTENTS OF THIS CONTRACT AND ARE SATISFIED THAT THEY FULLY UNDERSTAND THEIR RIGHTS AND OBLIGATIONS HEREUNDER AND IF THEY HAVE NOT CONSULTED AN ATTORNEY, CONFIRM THAT THEY WERE PROVIDED THE OPPORTUNITY AND HAD THE ABILITY TO CONSULT AN ATTORNEY, BUT MADE A KNOWLEDGEABLE DECISION NOT TO OBTAIN SUCH CONSULTATION.</p> <p>Note: The following provisions shall be in bold, e.g. last sentence of clauses, 15.4, 17.8, 17.9, 19, 20.1, 21, 25.2, 25.4, 29</p> | <p>USA L48/ GOM</p> |
| <p>Clause 1 – Definitions</p> <p>Replace Clause 1.2 “COMPANY GROUP” Definition with the following:</p> <p>1.2 “COMPANY GROUP” shall mean COMPANY, its Working Interest Owners (as set forth in the specific Alaska WORK ORDER if requested by CONTRACTOR) its and their respective AFFILIATES and its and their respective directors, officers, and employees (including agency personnel), but shall not include any member of CONTRACTOR GROUP. COMPANY will notify CONTRACTOR from time to time of any changes to Working Interest Owners.</p> | <p>Alaska Only</p> |
| <p>Clause 14 – Terms of Payment</p> <p>Add Clause 14.11</p> <p>14.11 Late Payment of Debts Act (1998)</p> <p>Notwithstanding sub-clause 14.5, if COMPANY shall fail to make payment to CONTRACTOR within the period stated in Appendix 1 to Section 4 - Remuneration, CONTRACTOR shall be entitled to claim interest on the amount outstanding at the rate of three (3) per cent per annum over the BBA LIBOR rate currently in force as published daily by British Banking Association (www.bba.org.uk) and compounded annually from the date payment was due until the date paid by COMPANY.</p> | <p>UKCS only</p> |

| Local Special Conditions of Contract | Application |
|---|--|
| <p>Clause 15 – Taxes</p> <p>Add Clause 15.9, Paragraph 2</p> <p>COMPANY shall make available to CONTRACTOR all concessions enjoyed by COMPANY in respect of import, customs and excise duties imposed in the country of operations in respect of equipment or materials used in the provision and carrying out of the WORK subject to any conditions in respect of such concessions set forth in Section 2 Appendix 2, Local tax Provisions. COMPANY shall indemnify CONTRACTOR with respect of any import and export charges, customs and excise duties which may arise due to the loss of equipment in the hole or from a well control event which results in the inability to re-export such equipment</p> | <p>International Sites, where applicable</p> |
| <p>Clause 15 – Taxes</p> <p>Add Clause 15.12</p> <p>15.12 COMPANY shall comply with applicable withholding tax regulations and shall apply the same to the WORK where applicable. In the event that COMPANY is required, under applicable law to withhold monies for, and pay withholding tax in respect of any payments due to CONTRACTOR under the CONTRACT, advanced notification will be provided to CONTRACTOR, COMPANY agrees to furnish tax receipts to CONTRACTOR as proof of payment of the withheld amount to the appropriate taxing authorities.</p> <p>In the event COMPANY withholds an amount of tax in excess of the amount required by law, or if required receipts are not made available to CONTRACTOR, and if as a result thereof, CONTRACTOR is responsible for additional taxes, COMPANY shall reimburse CONTRACTOR for any such additional withholdings or any taxes, penalties and interest assessed on CONTRACTOR directly resulting from COMPANY's failure to provide required receipts.</p> | <p>International Sites</p> |
| <p>Clause 15 – Taxes</p> <p>Add Clause 15.##, number as appropriate</p> <p>Notwithstanding anything to the contrary, the PARTIES (and each employee, representative, or other agent of such PARTY for so long as they remain an employee, representative or agent) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of this CONTRACT and all materials of any kind (including opinions or other analyses) that are provided to such PARTY relating to such tax treatment or tax structure. Nothing in this CONTRACT, or any other agreement between the PARTIES hereto express or implied, shall be construed as limiting in any way the ability of either PARTY to consult with any tax adviser (including a tax adviser independent from all other entities involved in the CONTRACT) regarding the tax treatment or tax structure of the CONTRACT.</p> | <p>Applicable in all contracts where the BP Company or its parent company are a US Taxpayer. This includes all BP Companies incorporated in Delaware, etc.</p> |

| Local Special Conditions of Contract | Application |
|--|--|
| <p>Clause 18 – Laws and Regulations</p> <p>Add Clause 18.5, where applicable and appropriate:</p> <p>18.5 EXPORT CONTROLS AND ANTI-BOYCOTT LEGISLATION</p> <p>18.5.1 CONTRACTOR shall not take any action in the name of or on behalf of COMPANY that would violate any law of any applicable jurisdiction. No provision in this CONTRACT shall be interpreted or applied which would require any PARTY to do or refrain from doing any act which would constitute a violation of, or result in a loss of economic benefit under, any anti-boycott or export law, including but not limited to any such law of the United States of America.</p> <p>18.5.2 If either PARTY takes any action, or if CONTRACTOR or its SUBCONTRACTORS perform any part of the WORK, contrary to applicable law, including where applicable but not limited to any anti-boycott or export control laws of the United States of America, then that PARTY shall bear any penalties or additional costs resulting from such violation and correction and the other PARTY, notwithstanding any other provision of this CONTRACT to the contrary, shall have the right to terminate this CONTRACT without any liability or responsibility for any costs, expenses or damages associated with such termination.</p> <p>18.5.3 CONTRACTOR shall ensure that it either owns or lawfully possesses any equipment, information, data, products or results which are to be provided to COMPANY or otherwise referenced or utilised in the performance of the WORK.</p> | <p>International sites, where applicable</p> |
| <p>Clause 19 – Indemnities</p> <p>Add new Clause 19.10</p> <p>19.10 CONTRACTOR and COMPANY expressly acknowledge that the indemnities and releases of liability contained in this CONTRACT require assumption of liability for the negligence of the other party. In the event this CONTRACT is subject to the indemnity limitations in Chapter 127 of the Texas Civil Practices and Remedies Code (or any successor statute), and so long as such limitations are in force, each party covenants and agrees to support the mutual indemnity and release obligations contained in Clauses 19.1 and 19.2 above, by carrying equal amounts of insurance (or qualified self-insurance) of the types and in the amounts not less than those specified in Appendix 1 for the benefit of the other party as indemnitee.</p> | <p>USA L48/ GOM</p> |

| Local Special Conditions of Contract | Application |
|--|--|
| <p>Replace entire clause</p> <p>19. INDEMNITIES</p> <p>Notwithstanding any other provision contained in this CONTRACT to the contrary, the parties agree as follows with respect to the indemnity obligations under this CONTRACT:</p> <p>19.1 (a) From time-to-time during the Term of this CONTRACT, if the COMPANY provides cars and trucks (hereinafter referred to as "Company Provided Vehicles") to CONTRACTOR GROUP for use under this CONTRACT. Whenever such Company Provided Vehicles is being used or operated by any CONTRACTOR GROUP's employees or agents, CONTRACTOR shall be responsible for any and all injury to or death of any and all persons and/or damage to or loss of property, including damage to or loss of the Company Provided Vehicles itself, that is caused by or is a result of CONTRACTOR GROUP's employee's or agent's use or operation of the Company Provided Vehicles, and CONTRACTOR agrees to indemnify defend and hold COMPANY GROUP and SERVICE COMPANY GROUP harmless from the same. When CONTRACTOR GROUP is in possession or control of such a Company Provided Vehicles all insurances, as required elsewhere in this CONTRACT, will be primary to any insurance carried by COMPANY GROUP.</p> <p>19.2 (a) Except as set forth in 19.1 above, COMPANY (including Working Interest Owners) hereby releases and agrees to defend, indemnify, and hold CONTRACTOR GROUP harmless from and against all claims, demands, causes of action, suits, damages, liabilities, losses, and expenses including court costs and reasonable attorney's fees, and all loss, damage, injury, or death resulting to the COMPANY GROUP's and SERVICE COMPANY GROUP's property or personnel, arising out of or in connection with the goods or services, or the performance of this CONTRACT (or any project authorization or temporary personnel authorization issued under this CONTRACT).</p> <p>19.2 (b) CONTRACTOR hereby releases and agrees to defend, indemnify, and hold COMPANY GROUP and SERVICE COMPANY GROUP harmless from and against all claims, demands, causes of action, suits, damages, liabilities, losses, and expenses including court costs and reasonable attorney's fees, and all loss, damage, injury, or death resulting to the CONTRACTOR's and its SUBCONTRACTOR's property or personnel, arising out of or in connection with the goods or services, or the performance of this CONTRACT (or any project authorization or temporary personnel authorization issued under this CONTRACT).</p> <p>19.3(a) COMPANY (including Working Interest Owners) hereby releases</p> | <p>Alaska Only (Note: Any queries on the Alaska specific indemnity clause should be addressed directly to the Alaska Contracts Group in Anchorage.</p> |

and agrees to defend, indemnify, and hold CONTRACTOR GROUP harmless from and against all claims, demands, causes of action, suits, damages, liabilities, losses, and expenses resulting from loss, damage, injury or death of any Third party to the extent of COMPANY GROUP's and SERVICE COMPANY GROUP's negligence, fault, or strict liability in causing such loss, damage, personal injury or death. For the purposes of this provision, "Third party" shall mean any party, which is not a member of COMPANY GROUP or CONTACTOR GROUP or SERVICE COMPANY GROUP.

- 19.3 (b) CONTRACTOR hereby releases and agrees to defend, indemnify, and hold the COMPANY GROUP and SERVICE COMPANY GROUP harmless from and against all claims, demands, causes of action, suits, damages, liabilities, losses, and expenses resulting from loss, damage, injury or death of any Third party to the extent of such CONTRACTOR GROUP's negligence, fault, or strict liability in causing such loss, damage, personal injury or death. For the purposes of this provision, "Third party" shall mean any party, which is not a member of COMPANY GROUP or CONTACTOR GROUP or SERVICE COMPANY GROUP.

19.4 Pollution

(a) Notwithstanding the provisions of Clause 19.3(a) and except as provided by Clause 19.1, Clause 19.2(b) and Clause 19.4(b), COMPANY (including Working Interest Owners) shall save, indemnify, release, defend and hold harmless CONTRACTOR GROUP from and against any claim of whatsoever nature arising from pollution and/or contamination including without limitation such pollution or contamination from the reservoir or from the property or equipment of COMPANY GROUP or SERVICE COMPANY GROUP arising from or related to the performance of the CONTRACT.

(b) Notwithstanding the provisions of Clause 19.3(b) and except as provided by Clause 19.2(a), CONTRACTOR shall save, indemnify, release, defend and hold harmless COMPANY GROUP and SERVICE COMPANY GROUP from and against any claim of whatsoever nature arising from pollution occurring on the premises of CONTRACTOR GROUP or originating from the property or equipment of CONTRACTOR GROUP located above the surface of the land or water arising from or relating to the performance of the CONTRACT.

- 19.5 In the event that any of the work under this CONTRACT is construed to be construction work within the meaning of Alaska State Statute 45.45.900, then notwithstanding any other provision contained in this CONTRACT to the contrary, in no event shall a party be indemnified from its own sole negligence or willful misconduct.

| | | |
|------|---|--|
| 19.6 | <p>Subject to Clauses 19.1, 19.2(b) and 19.4(b), but notwithstanding anything contained elsewhere in the CONTRACT to the contrary, COMPANY shall save, indemnify, release, defend and hold harmless CONTRACTOR GROUP against all claims, losses, damages, costs (including legal costs) expenses and liabilities resulting from:</p> <p>(a) loss or damage to any well or hole (including the cost to re-drill);</p> <p>(b) blowout, fire, explosion, cratering or any uncontrolled well condition (including the costs to control a wild well and the removal of debris);</p> <p>(c) damage to any reservoir, aquifer, geological formation or underground strata or the loss of oil or gas therefrom;</p> <p>(d) the use of radioactive sources in relation to the WORK or any contamination resulting therefrom (including retrieval and/or containment, clean up and /or containment of contamination from naturally occurring radioactive materials).</p> | |
| 19.7 | <p>In connection with the use of COMPANY's North Slope Clinic (procedures for such are available upon request to the COMPANY Contract Accountable Manager) by CONTRACTOR GROUP, CONTRACTOR will, irrespective of any provisions herein pertaining to insurance, indemnify, protect, save and hold COMPANY GROUP harmless from and against any and all losses, claims, suits and judgments arising by reason of any acts of commission or omission done, caused or authorized by COMPANY GROUP, including acts of passive or active negligence. Further, when in the sole discretion of COMPANY's medical staff it is deemed necessary to medevac one or more of CONTRACTOR GROUP's employees, agents, servants, CONTRACTOR GROUP will assume full responsibility for the cost of such medevac services and will render payment directly to the invoicing party who has provided such services thereby relieving COMPANY GROUP of any and all obligations with respect to said medevac services.</p> | |
| 19.7 | <p><u>Attorney's Fees and Legal Costs:</u> Each party agrees to reimburse the prevailing party for any and all necessary expenses, attorney's fees, and costs incurred in the non-judicial or judicial enforcement of any part of any of the indemnity agreements or lien provisions provided for herein.</p> | |
| 19.8 | <p>The exclusions of liability and indemnities given herein (save for those under Clauses 19.3 (a) and 19.3 (b)), and Clause 21 shall apply irrespective of cause and notwithstanding the negligence or breach of duty (whether statutory or otherwise) of the indemnified party or any other entity or party and shall apply whether or not the claim, liability, damage, or expense in question is: (a) predicated on sole, joint or concurrent fault, negligence (whether active, passive or gross), strict liability,</p> | |

statutory duty, contractual indemnity or otherwise at law or (b) sought directly or indirectly by way of recovery, indemnification, or contribution by an person or entity against COMPANY GROUP, SERVICE COMPANY GROUP or CONTRACTOR GROUP as the case may be.

19.9 Claims

If either party becomes aware of any incident likely to give rise to a claim under the above indemnities, they shall notify the other and both parties shall co-operate fully in investigating the incident.

19.10 CONTRACTOR's Tools and Equipment

Without limiting CONTRACTOR GROUP's obligation to furnish equipment which is in good working order and notwithstanding the provisions of Clause 19.2(b), COMPANY shall be responsible for and shall reimburse CONTRACTOR GROUP in respect of loss of or damage to property, materials or equipment (tools) or component part thereof, of CONTRACTOR GROUP's tools and equipment which occurs whilst in-hole below the rotary table other than normal wear and tear. COMPANY's liability for such loss or damage shall, subject to the provisions contained in Section 4 – Remuneration and its appendices, be either the actual repair or replacement cost, whichever is the lesser, as substantiated by CONTRACTOR to COMPANY REPRESENTATIVE.

Notwithstanding the reasons for any loss or damage to CONTRACTOR's equipment, nothing herein contained shall absolve CONTRACTOR from its obligation to provide such equipment as and when reasonably required by COMPANY.

| Local Special Conditions of Contract | Application |
|--|-------------------------------------|
| <p>Clause 20 – Insurance by Contractor</p> <p>Clause 20.2 – Insurance Requirements</p> <p>Insurance policies to be procured and maintained by CONTRACTOR under Clause 20 of the General Conditions of Contract.</p> <p>(a) Employer's Liability and/or (where the jurisdiction of where the WORK is to be performed or under which the employees are employed requires the same) Workmen's Compensation insurance covering personal injury to or death of the employees of CONTRACTOR engaged in the performance of the WORK to the minimum value required by any applicable legislation including extended cover (where required) for working offshore or such greater sum of £5 million minimum per occurrence</p> <p>(b) General Third Party Liability insurance covering the operations of CONTRACTOR in the performance of the CONTRACT, in an amount not less than £5 million per occurrence</p> <p>(c) Third Party and Passenger Liability insurance and other motor insurance as required by applicable jurisdiction in an amount not less than £1 million per occurrence</p> <p>(d) In the event any of the WORK to be performed under this CONTRACT involves maritime workers or the provision of vessels by CONTRACTOR or is performed on or over navigable waters, CONTRACTOR shall or shall require the owner or operator of vessels to obtain the following additional coverage:</p> <ul style="list-style-type: none"> • Protection and Indemnity insurance on each vessel owned or hired by CONTRACTOR equal to the declared value of each vessel or US\$10 million per occurrence whichever is greater, and including coverage for collision and tower's liability, third party bodily injury and property damage liability, and pollution liability. • Hull and Machinery insurance in the amount of the declared value of the vessels used in performing any WORK. <p>All primary and excess Protection and Indemnity and Hull and Machinery insurance shall be endorsed (to provide full coverage to COMPANY GROUP as additional insured without limiting coverage to liability "as owner" of the vessel and to delete any "as owner" clause and any other language purporting to limit coverage to liability of an insured "as owner" of the vessel. For or clarification purposes, the reference to "full coverage to COMPANY GROUP as an additional insured" is intended to limit coverage to COMPANY GROUP only to and to the extent of the liabilities assumed by CONTRACTOR under this CONTRACT.</p> | <p>UKCS and International Sites</p> |

| Local Special Conditions of Contract to Apply | Application |
|--|-------------|
| <p>Clause 20 – Insurance by Contractor</p> <p align="center">Clause 20.2 – Insurance Requirements</p> <p>20.2 The following insurance policies and coverages are required:</p> <p>20.2.1 Workers' Compensation Insurance satisfying the legal requirements of each state and/or location in which WORK is to be performed, including an Alternative Employer endorsement (when applicable) with minimum limits in accordance with applicable legislation to meet CONTRACTOR's obligation for the payment of statutory benefits to its workers as set forth and required by applicable law in the area of operation or area in which CONTRACTOR may become obligated to pay benefits, and Employer's Liability Insurance with minimum limits of \$1,000,000 per occurrence.</p> <p>20.2.2 Commercial General Liability Insurance, including bodily injury and property damage, with minimum limits not less than <u>\$1,000,000.00</u> per occurrence. The Commercial General Liability policy shall include the following coverages as they apply to the WORK to be performed; each with minimum limits not less than <u>\$1,000,000.00</u> per occurrence.</p> <p>20.2.2.1 Independent Contractors' and Contractual Liability coverage required for all WORK, without exception;</p> <p>20.2.2.2 Products Liability/Completed Operations coverage required for any WORK that results in a finished product or that involves or results in the construction, erection, or installation of structures, buildings, or equipment;</p> <p>20.2.2.3 Explosion, collapse, and underground hazards coverage required for any WORK involving excavation, blasting, use of explosives, or construction, erection, or installation of buildings, structures, or equipment; and</p> <p>20.2.2.4 Deletion of non-owned watercraft exclusion if any WORK is performed on or over navigable waters or involves maritime workers or vessels.</p> <p>20.2.3 Automobile Liability Insurance with minimum limits not less than \$1,000,000.00, and including bodily injury, property damage, and auto liability, for all owned, hired, and non-owned vehicles that will be used in the performance of WORK under this CONTRACT.</p> <p>20.2.4 In the event any of the WORK to be performed under this CONTRACT involves maritime workers or the provision of vessels by CONTRACTOR or is performed on or over navigable waters, CONTRACTOR shall or shall require the owner or operator of vessels to obtain the following additional coverage:</p> <p>20.2.4.1 Workers' Compensation Insurance in accordance with</p> | <p>USA</p> |

applicable legislation to meet CONTRACTOR's obligation for the payment of statutory benefits to its workers as set forth and required by applicable law in the area of operation or area in which CONTRACTOR may become obligated to pay benefits, including the following endorsements and Employer's Liability Insurance with minimum limits of \$1,000,000 per occurrence.

- a) Maritime coverage B and coverage for maritime employer's liability, including Jones Act, transportation, wages, and maintenance and cure;
- b) United States Longshore and Harbor Workers Compensation Act endorsement and Outer Continental Shelf Lands Act endorsement; and
- c) "In rem" endorsement treating "in rem" claims as claims against the insured.

20.2.4.2 Protection and Indemnity insurance on each vessel owned or chartered by CONTRACTOR with minimum limits of \$2,000,000, or an amount equal to the declared value of each vessel owned or hired by CONTRACTOR, whichever is greater, and including coverage for collision and tower's liability, third party bodily injury and property damage liability, and pollution liability.

20.2.4.3 Hull and Machinery insurance on each vessel owned or chartered by CONTRACTOR in the amount of the declared value of the vessels owned or hired by CONTRACTOR.

20.2.4.4 All primary and excess Protection and Indemnity and Hull and Machinery insurance shall be endorsed to provide full coverage to COMPANY GROUP as additional insured without limiting coverage to liability "as owner" of the vessel and to delete any "as owner" clause and any other language purporting to limit coverage to liability of an insured "as owner" of the vessel. For clarification purposes, the reference to "full coverage to COMPANY GROUP as an additional insured" is intended to limit coverage to COMPANY GROUP only to and to the extent of the liabilities assumed by CONTRACTOR under this CONTRACT.

20.2.4.5 Excess or Umbrella liability insurance with minimum limits not less than \$1,000,000.00 inclusive of and, following the terms and conditions at least as broad as underlying coverage.

Application Note: At BU discretion based on risk management evaluation, the minimum limits in 20.2.1, 20.2.2, 20.2.3, 20.2.4.1, and 20.2.4.5 may be increased to \$2,000,000 during the bid tender process prior to any commercial submissions.

| Local Special Conditions of Contract to Apply | Application |
|--|-------------------------|
| <p>Clause 20 – Insurance by Contractor</p> <p>Add Clause 20.5</p> <p>20.5 COMPANY and CONTRACTOR agree that with respect to all non-maritime WORK performed for COMPANY by CONTRACTOR under this CONTRACT in or offshore the State of Louisiana, if any, COMPANY will pay to CONTRACTOR's insurers the premium required by CONTRACTOR's insurers for extending CONTRACTOR's insurance policies to cover COMPANY GROUP by naming COMPANY GROUP as additional insured, waiving subrogation against COMPANY GROUP, and being primary with respect to any other coverage in favor of COMPANY GROUP for liabilities assumed and indemnities offered by CONTRACTOR under the CONTRACT, subject to policy terms, conditions and exclusions, and for extending such insurance protection to other entities to which CONTRACTOR owes defense and or indemnity protection under Clause 19.9. CONTRACTOR will arrange to have COMPANY billed for the premium required by CONTRACTOR's insurers. CONTRACTOR will notify COMPANY prior to the commencement of WORK under this CONTRACT if such premium will be in excess of Two Thousand Five Hundred U. S. Dollars (US\$2,500.00). CONTRACTOR warrants that such amount constitutes the full cost of extending such insurance protection to COMPANY under this CONTRACT. CONTRACTOR further agrees that it will obtain a letter from its insurers confirming the extension of insurance coverage in favor of COMPANY GROUP in accordance with the requirements set forth herein.</p> <p>The PARTIES agree that the provisions of this Section 20.5 shall be effective to deductibles or self-insured retentions, which shall in all respects be treated as insurance and the sole obligation of the named assured.</p> | <p>US Only</p> |
| <p>Clause 27.4 - Independence of Contractor</p> <p>Add following as new paragraph to Clause 27.4:</p> <p>In all cases where CONTRACTOR'S EMPLOYEES (defined to include CONTRACTOR'S and its SUBCONTRACTOR'S direct, borrowed, special, or statutory employees) are performing work in or offshore the State of Louisiana or are otherwise covered by the Louisiana Workers' Compensation Act, La. R.S. 23:1021 et seq., COMPANY and CONTRACTOR agree that all WORK and operations performed by CONTRACTOR and CONTRACTOR'S EMPLOYEES pursuant to this CONTRACT are an integral part of and are essential to the ability of COMPANY to generate COMPANY'S goods, products, and services for the purpose of La. R.S. 23:1061 (A) (1). Furthermore, COMPANY and CONTRACTOR agree that COMPANY is the statutory employer of CONTRACTOR'S EMPLOYEES for purposes of La. R.S. 23:1061 (A) (3) and that COMPANY shall be entitled to the protections afforded a statutory employer under Louisiana law. Irrespective of COMPANY'S status as the statutory or special employer (as defined in La. R.S. 23:1031 (C)) of CONTRACTOR'S EMPLOYEES, CONTRACTOR shall remain primarily responsible for the payment of Louisiana workers' compensation and medical benefits to its employees, and shall not be entitled to seek contribution for any such payments from COMPANY or any member of COMPANY GROUP, and CONTRACTOR further agrees that it will indemnify COMPANY and any member of COMPANY GROUP for any such payments and that CONTRACTOR will be obligated to release, defend, and indemnify COMPANY GROUP for any personal injury, death, disease or property damage claims relating to CONTRACTOR'S EMPLOYEES pursuant to the provisions of Clause 19.1 of this CONTRACT even if any such employee of CONTRACTOR is also held to be an employee (whether a statutory, special or borrowed employee, or otherwise) of COMPANY or any member of COMPANY GROUP.</p> | <p>USA L48/ GOM</p> |

**Appendix 1 to Section 2
Special Conditions of Contract**

| Local Special Conditions of Contract to Apply | Application |
|--|-------------------------------------|
| <p>Clause 27.5 - Governing Law and Language</p> <p>Shall be as follows:</p> <p>The laws of England shall govern the validity, construction, interpretation, and effect of this CONTRACT, excluding any choice of law rules which would otherwise require the application of laws of any other jurisdiction. The language of the CONTRACT shall be the English language or as required by law and all written communications in connection with the CONTRACT shall be in English.</p> | <p>UKCS and International Sites</p> |
| <p>Clause 27.5 - Governing Law and Language</p> <p>shall be as follows:</p> <p>This CONTRACT shall be construed and enforced in accordance with the GENERAL MARITIME LAW of the United States wherever permissible; otherwise, the laws of the State of Texas shall apply, excepting therefrom any conflicts of laws rules which might provide for the application of the laws of another jurisdiction. Subject to Clause 28, the PARTIES agree to submit any dispute arising hereunder to the jurisdiction of the courts of the State of Texas and further agree that venue for the resolution of any such dispute shall be found in Harris County, Texas.</p> | <p>USA, Except Alaska</p> |
| <p>Clause 27.5 - Governing Law and Language</p> <p>shall be as follows:</p> <p>This CONTRACT shall be construed and enforced in accordance with the laws of the State of Alaska. Subject to Clause 28, the PARTIES agree to submit any dispute arising hereunder to the jurisdiction of the courts of the State of Alaska and further agree that venue for the resolution of any such dispute shall be found in Anchorage, Alaska.</p> | <p>Alaska</p> |
| <p>Clause 27.12 - CONTRACTS (RIGHTS OF THIRD PARTIES) ACT</p> <p>Amend as follows:</p> <ul style="list-style-type: none"> • Clause 27.12.1 – Delete “, by virtue of the Contracts (Rights of Third Parties) Act 1999 (“the Act)” • Clause 27.12.3 (b) – Delete “; by virtue of the Act” • Clause 27.12.5 (c) – Replace “English” with “State of Texas” • Clause 27.12.6 – Delete “; by virtue of the Act” • Clause 27.12.7 – Delete “; by virtue of the Act” | <p>USA, except Alaska</p> |
| <p>Clause 27.12 - CONTRACTS (RIGHTS OF THIRD PARTIES) ACT</p> <p>Clause 27.12 will be deleted for Alaskan contracts</p> | <p>Alaska Only</p> |

| Local Special Conditions of Contract to Apply | Application |
|---|-------------|
| <p>Clause 28 - Dispute Resolution</p> <p>shall be as follows:</p> <p>28.1 Any dispute between COMPANY and CONTRACTOR in connection with or arising out of the CONTRACT or the WORK shall be resolved by means of the following procedure:</p> <ul style="list-style-type: none"> (a) the dispute shall initially be referred to COMPANY REPRESENTATIVE and CONTRACTOR REPRESENTATIVE who shall discuss the matter in dispute and make all reasonable efforts to reach an agreement. (b) if no agreement is reached under (a) above the dispute shall be referred to the nominated persons. Such persons are nominated one by COMPANY and one by CONTRACTOR. Such persons may be replaced by the party which nominated them by notice to the other party. (c) if no agreement is reached under (b) above the dispute shall be referred to the Managing Directors of COMPANY and CONTRACTOR. <p>28.2 In the absence of any agreement being reached on a particular dispute either party may take appropriate action in the English Courts to resolve the dispute at any time.</p> <p>28.3 Whilst any matter or matters are in dispute, the CONTRACTOR shall proceed with the execution and completion of the WORK and both the CONTRACTOR and the COMPANY shall comply with all the provisions of the CONTRACT.</p> | <p>UKCS</p> |
| <p>Clause 28 - Dispute Resolution</p> <p>shall be as follows:</p> <p>28.1 In the event of a commercial dispute between the PARTIES arising out of or relating to this CONTRACT, or the breach thereof, the PARTIES shall submit the dispute to non-binding mediation and shall make a good-faith effort to resolve the dispute through the mediation process. No suit may be filed relating to a commercial dispute arising pursuant to this CONTRACT until the mediation requirements of this provision have been fulfilled. If such a suit is filed, the PARTIES shall again submit the dispute to non-binding mediation prior to the trial of the suit. Each party shall pay its costs of mediation. Expressly excluded from the requirements of this Clause 28 are claims, suits or disputes arising out of or relating to tort suits, indemnity, insurance or assumption of liability issues or provisions.</p> | <p>USA</p> |

| Local Special Conditions of Contract to Apply | Application |
|---|--|
| <p>Clause 28 - Dispute Resolution</p> <p>shall be as follows:</p> <p>28.1 Any dispute arising in connection with this CONTRACT shall be exclusively settled by arbitration in the English language in London, England, in accordance with the Rules of the London Court of International Arbitration (the "Rules"), provided that the provisions of this paragraph shall prevail in the event of any conflict with such Rules. The arbitration panel shall render its decisions in writing, and such written decisions and conclusions with respect to the disputes so settled shall be final and binding on the PARTIES to the arbitration proceeding, and confirmation and enforcement of the awards so rendered may be obtained and entered in any court having jurisdiction thereof.</p> | <p>International Sites using English Law</p> |
| <p>Section 3 – Scope of Work</p> <p>(Limited period Defined Scopes only)</p> <p>Delete Clause 2.2 first paragraph where CONTRACT contains a specific scope of work that is clearly defined in Section 3, Scope of Work and a WORK ORDER process will not be used.</p> | <p>Where applicable</p> |
| <p>Section 4 – Remuneration</p> <p>Add at end of Appendix 2, Clause 5</p> <p>"In areas where COMPANY is working under a host government production sharing agreement or a production sharing contract, replacement costs will be capped at amount COMPANY can cost recover for items not addressed in CONTRACT."</p> | <p>International Sites, PSA/PSC only</p> |

LOCAL TAX PROVISIONS

CONTRACTOR agrees to pay any tax or assessment upon its charges covered by this CONTRACT based on or measured by income, which are imposed or levied by the government of the country that CONTRACTOR is incorporated (federal, state and/or local).

COMPANY agrees to pay, and shall indemnify CONTRACTOR from and against any liability for, any and all other taxes imposed by any other government on the furnishing of equipment, products, and services by CONTRACTOR under this CONTRACT, including, but not limited to, excise, sales, franchise, VAT and use taxes, and taxes of a similar nature, as well as import/export duties and taxes, and any and all other taxes imposed by any government outside of country of incorporation and their political subdivisions, agencies and branches, including any and all liability for fines, penalties and other assessments levied for non-payment, untimely payment or any other cause whatsoever.

In the event that CONTRACTOR is required by applicable law to pay any of said taxes outside of country of incorporation directly, the amount of such taxes for which CONTRACTOR may be legally liable shall be added to the payment required to be made by COMPANY, subject to COMPANY's right to verify that the taxes are in fact duly paid.



**MASTER SERVICES AGREEMENT
EMERGENCY WELL SERVICES**

**SECTION 3
SCOPE OF WORK**

INDEX

| CLAUSE | HEADING | Page |
|---------------|---|-------------|
| 1. | GENERAL | 1 |
| 2. | THE WORK..... | 1 |
| 3. | PERSONNEL | 2 |
| 4. | WELL CONTROL ENGINEERING | 2 |
| 5. | PREPARATION FOR WELL CONTROL INCIDENTS..... | 4 |
| 6. | WELL CONTROL INCIDENT RESPONSE..... | 7 |
| 7. | TRAINING MODULES (Optional) | 9 |
| 8. | TRANSPORTATION OF EQUIPMENT AND PERSONNEL | 10 |
| 9. | REPORTING | 10 |
| 10. | PERFORMANCE MEASUREMENT | 11 |
| 11. | COMPANY'S GENERAL OBLIGATIONS | 11 |

APPENDICES

APPENDIX 1 PERFORMANCE MEASUREMENT

APPENDIX 2A WORK ORDER FOR US

APPENDIX 2B WORK ORDER FOR NON-US SITES

APPENDIX 3 CHANGE ORDER

SCOPE OF WORK

1. GENERAL

- 1.1 CONTRACTOR has been selected for the performance of the WORK on the understanding that it is qualified in the class of work involved and that it will use and show all reasonable skill and judgment in the performance of the WORK.
- 1.2 The WORK which is to be provided by CONTRACTOR shall comprise, but not necessarily be limited to, the provision of training, management, engineering, supervision, labor, plant, equipment and materials at onshore and offshore locations to support COMPANY's operations, all as generally described herein.

2. THE WORK

COMPANY may from time to time request CONTRACTOR to carry out certain work or services, or provide supplies, equipment or materials in accordance with the terms of the CONTRACT as more specifically defined in each job request issued by COMPANY ("WORK ORDER"). A WORK ORDER shall mean any document, either paper or electronic, including purchase orders, exhibits, schedules, memorandum or otherwise, issued pursuant to this CONTRACT, which shall describe the WORK which COMPANY requires CONTRACTOR to provide, it being understood and agreed that the preprinted terms and conditions on the reverse side of any such WORK ORDER shall be null and void and shall not operate to amend or supersede the terms and conditions of this CONTRACT. A form of WORK ORDER is appended hereto as Appendix 2.

- 2.1 It is agreed and understood that COMPANY is not obligated to request WORK hereunder, and that CONTRACTOR is not obligated to accept any WORK ORDER issued by COMPANY hereunder, however, COMPANY and CONTRACTOR agree that the following general provisions shall at all times apply to and control all WORK which may be conducted or carried out by CONTRACTOR for COMPANY under any WORK ORDER until such WORK ORDER is cancelled. With respect to WORK performed under this CONTRACT, the compensation schedule set forth in Section 4, Remuneration, shall apply.
- 2.2 CONTRACTOR shall use reasonable commercial efforts during the term of the CONTRACT or any WORK ORDER, to ensure that the costs of the final completion of the WORK shall not exceed the estimate. If CONTRACTOR determines that the estimate is likely to be exceeded, CONTRACTOR shall promptly notify COMPANY's representative of the same and provide an estimate of the additional cost. Such notification shall constitute a request for a CHANGE ORDER to revise the original estimate. Upon receipt of such notice, COMPANY shall promptly (1) issue a CHANGE ORDER revising the original estimate before such estimate is exceeded or (2) release CONTRACTOR's personnel and equipment. However, in no event shall CONTRACTOR make or incur total expenditures and charges for the WORK in excess of such estimates unless and until COMPANY approves a written request.
- 2.3 From time to time COMPANY may clarify, modify, expand, or reduce the WORK by a written CHANGE ORDER. CONTRACTOR will comply with directions in such CHANGE ORDER, provided that CONTRACTOR will not be required to perform WORK which is beyond the general scope of WORK described in the WORK ORDER or subsequent CHANGE ORDER.
- 2.4 WORK shall specifically comprise CONTRACTOR's provision of engineering, preparation for and response to WELL control emergencies. Advance preparation will decrease the risk, time and expense necessary to regain control of the WELL (S) and facility in the event of a well control incident.

The SERVICES required fall into five main categories:

- Well Control Engineering
- Preparation for WELL control incidents
- Prevention of WELL control incidents
- Response to WELL control incidents
- Training

3. PERSONNEL

CONTRACTOR personnel will be well versed in various areas of emergency well control planning, engineering, prevention and / or response. Personnel will have skills required for the specific tasks undertaken as defined in CONTRACTOR's skill set matrix for various positions. If CONTRACTOR does not have personnel available with required skill sets for a specific scope as defined under a WORK ORDER, CONTRACTOR will immediately advise COMPANY. COMPANY may elect to re-assign WORK ORDER if CONTRACTOR is unable to provide adequate personnel coverage to meet COMPANY requirements.

4. WELL CONTROL ENGINEERING

CONTRACTOR shall provide well control engineering support in several key areas detailed in the following sections.

4.1 Dynamic Kill Modelling

CONTRACTOR shall provide or have access to kill and dynamic kill models that include, but are not limited to the following capabilities, pressure capacities and recording ability, hydraulic formulas, horsepower requirements, friction calculations, and pumping rate variables. These will be capable of addressing steady state and transient state conditions. Computer modelling reports will include at a minimum, but not be limited to, assumptions, variables, base conditions, data set, sensitivities, results, analysis and recommendations.

4.2 Spill Dispersion Modelling

CONTRACTOR shall provide or have access to spill dispersion modelling capabilities that include but are not limited to, environmental damage assessment, sea current and wind forecasting, volume estimates, containment requirements and dispersion, disposal capabilities. Computer modelling reports will include at a minimum, but not be limited to, assumptions, variables, base conditions, data set, sensitivities, results, analysis and recommendations.

4.3 Radiant Heat Modelling

CONTRACTOR shall provide radiant heat modelling that shall contain but not be limited to, current fixed temperature readings at various locations, establish hot zone and safe zone parameters, personnel and equipment tolerances. Computer modelling reports will include at a minimum, but not be limited to, assumptions, variables, base conditions, data set, sensitivities, results, analysis and recommendations.

4.4 Air Monitoring

CONTRACTOR shall provide or have access to air monitoring capabilities that include but are not limited to, capacity to record air samples at various locations, capability to calculate and record and identify any toxic levels. Have records available for post event reviews. Computer modelling

reports will include at a minimum, but not be limited to, assumptions, variables, base conditions, data set, sensitivities, results, analysis and recommendations.

4.5 Relief Well Design

CONTRACTOR shall provide or have access to relief well design planning that includes but is not limited to, site selection, rig selection, wellhead design, casing design, hydraulics design, intercept coordination and tool design, well kill design, blow-out well pressure recording and integrity status.

4.5.1 Site Selection

CONTRACTOR shall address relief well site selection issues including, but not limited to, site suitability, support requirements for relief well rig, distance from blowout, environmental impact, and horizontal parameters.

4.5.2 Rig Selection

CONTRACTOR shall address relief well rig selection issues including, but not limited to, rig personnel experience, rig rating, rig condition, rig footprint, rig transport complications to selected location, mud pump and cement pump capabilities, surface fluid capacity, rig deck space, BOP design, kill spools for maximum injection capacity, etc.

4.5.3 Casing Design

CONTRACTOR shall address relief well casing design issues including, but not limited to, dogleg severity, casing connection, readily available OCTG, hole size requirements, shallow gas, depleted or over-pressured zones, additional intermediate strings, and cementing program. Computer modelling reports will include at a minimum, but not be limited to, assumptions, variables, base conditions, data set, sensitivities, results, analysis and recommendations. COMPANY well operation and casing design standards will be provided by COMPANY to ensure that design is in compliance.

4.5.4 Hydraulics Design

CONTRACTOR shall address relief well hydraulics design issues including, but not limited to, fluid requirements, kick tolerances, fracture gradients, friction calculations, horsepower requirements, location or deck space dimensions, and pipe size at interception. Computer modelling reports will include at a minimum, but not be limited to, assumptions, variables, base conditions, data set, sensitivities, results, analysis and recommendations. COMPANY well operation and casing design standards will be provided by COMPANY to ensure that design is in compliance.

4.5.5 Intercept Coordination

CONTRACTOR shall address relief well intercept coordination issues including, but not limited to, downhole tool supplier, MWD capabilities, ranging capacity, and specific reservoir conditions. Computer modelling reports will include at a minimum, but not be limited to, assumptions, variables, base conditions, data set, sensitivities, results, analysis and recommendations.

CONTRACTOR will be fully aware of advantages and disadvantages of passive, active or any other ranging technologies available in the marketplace.

4.5.6 Well Kill Design

CONTRACTOR shall address well kill design issues including, but not limited to, blow-out well monitoring, kill fluid weight and amount, other potential zones which could be adversely affected, spider diagram for well drilled from a platform or drilling pad, cementing and plugging options. Computer modelling reports will include at a minimum, but not be limited to, assumptions, variables, base conditions, data set, sensitivities, results, analysis and recommendations.

4.6 Platform Design Studies

CONTRACTOR shall address platform design issues including, but not limited to, re-boarding, firewater access, impacts of firewall design, internal horizontal and vertical access, well spacing, lifting capabilities, wellhead access, kill lines, emergency tie-ins, process equipment hazards, boat landings, etc. Where applicable, Computer modelling reports will include at a minimum, but not be limited to, assumptions, variables, base conditions, data set, sensitivities, results, analysis and recommendations.

5. PREPARATION FOR WELL CONTROL INCIDENTS

5.1 Emergency Response Plans

As part of its planned response to a WELL Control Incident, COMPANY will have fully developed emergency response procedures. When requested, CONTRACTOR shall jointly develop Emergency Response Plans for the specific operations.

The proposed emergency response plan will form part of the operating entity response plan for drilling operations and will identify required materials, their location, and logistics and mobilisation requirements in the event of an actual WELL control emergency.

5.2 Emergency Response Plan Periodic Review

As part of its planned response to a WELL Control Incident, COMPANY plans to have in place emergency response procedures. CONTRACTOR may be required to periodically review such plans and become familiar with them and, where appropriate, make suggestions or comment for improvements to such plans and arrangements based on CONTRACTOR'S experience and expert role. COMPANY encourages constructive comment and suggestions that will enhance and improve its emergency response plans and arrangements.

5.3 Risk Mitigation and Management Plan

When required, CONTRACTOR will assist COMPANY in development of Risk Mitigation and Management Plan. Format will be detailed in WORK ORDER by COMPANY business Unit. If a format is not detailed, CONTRACTOR will use a matrix similar to the following format after COMPANY confirmation:

Process

- Describe the risk (event and consequences) and record in risk register
- Assess the impact of the event
- Assess probability of the event occurring
- Identify risk mitigation action
- Determine if risk mitigation action created and secondary risks that need to be investigate
- Determine magnitude of the risk (High, Medium, Low)

- Decide level of manageability (High, Medium, Low)
- Plot on Risk Management Matrix

| | | | |
|--------|-----|--------|------|
| High | | | |
| Medium | | | |
| Low | | | |
| | Low | Medium | High |

MANAGEABILITY

- Agree who is going to take what action and when
 - To mitigate risks
 - Limit Consequences
 - Evaluate any secondary risks that were introduced
- Agree when the next risk review will be as part of your routine management agenda

5.4 Logistics and Contingency Planning

In the event of response to an actual WELL control incident, CONTRACTOR will assist COMPANY in mobilizing materials and personnel necessary to extinguish fires, regain control of the well(s) and recover the facility.

SUB-CONTRACTORS involved with recovery operations may be different than those generally used by COMPANY, unusual liability and additional fees may be incurred in association with hazardous operations. CONTRACTOR will identify materials and services required for fire fighting, WELL and facility recovery operations. COMPANY will evaluate those suppliers of materials and services identified by CONTRACTOR and, if in agreement with CONTRACTOR recommendations, make necessary contractual arrangements in advance of need. If CONTRACTOR'S recommendations are not endorsed by COMPANY, negotiation for alternative suppliers will ensue.

5.5 Emergency Response Drill Participation

As a part of COMPANY's emergency preparation, annual disaster response drills and tabletop exercises will be executed. The CONTRACTOR may be requested to participate in these drills and provide feedback on effectiveness and recommended areas of improvement.

5.6 Prevention of WELL Control Incidents

As required by COMPANY, planned WELL operations, WELL designs and operational practices will be inspected and reviewed by CONTRACTOR.

The CONTRACTOR audit findings shall be provided to COMPANY in the form of a written report within five (5) working days of the inspection completion. Initially, it is intended that work under this heading will be performed on a periodic basis.

5.7 Well Modelling or Engineering Review

CONTRACTOR may conduct engineering reviews of the WELLS to be drilled by COMPANY. The WELL review will focus on proposed WELL and rig equipment, WELL configuration and WELL bore survey methods, surveys and path with respect to WELL control and relief WELL operations. Where applicable, Computer modelling reports will include at a minimum, but not be limited to, assumptions, variables, base conditions, data set, sensitivities, results, analysis and recommendations.

5.8 Rig and Location Audit

CONTRACTOR may be required to perform physical inspections of the WELLSTES and associated facilities. Such inspection will focus on the suitability and survivability of the equipment in place in the event of a WELL control incident. CONTRACTOR will not sub-contract this work without approval from COMPANY of proposed sub-contractor and personnel doing the actual audit. This inspection will include, but shall not be limited to, such items as:

- Training of crews
- Emergency response procedures including shut-in, securing the location and evacuation
- Well subsurface safety devices
- Well surface safety devices
- Fire fighting capability
- Safe haven provision
- Rig Removal

5.9 Rig Audit of Well Control Equipment Only

CONTRACTOR may be required to perform physical inspections of well control equipment adequacy including, but not limited to, sub sea BOPE, surface BOPE, surface control units and associated charging tanks, rotating heads, and spare parts. CONTRACTOR may elect to sub-contract well control equipment to COMPANY approved qualified third parties with prior approval from COMPANY.

CONTRACTOR will not be providing dimensional checks of BOP equipment.

5.10 Reporting

Following facility inspection, emergency response plan review and logistics and contingency planning the CONTRACTOR will incorporate the findings and recommendations of the activity in a joint report by the capping and engineering contractors to COMPANY within 5 working days of completion of the work.

6. WELL CONTROL INCIDENT RESPONSE

As a result of the activities described above CONTRACTOR will develop a familiarity with the facilities, operations, local resources and COMPANY practices which will facilitate its response to a well control incident. In the event of a well control incident CONTRACTOR will assist COMPANY in evaluation of the situation and mobilization of materials, personnel and services required in fire fighting, recovery, capping and relief well operations. Following mobilization the CONTRACTOR will advise and assist COMPANY with onsite fire fighting, well capping, relief well and recovery operations.

6.1 Well Control Services

CONTRACTOR shall provide or have access to, as well as identify personnel, to provide but not limit itself to: Fire fighting, surface blow-out control, capping on fire capabilities, sub-surface blow-out control, engineering response and prevention capability, relief well design and intervention and explosive expertise.

6.1.1 Blow-out Control

CONTRACTOR shall provide personnel and equipment necessary for blow-out control activities including, but not limited, well capping, pressure control, fire fighting, equipment operation, engineering, HSE as well as monitoring capacity, and well restoration capabilities.

6.1.2 Surface Intervention

CONTRACTOR shall provide or have access to but not limit itself to personnel, fire fighting equipment, site safety plan, wellhead equipment, hydraulic pumping services, dynamic positioning fire fighting boats or land based fire fighting equipment, and other necessary service providers.

6.1.3 Sub sea Well Intervention

CONTRACTOR shall provide or have access to sub sea well Intervention services that provide but are not limited to the following: Diving and ROV services, spill recovery and modelling, sub sea wellhead availability, dynamic positioning derrick barge contractors, wire line and downhole surveying contractors and capabilities

6.1.4 Well Recovery Operations

CONTRACTOR shall provide or have access to but not limit itself to Hydraulic Workover capabilities, wire line, electric line with noise and temperature logging capabilities, coiled tubing, wellhead equipment, and environmental services

6.1.5 Relief Well Drilling Operations

CONTRACTOR shall provide or have access to technical expertise required for relief well drilling including, but not be limited to, rig selection, site selection, wellhead and casing design, cement

design for zonal isolation, pumping and kill procedures, well integrity monitoring, cementing and plugging operations. CONTRACTORS will liaise with COMPANY during planning and operations phase to ensure all regulatory and permitting requirements are met.

6.1.6 Pressure Control Services

CONTRACTOR shall provide or have access to equipment required for various pressure control services including, but not be limited to, Hydraulic workover, coiled tubing, wire line, wellheads, high pressure pumping, hydraulic chokes, abrasive cutting, hot tap, freeze jobs, chemical cutters, severing charges, tubing punches, cold cutting on pressurized pipe, pipe crimping and valve drilling.

6.1.7 Kick Resolution

CONTRACTOR shall provide or have access to equipment which may be required for kick resolution including, but not be limited to, choke manifolds, hydraulic choke panels, high pressure pumping, kill fluids, wellhead equipment, survey and perforating capabilities. CONTRACTOR will have onsite capability to determine hole capacity and volumes, pipe kick tolerances, and bottom hole pressure calculations. CONTRACTOR will also have capabilities to address gas and or oil kicks in oil based or synthetic oil based mud.

6.2 Integrated Services

6.2.1 Hydraulic Workover (Snubbing) Operations

CONTRACTOR shall provide or have access to hydraulic workover equipment including, but not be limited, to BOP equipment specs and schematic, choke and kill equipment and, design, HWO units. CONTRACTOR will have demonstrated expertise in snubbing operations and be able to perform technical activities including, but not limited to, weight and snub force capacity, site safety planning, tubing or drill pipe specifications, and window sizing for running specialty tools. If operations are to be conducted with coiled tubing (CTU), CONTRACTOR will ensure all mechanical issues related to the coiled tubing are considered in design and execution. Where applicable, a risk matrix will be developed and discussed prior to execution phase.

6.2.2 Hot Tapping

CONTRACTOR shall provide or have access to, but not be limited to, hot tap saddles and valves, pressure recorders, pump and kill lines, and plugging material. CONTRACTOR shall ensure that equipment is in good working order, all valves have been pressure tested, job safety analyses performed, and safety meetings held before proceeding with hot tapping operations.

6.2.3 Casing Hot Tapping

CONTRACTOR shall provide or have access to but not be limited to requirements for casing size, ID, weight and grade specifications, burst tolerances, fluid capacity, and thread design.

6.2.4 Drill Pipe Hot Tapping

CONTRACTOR shall provide or have access to but not be limited to requirements for drill pipe size, ID, weight and grade specifications, burst tolerances, fluid capacity, and thread design

6.2.5 Tubing Hot Tapping

CONTRACTOR shall provide or have access to but not be limited to requirements for tubing pipe size, ID, weight and grade specifications, burst tolerances, fluid capacity, and thread design

6.2.6 Bull Plug Hot Tapping

CONTRACTOR shall provide or have access to but not be limited to bull plugs pressure rating, size, thread design, needle valve or solid plug, site safety planning and procedures

6.2.7 Blind Flange Hot Tapping

CONTRACTOR shall provide or have access to but not be limited to blind flanges size, pressure rating, ring gasket, nut and bolt size, hammer or torque wrenches as well as site safety planning and procedures

6.2.8 Gate Valve Drilling

CONTRACTOR shall provide or have access to but not be limited in providing personnel, compatible size and pressure rated flanges, ring gaskets, nuts, bolts, wrenches, and valves, high pressure pumping capabilities, PPE, site safety procedures and planning. CONTRACTOR shall ensure that equipment is in good working order, all valves have been pressure tested, job safety analyses performed, and safety meetings held before proceeding with gate valve drilling operations.

6.2.9 Freeze jobs

CONTRACTOR shall provide or have access to but not be limited in providing personnel, freeze bucket and proper wrappings, dry ice, safety procedures for determining freeze time and length of plug, procedures for testing of ice plug, and site safety meetings. CONTRACTOR will ensure that COMPANY site representative and third parties at the WELLSITE are aware of freeze time and risk mitigation plans.

6.2.10 Abrasive Cutters

CONTRACTOR shall provide or have access to personnel, fire fighting equipment and protection, high pressure pumping capability, water and sand supply, abrasive tool heat protection, well head schematic of proposed cut, control of cut piece of well head being removed under pressure, contingency if cut fails or has made a partial cut, PPE, site safety and procedure plan.

6.2.11 High Pressure Jet Edge Cutting Equipment (Optional)

CONTRACTOR shall provide or have access to personnel and high pressure jet edge cutting equipment

7. TRAINING MODULES (Optional)

7.1 Well Control Certifications

If a certified provider, CONTRACTOR shall provide training modules for well control certifications and associated refresher courses.

7.2 Well Control

CONTRACTOR shall provide training modules for key well control topics as requested. Topics shall include, but not be limited to, Emergency Response Plan Development, Dynamic Kill, Relief Well Planning, Snubbing Operations, Freeze Jobs, Hot Tapping, Abrasive Cutters, and Athey Wagon Operations. Training format includes, but is not limited to, "Lunch and Learns", short 1-2 hour classes, half day and full day classes as required to address topics.

Additionally, CONTRACTOR may provide "hands-on" training for related activities such as snubbing operations.

7.3 Safety and Survival Training

CONTRACTOR may, at its option, provide safety and survival training in key areas. CONTRACTOR shall maintain all required instructor certification for classes offered.

8. TRANSPORTATION OF EQUIPMENT AND PERSONNEL

8.1 PERSONNEL

8.1.1 Air Travel will be Business Class air transportation for all flight itineraries over 6 hours and economy class air transportation for all flight itineraries less than 6 hours.

8.1.2 Rental cars, if required, will be mid-size vehicles from recognized rental agency. Larger vehicles may be rented with COMPANY approval if required to transport 3 or more employees.

8.1.3 When travelling outside of home country, CONTRACTOR shall check with local COMPANY office regarding security issues and hotel accommodation options.

8.2 EQUIPMENT

8.2.1 In event of emergency well response mobilisation, CONTRACTOR will liaise with COMPANY representative regarding equipment master list, bill of lading, shipping company, shipping / freight agents, etc.

8.2.2 In event of equipment demobilisation where a standby or transit rate is being charged, CONTRACTOR will review transportation options, transportation costs and total costs (Shipping + Equipment charges) with COMPANY before final selection of transport mode.

9. REPORTING

For engineering services, reporting shall be mid-project and upon project completion unless otherwise specified in the WORK ORDER.

For Well Control Incidents, reporting shall be a minimum of twice daily. This shall include a detailed daily report provided every morning and a brief afternoon status report. Interim brief reports will be required when there are significant changes to the operations. Post job reports and format will be at discretion on specific COMPANY business unit.

For Training services, a summary report will be provided post training that captures attendance, certifications awarded, feedback and any COMPANY specific findings.

10. PERFORMANCE MEASUREMENT

Performance of the WORK shall be measured and reported in accordance with the documentation and instructions detailed in Appendix 1 hereto.

11. COMPANY'S GENERAL OBLIGATIONS

During the consultancy phase, COMPANY shall provide or shall reimburse CONTRACTOR'S direct expenses for the following services and facilities at its cost and expense unless stated otherwise.

- Local transportation at WORKSITE
- Transportation between COMPANY office and WELLSITE
- Accommodations and messing at field location or WELLSITE
- Accommodations when working out of home city
- Use of suitable office space in local COMPANY offices
- Facility layout drawings
- COMPANY Emergency Response Plans

PERFORMANCE MEASUREMENT

In accordance with Section 2, Clauses 32.1 through 32.7, performance management will be integral to the WORK. The mandatory global Key Performance Indicators (KPI) includes metrics for HSE, Cost, Efficiency, Quality, and Incremental Benefit Delivered (IBD). Additional KPI's may be added for specific WORK ORDERS and will be identified in the WORK ORDER.

HSE

TRIR

DAFWC

HIPOs

Vehicle Accidents

TVAR (Total Vehicular Accident Rate)

Fatalities

STOP cards submitted

Job Safety Assessments (JSA) completed

Advance Safety Audits (ASA) completed

Man-hours worked on each job

COST

Total Response Cost

Total Training Costs

% reduction in related insurance premiums

EFFICIENCY

Actual response days / Original Estimated response days

% of pre-agreed objectives met on table top exercises

% COMPANY BU's with ERP in place

% COMPANY BU's with annual audit of existing ERP

QUALITY

OTHER

WORK ORDER FOR US

Date: _____
WORK ORDER requested by: _____
(Name)

This WORK ORDER is subject to the terms and conditions of CONTRACT No. BPM-04-00764 between COMPANY, BP America Production Company, and CONTRACTOR, Well Flow Dynamics AS, effective (04/01/2004). NOTHING CONTAINED IN THIS WORK ORDER SHALL BE CONSTRUED AS AN AMENDMENT TO THE TERMS OF THE REFERENCED CONTRACT.

CONTRACTOR: _____

WORK ORDER No: _____

Paykey No, if applicable. _____

Project Identification: _____

Value of WORK ORDER:
Estimated Maximum Price: _____

Expected completion date: _____

Description/Scope of Work : _____

Forward invoices/statements to: _____

Attention: _____
WORK ORDER No.: _____
Paykey No.: _____

ACCEPTED BY: _____
CONTRACTOR

APPROVED BY: _____
COMPANY

Date: _____

Date: _____

Notices: _____

Attention: _____
Mail Code: _____
Office Phone: _____
Cell Phone: _____
Fax: _____
E:Mail _____

Attention: _____
Mail Code: _____
Office Phone: _____
Cell Phone: _____
Fax: _____
E:Mail _____

WORK ORDER FOR NON-US SITES

WORK ORDER : No. <work order number>/01

1. This WORK ORDER is issued pursuant to and forms part of CONTRACT No. BPM-04-00764 between BP America Production Company and Well Flow Dynamics AS (the "CONTRACT").
2. All capitalized terms and expressions in this WORK ORDER shall, unless the context otherwise requires, have the meanings ascribed to them in the CONTRACT.
3. This WORK ORDER records the COMPANY contracting entities and the COMPANY REPRESENTATIVES for each of the COMPANY location for which the CONTRACT may be utilized.
4. This WORK ORDER is issued to confirm that the COMPANY REPRESENTATIVES (or their nominated deputies from time to time) are authorised to instruct the CONTRACTOR by means of official work orders / instructions to provide their respective location with such WORK as may be required from time to time during the period from the COMMENCEMENT DATE to the COMPLETION DATE, both dates inclusive.
5. The WORK shall be performed in accordance with the CONTRACT and the precise instructions contained in each relevant work order / instruction.
6. This WORK ORDER is executed below by duly authorized representatives of the parties hereto who accept and agree to be bound by the terms and conditions contained herein in respect of WORK performed under the CONTRACT in support of the COMPANY operations.

For:

<INSERT CONTRACTOR NAME >

For:

<INSERT COMPANY NAME>

Name: _____

Title: _____

Date: _____

Name: _____

Title: _____

Date: _____

CHANGE ORDER

NOTHING CONTAINED IN THIS CHANGE ORDER SHALL BE CONSTRUED AS AN AMENDMENT TO THE TERMS OF THE REFERENCED CONTRACT.

CHANGE ORDER Number: type number
WORK ORDER Number: type number
CONTRACT Number: BPM-04-00764
Project Code/Identification (if applicable): type number
Date: _____
WORK ORDER requested by: _____
(Name)

1. DESCRIPTION OF CHANGE OF WORK

(A summary of clarification, modification, expansion or reduction of Work will be stated, and attachments, if any, will be listed.)

2. COMPENSATION

(Any changes thereto will be stated.)

3. COMPLETION DATE

(Any change to the Completion Date stated in the Work Order.)

4. ORIGINAL WORK ORDER VALUE

VALUE OF APPROVED CHANGE ORDERS TO DATE

THIS CHANGE ORDER VALUE

TOTAL CURRENT WORK ORDER VALUE

COMPANY APPROVAL _____ DATE _____ CONTRACTOR ACCEPTANCE _____ DATE _____



**MASTER SERVICES AGREEMENT
EMERGENCY WELL SERVICES**

**SECTION 4
REMUNERATION**

INDEX

| CLAUSE | HEADING | PAGE |
|---------------|--|-------------|
| 1. | GENERAL | 1 |
| 2. | MOBILISATION AND DEMOBILISATION | 2 |
| 3. | CHARGE RATES | 2 |
| 4. | THIRD PARTY SERVICES | 3 |
| 5. | PAYMENT AND INVOICING PROVISIONS | 3 |
| 6. | SCHEDULE OF RATES AND CHARGES | 4 |

APPENDICIES

| | |
|------------|--|
| APPENDIX 1 | LOCAL PAYMENT AND INVOICING PROCEDURES |
| APPENDIX 2 | DEPRECIATION OF TOOLS AND EQUIPMENT |
| APPENDIX 3 | LOST IN HOLE CHARGES |

REMUNERATION

1. GENERAL

- 1.1 Remuneration detailed herein shall be deemed to be all inclusive rates including, but not limited to, all consumables, spares and other extras such as tool joint inspection, overhaul charges, painting, all maintenance and repair, inspection, and certification.
- 1.2 CONTRACTOR shall be reimbursed for shipping / trucking, handling / crating, duties and taxes related to COMPANY requested equipment mobilized and or demobilized for COMPANY operations at documented cost plus 10% for administrative services. Standard and expedited passport issuance fees are to CONTRACTOR account.
- 1.3 CONTRACTOR shall be reimbursed for visas, airline tickets, work permits and other necessary entry documents for personnel requested by COMPANY at documented cost plus 10% for administrative services. Standard and expedited passport issuance fees are to CONTRACTOR account.
- 1.4 CONTRACTOR shall not be entitled to remuneration in respect of personnel or equipment time incurred non-productively:
 - (a) through shortages or delays in the supply by CONTRACTOR of personnel, equipment, information, or materials, provided that COMPANY shall have given to CONTRACTOR adequate notice of the need for such supply; and/or
 - (b) due to a lack of planning on the part of CONTRACTOR provided adequate planning time and TECHNICAL INFORMATION were provided by COMPANY
- 1.5 No reimbursement will be made for WORK that is not performed in accordance with the CONTRACT. No reimbursement will be made for WORK that is not requested via a WORK ORDER or subsequent CHANGE ORDER.
- 1.6 All rates and prices stated herein are in U.S. Dollars.
- 1.7 The rates and prices are exclusive of any incidence for Value Added Tax (VAT), Goods and Services Tax or any other similar tax or duty applicable to the goods and services provided by CONTRACTOR under the CONTRACT, and to the extent that similar taxes such as sales, use, excise or business tax are implicit or specifically defined in Appendix 2 to Section 2 - General Conditions of the CONTRACT. The amount of Value Added Tax (VAT), Goods and Services Tax or any other similar tax or duty and such other agreed taxes chargeable thereon less any reduction in taxes CONTRACTOR can benefit from shall be paid to CONTRACTOR by COMPANY in addition to any other payments becoming due under the CONTRACT upon production of a valid tax invoice.
- 1.8 CONTRACTOR's job tickets approved by COMPANY and supported by appropriate WORK ORDERS and CHANGE ORDERS shall be used to define all events and timings for the definition and application of the appropriate rates associated with this CONTRACT. In event of disagreement, IADC drilling records, where available, and other applicable documents will be reviewed to reach mutual agreement.
- 1.9 CONTRACTOR shall advise COMPANY of availability of equipment upon receipt of requirements from COMPANY. In the event that CONTRACTOR has a concurrent alternative client requirement for the equipment, the CONTRACTOR shall advise COMPANY representative of commitments

and COMPANY options to ensure equipment availability. Where the alternative client is another COMPANY asset, then the CONTRACTOR shall be responsible for keeping each of the assets informed of such requirements. COMPANY may elect to secure the equipment in advance and reimburse the CONTRACTOR at a mutually agreed standby rate not greater than the rates contained within the Schedule of Rates to secure the availability of the equipment. COMPANY representative shall be informed by CONTRACTOR at all times of such exceptional circumstances. All such mutual agreements must be made in writing in advance in order for payment to be approved.

- 1.10 In event of an emergency well control response, CONTRACTOR shall confirm as soon as practical that COMPANY has contracts in place to address ranging equipment, capping stacks, pumping operations, heavy equipment and other services that may be required.

2. MOBILISATION AND DEMOBILISATION

- 2.1 Unless otherwise provided for herein, CONTRACTOR shall be responsible for the mobilisation and demobilisation of its personnel, equipment, and material to and from the WORKSITE or the COMPANY designated heliport and supply base. CONTRACTOR will be reimbursed as per clause 1.1, 1.2 and 1.3. For WORK deemed emergency well operations, COMPANY provided assistance should be outlined in WORK ORDER if required.
- 2.2 CONTRACTOR shall be responsible for obtaining all the necessary visas, customs clearances, or other government authorizations required for moving its personnel and equipment into and out of the country having jurisdiction over the operating area. COMPANY will nonetheless give assistance to CONTRACTOR, if so requested, to the extent reasonably necessary with regard to the obtaining of visas, travel permits, import assistance, or other governmental authorizations required for moving its personnel and equipment into and out of the country having jurisdiction over the operating area. In the event COMPANY is specifically required herein to reimburse CONTRACTOR for customs duties and fees levied on CONTRACTOR in relation to the import or export of CONTRACTOR's equipment and material, CONTRACTOR shall follow COMPANY's instructions in respect thereof so as to qualify for any available exemptions or reductions of such duties or fees.
- 2.3 If applicable, in the event the equipment or personnel are demobilized to a location closer than the originally intended Point of Demobilization in order to perform work for another company or for reasons of CONTRACTOR's own convenience, any demobilization fee will be reduced in an amount commensurate with the resulting reduction in CONTRACTOR's demobilization costs.
- 2.4 CONTRACTOR shall procure all licenses required for communications equipment in the area of operations. If CONTRACTOR is unable to obtain necessary licenses for mobilized equipment and it is seized by government authorities, this will be to CONTRACTOR account.

3. CHARGE RATES

- 3.1 All equipment rates are for a 24 hours period unless otherwise specified. Some charge rates are expressed in a per job basis.
- 3.2 CONTRACTOR shall receive pre-approval for mobilisation of all CONTRACTOR or CONTRACTOR third party equipment to be mobilised. Standby rates will begin for inbound equipment when it is ready for shipment from CONTRACTOR's base and end when equipment is put in operations at WORKSITE. Standby rates will also apply when equipment at the WORKSITE is take out of service or upon completion of specific operations is prepared and shipped back to originating point and will end when equipment is received at point of origin. If COMPANY requests CONTRACTOR to hold specific equipment at their base as a contingency, standby rates will apply

for this period. CONTRACTOR will query COMPANY in writing at a minimum of weekly regarding any contingency equipment to ensure it is still required

- 3.3 CONTRACTOR's representative shall prepare tools and equipment for backloading and complete a detailed manifest. Where COMPANY provided transportation is used, should tools and equipment not be satisfactorily prepared for shipment by CONTRACTOR resulting in delay, then standby charges will be limited to seven (7) days from the end of use.
- 3.4 COMPANY shall not reimburse CONTRACTOR for any additional equipment that is not specified in the CONTRACT. In the event that equipment is for an emergency well control event and is not specified in the CONTRACT, each item, its charge rate, and mobilisation / demobilisation must be pre-approved by COMPANY representative or COMPANY incident commander.
- 3.5 In the event of a surface equipment failure, provided the tools or equipment are used within the CONTRACTOR's published specifications and that the failure was not deemed to be reason outside of CONTRACTOR's control, then the rate will cease immediately. Payment of the appropriate rate shall not resume until the tool is replaced or is deemed to have started working to the satisfaction of COMPANY. This non-payment shall also apply to other equipment CONTRACTOR may have in the specific system unless operations are not negatively impacted.
- 3.6 Personnel charge rates will be broken down into specific work levels that address the risk level. These levels will be defined as:

Level 1 – Office based Support and Travel / Standby rate. This includes a) engineering and support provided at CONTRACTOR's or COMPANY's office in support of planning and prevention efforts, b) engineering and support provided at CONTRACTOR's office during well control response activities, and c) CONTRACTOR personnel travel when they leave home until arrival at COMPANY designated site.

Level 2 – COMPANY regional or field office outside of the city where CONTRACTOR's office is. Engineering and support in preparation for well control field response.

Level 3 – Field WELLSITE Operations Only.

Note: If level is not specified in WORK ORDER or subsequent CHANGE ORDER, lowest rate will apply. If field level defined in WORK ORDER changes due to change in WELLSITE conditions, a CHANGE ORDER shall be issued to increase or decrease the level accordingly. After a well is capped and under control, a CHANGE ORDER will be made to reduce the WORK level accordingly.

4. THIRD PARTY SERVICES

All third party services and associated costs will be mutually pre-agreed with COMPANY. Other than charges directly related to shipping, handling, and associated taxes / duties, these costs must be incorporated into the CONTRACT remuneration schedule during initial contracting process or subsequent amendment. If these cannot be incorporated, they must be handled via a separate contract.

5. PAYMENT AND INVOICING PROVISIONS

Payment and invoicing procedures are set out in Appendix 1 hereto.

6. SCHEDULE OF RATES AND CHARGES

6.1 Personnel Day Rates

| Job Categories | Level 1 | Level 2 | Level 3 |
|-----------------|------------|------------|------------|
| Senior Engineer | \$3500/day | \$5000/day | \$6500/day |
| Engineer | \$3100/day | \$4400/day | \$5800/day |

Standby in CONTRACTOR's office: 50% of level 2 rate.

6.2 Other Personnel Related Charges

| | |
|--|---|
| Offshore Field Operations Surcharge | <u>\$ N/A</u> |
| Subsistence when not COMPANY provided | <u>\$140/day for US / Canada Operations</u> |
| Subsistence when not COMPANY provided | <u>\$225/day for international operations</u> |
| Automobile / Pick-up Mileage (US Only) | <u>\$1.25/mile</u> |

Air Travel: CONTRACTOR personnel will travel Business Class air transportation for all flight itineraries over 4 hours and Economy Class air transportation for all flight itineraries less than 4 hours.

Hotel: COMPANY will not provide subsistence for hotel accommodations when CONTRACTOR employees are working within 90 minutes of the CONTRACTOR office where they are typically stationed.

6.3 Engineering Software Rates

| Software Title | Application | Initial Setup | Cost Per Documented Analysis |
|----------------|------------------------------------|---------------|------------------------------|
| OLGA Well Kill | All kill and well control modeling | \$2500 | \$2500 |

Notes

- 1) Initial Setup includes building initial set of input parameters and any modifications to program code required to model and solve given problem.
- 2) Cost per analysis will only be charged when program is run and finalized results are interpreted and reported to COMPANY.

6.4 Well Control Training Rates (Optional)

See table on following page.

Section 4
Remuneration

| Well Control Topics | Lunch and Learns | 2 Hr Training | ½ Day Training | Full Day Training | Two Day Training |
|----------------------|------------------|---------------|----------------|-------------------|------------------|
| Dynamic Kills | \$3000 | \$3000 | \$4000 | \$5000 | \$10000 |
| Relief Well Drilling | \$3000 | \$3000 | \$4000 | \$5000 | \$10000 |
| Underground Blowouts | \$3000 | \$3000 | \$4000 | \$5000 | \$10000 |
| Spill Dispersion | \$3000 | \$3000 | \$4000 | \$5000 | \$10000 |
| Radiant Heat | \$3000 | \$3000 | \$4000 | \$5000 | \$10000 |
| Case Studies | \$3000 | \$3000 | \$4000 | \$5000 | \$10000 |
| Annular Gas Issues | \$3000 | \$3000 | \$4000 | \$5000 | \$10000 |
| Deepwater Issues | \$3000 | \$3000 | \$4000 | \$5000 | \$10000 |

| Well Control Certification Courses | Class Location | Class Length | Max Class Size | Certifying Agency (If Applicable) | Cost per Student | Cost for Dedicated Class |
|------------------------------------|----------------|--------------|----------------|-----------------------------------|------------------|--------------------------|
| N/A | | | | | | |

6.5 Safety Training Rates (Optional)

| Safety Training Description | Class Location | Class Length | Max Class Size | Certifying Agency (If Applicable) | Cost per Student | Cost for Dedicated Class |
|-----------------------------|----------------|--------------|----------------|-----------------------------------|------------------|--------------------------|
| N/A | | | | | | |

Additional Equipment

| Equipment Description Including Company, Size, Connections, and Key Criteria | Transit Rate Per Day | Standby Rate Per Day | Operating Rate Per Day | Replacement Value |
|--|----------------------|----------------------|------------------------|-------------------|
| N/A | | | | |

Discount

If COMPANY's annual global spend with CONTRACTOR is between US \$1,000,000 and US \$2,000,000, CONTRACTOR will rebate 10% of total CONTRACTOR revenue at end of year.

If COMPANY's annual global spend with CONTRACTOR is between US \$2,000,001 and US \$4,000,000, CONTRACTOR will rebate 12% of total CONTRACTOR revenue at end of year.

If COMPANY's annual global spend with CONTRACTOR is between US \$4,000,001 and US \$6,000,000, CONTRACTOR will rebate 15% of total CONTRACTOR revenue at end of year.

If COMPANY's annual global spend with CONTRACTOR is in excess of US \$6,000,001, CONTRACTOR will rebate 20% of total CONTRACTOR revenue at end of year.

Note: COMPANY's annual spend in well control engineering, planning, prevention and response are those funds spent directly with an emergency response company. They do not include funds for other services such as snubbing and pumping services. Spend will be calculated using data provided by all Emergency Well Control providers and checked using BP Oyster system.

LOCAL PAYMENT AND INVOICING PROCEDURES

1. CONTRACTOR's invoices in respect of the WORK performed during the preceding month shall bear the appropriate CONTRACT number, WORK ORDER and CHANGE ORDERS if applicable, and shall be supported by all relevant documentation.
2. Invoices shall be expressed in the currency of the CONTRACT which is United States dollars including those in respect of any reimbursable costs permitted under the CONTRACT.
3. All Invoices and supporting documentation shall be sent to the address of BP as specified in the WORK ORDER.
4. COMPANY shall make payment against CONTRACTOR's approved invoice within thirty (30) days of receipt by COMPANY to CONTRACTOR's account at such bank as CONTRACTOR designates. CONTRACTOR will be notified of any disputed amount in accordance with the Conditions of CONTRACT.

The bank account to which COMPANY shall make payments under the CONTRACT shall be as follows: **Wire Transfer Instructions**

Bank Name and Address: Fokus Bank ASA, N-7466 Trondheim, NORWAY

Account Number: NO30 8101.90.02829 (IBAN number)

Sort Code: Swift-address: DABANO22

Any change to the above details shall be the subject of a formal amendment to the CONTRACT.

5. Any payment withheld pending settlement of disputed parts of invoices shall not delay payment of undisputed parts of invoices.
6. Payment by COMPANY against CONTRACTOR's invoice shall be without prejudice to COMPANY's rights subsequently to challenge the correctness thereof.

DEPRECIATION OF CONTRACTOR'S TOOLS AND EQUIPMENT

1. DEPRECIATION DEFINITIONS

Downhole and well control equipment used in the well shall be classified in categories in the LIHC tables, for the purpose of depreciation calculations. Where:

- a) "BOP Equipment" (BOPE) is defined as ram preventers, annular preventers, rotating BOPE, high pressure (10,000 psi or greater) adjustable drilling chokes, drilling choke manifolds and associated valves.
- b) "Dumb iron" is defined as equipment with no or very few moving parts excluding parts which are historically replaced for wear and tear. Dumb iron shall include, but not necessarily limited to equipment baskets, shipping containers, hand tools, power tools, tanks, retrievable bridge plugs, coring equipment, stabbing guides, junk baskets, chiksans, co-flexip hoses, slickline tools excluding flow control equipment, fishing tools, magnets, bails, elevators, slips, spiders, false rotaries, manual tongs, lift nubbins, clamps, casing scrapers, casing rollers, casing thread protectors, subs, nipples, crossovers, drifts, stabilizers, spools, single and double studded adapters, side door entry subs, hole openers, underreamer bodies, etc.
- c) "Fire Equipment" is defined as water pumps, transfer pumps, fire monitors, hoses, deluge systems, and other equipment identified by COMPANY as required to address potential fire hazard for a specific WORK ORDER. Consumables are not included in this equipment category.
- d) "Hi tech / intelligent tools" are defined as instrumented downhole equipment which typically undergoes thorough shop analysis and refurbishment after each run and mutually agreed with COMPANY. Hi Tech / Intelligent tools shall include ranging tools, MWD, LWD, wireline rotary core tools, formation testing tools, specialty logging tools, 3D seismic tools, advanced imaging tools, rotary steerable systems, and intelligent downhole testing tools. Any other equipment classified as "Hi tech / intelligent tool" shall be mutually agreed during LIHC negotiations.
- e) "Initial Service / Purchase" is defined as the date of manufacture by CONTRACTOR or initial purchase of equipment. It is recognized that some equipment may have been previously owned, so Reference Date goes back to origin.
- f) "Mechanical tools" are defined as equipment with some moving parts, mechanical, hydraulic, etc, which are typically refurbished after runs in the hole. Mechanical / hydraulic tools shall include, but shall not be necessarily limited to, hydraulic tongs, hydraulic units, engines, running tools, test packers, perforation wash tools, filtration units, slip joints, drilling jars, fishing jars, test jars, bumper subs, shock subs, slickline flow control equipment including associated running / pulling tools, pumps, shakers, centrifuges, surface high pressure gauges / sensors, etc. Refurbishment for "mechanical tools" puts them in operational condition, but does not under any circumstance re-set reference date.
- g) "Reference Date" shall mean the date depreciation commences. Where applicable, for a reference date to be rolled forward from original purchase to a refurbishment, CONTRACTOR if requested will provide detailed specific tool refurbishment and QA/QC documentation and will ensure documentation is retained for audit in event of lost equipment. If documentation is not available as stated or is deemed inadequate by COMPANY, original purchase date or date of manufacture will be deemed effective Reference Date. Specifically for BOP equipment, the BOP Reference Date will be initial new equipment purchase from original equipment manufacturer (OEM) where 100% of original purchase price will be used for calculations. In the event that BOP is refurbished and re-certified by a reputable third party,

the Reference Date will be moved forward to re-certification date, but value calculations will start at 80% of replacement cost.

- h) "Refurbishment" shall be defined as the activity where CONTRACTOR tools have undergone a complete overhaul at the component level. This refurbishment will have materially extended the available service life of the tool. Normal maintenance on dumb iron or mechanical tools which is required to put the equipment in operating condition does not constitute refurbishment.
- i) "Spill Equipment" is defined as booms, skimmers, dispersant sprayers and other non-consumable items identified by COMPANY as required for a spill response.
- j) "Standard logging / directional and other tools" are defined as equipment which are used in base logging packages and standard directional programs and mutually agreed with COMPANY. Standard logging / directional packages shall include, but shall not be necessarily limited to, computer systems, sonic, resistivity, and conductivity sondes, percussion core guns, cement bond log tools, cased hole logging tools, downhole electronic pressure gauges, mills, PDM motors, turbines, thrusters, and subsea test trees. Any other equipment classified as "Standard logging / directional and other tools" shall be mutually agreed during LIHC negotiations.
- k) "Surface test equipment" is defined as separators, testing manifolds and associated valves, surface test trees, flare booms, H2S scrubbers and other well test specific equipment.
- l) "Tubulars" is defined as drill pipe, spiral / heavy-weight drillpipe (HWDP), drill collars, spiral drill collars, pony collars, monel drill collars, kellys, washpipe, and tubing.
- m) "Well Control Emergency Equipment" is defined as Athey wagon assembly and sub-components. For sub-components which are by design destroyed or damaged beyond repair with each application, the replacement cost will be \$0 (nil) as it will be addressed in rate charts.

2. INITIAL REPLACEMENT COST BASIS

Equipment and tool replacement costs (LIHC) for equipment which may be lost or damaged beyond economical repair shall be submitted by CONTRACTOR as part of Section 4, Remuneration. These LIHC tables will remain in effect unless changes are mutually agreed and the CONTRACT is amended. These LIHC costs will be clearly broken into the following categories:

- a) Actual replacement costs for equipment and, if required major subcomponents, at source, i.e. specific manufacturing / assembly point
- b) Replacement cost for each source (if they differ) only if equipment is manufactured at multiple sites
- c) Maximum, not to exceed, CONTRACTOR's shipping charges from source to CONTRACTOR's base
- d) Maximum, not to exceed, duties and associated taxes payable from the source to the CONTRACTOR's base charges from the closest equipment source to the CONTRACTOR's base
- e) Any costs anticipated for the re-use of salvaged equipment such as splicing a wireline cable or coiled tubing

3. REPLACEMENT COST NEGOTIATIONS

COMPANY reserves the right to negotiate the LIHC on an annual basis. This negotiation will review existing and any newly developed tools or equipment added to the CONTRACT by an amendment. CONTRACTOR will provide published replacement rates with proposed reduction / increases prior to each negotiation meeting. In the event that any replacement rates exceed previously submitted rates to COMPANY, lowest submitted rates will apply unless full justification is provided and mutually agreed. These negotiations with CONTRACTOR may be held on a local or global level with participation from COMPANY sector specialist or other COMPANY personnel.

4. NOTIFICATION OF LOST OR DAMAGED EQUIPMENT

If a tool is damaged beyond repair, lost, or lost in the hole, it will be documented on the CONTRACTOR job history and or field ticket approved by COMPANY representative. Such documentation shall accompany any claim by CONTRACTOR. In the event that CONTRACTOR is providing equipment only and there is not a CONTRACTOR representative at the WORKSITE when incident occurred, CONTRACTOR documentation requirements will be mutually agreed between COMPANY and CONTRACTOR.

CONTRACTOR shall document to COMPANY in writing within thirty (30) days or longer if mutually agreed a detailed incident report which includes well name, tools and/ or component part involved, Reference Dates, when and where the loss and/or damaged occurred and any other information as may be reasonably required by COMPANY.

5. INSPECTION REQUIREMENTS FOR DAMAGED TOOLS

In the event that a tool or component part thereof is damaged or damaged beyond economical repair, CONTRACTOR upon request shall provide COMPANY with a damage inspection report conducted by a mutually agreed third party or with CONTRACTOR's detailed report in the case of CONTRACTOR proprietary tools. COMPANY reserves the right to carry out an independent verification by a mutually agreed third party. The foregoing third party report shall be prepared at COMPANY expense except in those cases where the report concludes that the damage in question is attributable to defects in the tool or normal wear and tear. COMPANY representative shall signify on the said report, or otherwise in writing his agreement that the equipment is damaged or damaged beyond economical repair. Such report or COMPANY written agreement shall accompany any claim by CONTRACTOR. COMPANY shall not unreasonably refuse or delay CONTRACTOR'S request.

COMPANY may elect to waive third party inspection report requirement if:

- a) third party inspection report charges will be excessive in comparison to loss or damage or,
- b) COMPANY may advise CONTRACTOR that when damage or loss is known to be attributable to conditions outside of CONTRACTOR's control and COMPANY does not require further investigation or documentation.

6. REIMBURSEMENT FOR LOST OR DAMAGED BEYOND REPAIR EQUIPMENT

For tools lost or damaged beyond repair, COMPANY shall be liable to reimburse CONTRACTOR:

- a) Actual replacement costs for equipment and major subcomponents at source, i.e. specific manufacturing / assembly point as defined in LIHC table from closest manufacturing / assembly point

- b) Actual documented CONTRACTOR's shipping charges from source to CONTRACTOR's base, not to exceed charges detailed in LIHC tables
- c) Actual duties and associated taxes payable from the source to the CONTRACTOR's base charges from the closest equipment source to the CONTRACTOR's base, not to exceed charges detailed in LIHC tables
- d) Actual costs for the re-use of salvaged equipment such as splicing a wireline cable or coiled tubing

In the event that a Reference Date cannot be documented, the replacement cost will be at the value calculated from the minimum residual value percentage times the replacement cost.

In the event that any lost in hole or damaged equipment is not detailed in the LIHC tables as set forth in Section 4, Remuneration, then COMPANY and CONTRACTOR will mutually agree on the amount based on documented detailed cost of the equipment excluding any specific tool development for tools not detailed in CONTRACT. The depreciation for this equipment will be calculated at two percent (2.0%) per month up to a maximum of forty percent (40%) reduction with sixty percent (60%) residual value.

7. RESIDUAL / SALVAGE VALUE

When any equipment is damaged beyond economical repair, replacement cost will also be reduced by any salvage value realised. In the event of loss in hole or damage beyond repair for electric logging cable, slickline wire and coiled tubing, the replacement footage shall be calculated from the unit's available footage at commencement of WORK minus any footage removed for maintenance during the WORK minus any footage available on the unit after loss. Replacement cost will then be calculated as replacement footage divided by new spool footage times new spool cost plus the cost of splicing the salvaged footage to enable its re-use. If remaining footage on the unit cannot be utilised in other work, COMPANY and CONTRACTOR will mutually agree that the remaining footage will be calculated as zero in replacement footage calculation.

8. WELL TEST EQUIPMENT

Notwithstanding the provisions of Section 2, Clause 19.1(a), in the event that the WORK involves well test services and CONTRACTOR can demonstrate that CONTRACTOR GROUP's surface well test equipment has incurred abnormal damage (meaning damage which could not be reasonably expected) which has resulted directly from corrosion, erosion or abrasion caused by the nature of the well effluent, CONTRACTOR shall be reimbursed for the costs of repair of such damage except to the extent that such damage is caused by the negligence or breach of duty (statutory or otherwise) of CONTRACTOR GROUP and except to the extent of fair wear and tear.

9. EQUIPMENT REPAIRS

When repair is possible, COMPANY shall reimburse CONTRACTOR either the foregoing documented repair or replacement costs, whichever is less. If requested by COMPANY, CONTRACTOR will provide supporting detailed QA/QC documentation confirming re-build or if applicable, third party refurbishment company documentation. If requested by COMPANY, CONTRACTOR will provide refurbishment / repair cost documentation segregated into labor (rate and hours) and parts and said documentation will be treated confidential by COMPANY, in accordance with Section 2, Clause 22.

Appendix 2 to Section 4
Depreciation of CONTRACTOR's Tools and Equipment

10. DEPRECIATION CALCULATIONS

The following depreciation schedule and associated definitions shall apply to CONTRACTOR's equipment which has been damaged beyond economical repair or lost in hole. The LIHC table have been provided to determine the applicable replacement cost basis multiplier for the equipment listed in Section 4. These calculations will apply to:

| Category | Description | Reference Clause | Reference Date | Depreciation Rate / month | Maximum Reduction | Minimum Residual Value |
|----------|---|------------------|---|---------------------------|-------------------|--|
| 1 | BOP Equipment | 1 a) | Initial Purchase Date (100%) or last refurbished with 3 rd Party Certification (80%) | 1.25% | 40.0% | 60.0% |
| 2 | Dumb Iron | 1 b) | Initial Purchase Date | 1.50% | 40.0% | 60.0% |
| 3 | Fire Equipment | 1 c) | Initial Purchase Date | 1.50% | 40.0% | 60.0% |
| 4 | Hi tech / intelligent tools | 1 d) | N/A | N/A | N/A | 100% of annually negotiated value as defined in Clause 2 |
| 5 | Mechanical / Hydraulic Tools | 1 f) | Initial Purchase Date | 1.25% | 40.0% | 60.0% |
| 6 | Spill Equipment | 1 i) | Initial Purchase Date | 1.50% | 30.0% | 70.0% |
| 7 | Standard logging, directional and other tools | 1 j) | N/A | N/A | N/A | 100% of annually negotiated value as defined in Clause 2 |
| 8 | Surface Test Equipment | 1 k) | Initial Purchase Date | 1.50% | 40.0% | 60.0% |
| 9 | Tubulars | 1 l) | Initial Purchase Date | 1.50% | 30.0% | 70.0% |
| 10 | Well Control Equipment | 1 m) | Initial Purchase Date | 1.50% | 30.0% | 70.0% |

LOST IN HOLE CHARGES

NOTE:

Lost in hole charges / costs will be provided by CONTRACTOR at time of claim in a form similar to the following table. CONTRACTOR shall provide separate tables for different product lines, e.g. logging, directional drilling, rotary steerables, MWD/LWD, solids control, surface testing equipment, downhole testing equipment, fishing tools, rental tools, etc. Major sub-components, where applicable, shall be included. Consumables such as drilling / completion fluids, chemicals, bits and other products which are consumables will not be included.

Example of LIHC Table:

Logging Tools

| Item # | Tool Category | Detailed Tool Description | Actual Replacement Cost | Tool Source | Maximum, not to exceed, shipping charges from source to CONTRACTOR's base, | Maximum, not to exceed, duties and associated taxes payable from the source to the CONTRACTOR's base |
|--------|---------------|---------------------------|-------------------------|-------------|--|--|
| 1 | A | B | D | E | E | |
| 2 | A | B | D | E | E | |
| 3 | A | B | D | E | E | |
| 4 | A | B | D | E | E | |
| 5 | A | B | D | E | E | |
| 6 | A | C | D | E | E | |
| 7 | A | C | D | E | E | |

KEY

- A : Completed by CONTRACTOR and submitted with each claim.
- B : Completed by CONTRACTOR and submitted with each claim.
- C : Completed by CONTRACTOR and submitted with each claim unless previously negotiated on a global basis. If not previously negotiated, submitted prices will be reviewed and negotiated on an individual basis.
- D : Identify tool source. A specific tool may have multiple sources as detailed in table below.
- E : Completed by CONTRACTOR and submitted with each claim for that specific CONTRACTOR base.

Example of a tool from multiple sources :

| Item # | Tool Category | Detailed Tool Description | Actual Replacement Cost | Tool Source | Maximum, not to exceed, shipping charges from source to CONTRACTOR's base, | Maximum, not to exceed, duties and associated taxes payable from the source to the CONTRACTOR's base |
|--------|---------------|---------------------------|-------------------------|-------------|--|--|
| | 6 | Specific RSS | 98,000.00 | Houston | \$12,000.00 | \$10,000.00 |
| | 6 | Specific RSS | 99,000.00 | Aberdeen | \$10,000.00 | \$10,000.00 |
| | 6 | Specific RSS | 100,000.00 | Singapore | \$5,000.00 | \$10,000.00 |



**MASTER SERVICES AGREEMENT
EMERGENCY WELL SERVICES**

**SECTION 5
QUALITY ASSURANCE AND QUALITY CONTROL**

QUALITY ASSURANCE AND QUALITY CONTROL

1. CONTRACTOR shall have established, implemented and maintained a Quality Assurance System in conformance with the requirements of ISO 9001, or any other recognised or established standard/format as mutually agreed with COMPANY, providing that all aspects of the CONTRACT and WORK which affect the quality of the services supplied are defined, documented, proceduralised (where required) and controlled under the system (including sub-contracted services.)
2. CONTRACTOR shall implement and maintain location specific Quality Plans, and applicable working procedures for the duration of the CONTRACT. The Quality Plan shall, as a minimum, include:
 - (a) A statement of the principle stages of operation of the WORK.
 - (b) A statement of the control procedures to be implemented whilst performing the WORK.
 - (c) A list, for each stage of the WORK, of the drawings, documents, certificates and records to be prepared and retained or submitted for review and approval as the WORK progresses.
 - (d) A list of potential sub-suppliers or sub-contractors.
 - (e) Provision for COMPANY's requirements to:
 - approve subcontractors
 - approve materials and/or construction
 - review CONTRACTOR's QA systems at any time
 - hold pre-production meetings if required
 - visit CONTRACTOR's premises if required
 - monitor manufacturers' QA procedures
 - witness specific stage QC points
 - witness function and pressure tests.
3. CONTRACTOR's Quality Plan shall be submitted to COMPANY for approval prior to commencement of the WORK.
4. CONTRACTOR shall allow COMPANY QA auditors full access to the WORK in progress, personnel, records and documentation for the purpose of conducting quality audits.
5. "Ad hoc" quality inspections may be undertaken by COMPANY on CONTRACTOR's quality systems, as and when deemed necessary by COMPANY, and may be carried out without any prior notice to CONTRACTOR.
6. Where non-conformances are identified during audits and/or inspections by COMPANY or COMPANY third party inspectors, CONTRACTOR shall undertake the corrective actions as required by COMPANY, within agreed specified time limits.
7. Corrective actions undertaken by CONTRACTOR as a result of non-conformances being identified during a quality audit or inspection shall be undertaken at no cost to COMPANY.
8. CONTRACTOR shall compile all necessary documentation in accordance with specified requirements, and such relevant documentation shall be made available to COMPANY and/or the Certifying Authority for certification purposes when and where appropriate.



**MASTER SERVICES AGREEMENT
EMERGENCY WELL SERVICES**

**SECTION 6
HEALTH, SAFETY AND ENVIRONMENT**

INDEX

| CLAUSE | HEADING | Page |
|---------------|--|-------------|
| 1. | INTRODUCTION..... | 1 |
| 2. | HSE MANAGEMENT SYSTEM..... | 1 |
| 3. | COMPATIBILITY OF HSE MANAGEMENT SYSTEMS..... | 1 |
| 4. | COMPLIANCE..... | 1 |
| 5. | COMPETENCE ASSURANCE..... | 2 |
| 6. | REPORTING..... | 2 |
| 7. | MEDICALS, TRAINING AND PROTECTIVE CLOTHING..... | 3 |
| 8. | WORKING CONDITIONS..... | 3 |
| 9. | PORTABLE AND TRANSPORTABLE EQUIPMENT..... | 3 |
| 10. | HSE PLAN..... | 3 |
| 11. | HSE PERFORMANCE STANDARDS..... | 4 |
| 12. | WASTE DISPOSAL AND ENVIRONMENTAL SAFEGUARDS..... | 4 |
| 13. | REFERENCE DOCUMENTS..... | 4 |

APPENDICIES

APPENDIX 1 GETTING HSE RIGHT

APPENDIX 2 BP's GOLDEN RULES FOR SAFETY

APPENDIX 3 DRUG AND ALCOHOL STANDARDS AND EXPECTATIONS (UK AND
INTERNATIONAL SITES)

APPENDIX 3A SUBSTANCE ABUSE POLICY (US ONLY)

APPENDIX 4 MINIMUM HEALTH, SAFETY, AND ENVIRONMENTAL REQUIREMENTS (US ONLY)

HEALTH, SAFETY AND ENVIRONMENT

1. INTRODUCTION

COMPANY places prime importance on health, safety and environmental ("HSE") issues and requires that CONTRACTOR and its SUB-CONTRACTOR(s) subscribe to and actively pursue the highest standards of HSE performance. COMPANY'S expectations in terms of HSE are stated in Appendices and references contained herein.

2. HSE MANAGEMENT SYSTEM

- 2.1 CONTRACTOR shall provide COMPANY with a statement on its HSE policy. The policy shall pay due regard to the responsibilities of individuals, incident reporting, safety meetings and safety training. CONTRACTOR shall also have established arrangements for monitoring this policy.
- 2.2 CONTRACTOR must have in place a formal HSE management system which demonstrates commitment to continuous improvement and excellence in HSE issues.
- 2.3 CONTRACTOR's HSE management system shall be adequately documented, shall be shown to be effective in implementing the aims and objectives of CONTRACTOR's HSE policy and shall include provisions for auditing the effectiveness of CONTRACTOR 's HSE management system as applied to the WORK.
- 2.4 CONTRACTOR shall review its HSE management system at least annually and update it as necessary.
- 2.5 Certain activities pose a higher risk to the safety of personnel, property and the environment. Higher risk activities will accordingly demand a higher level of HSE management from CONTRACTOR. The use of a SUB-CONTRACTOR involves the importation of higher risk activity, therefore CONTRACTOR shall ensure and demonstrate the appropriate higher level of HSE management.
- 2.6 Risk can vary from location to location and, where the WORK is performed at more than one location, CONTRACTOR may be required to provide different levels of HSE management for each location.

3. COMPATIBILITY OF HSE MANAGEMENT SYSTEMS

- 3.1 CONTRACTOR shall co-operate with COMPANY to ensure that the roles and responsibilities in CONTRACTOR and COMPANY systems are clearly defined and allocated and are clearly understood by all parties. Where appropriate, an interface document shall incorporate any specific requirements relevant to the WORKSITE or platform on which CONTRACTOR will perform the WORK.

4. COMPLIANCE

- 4.1 CONTRACTOR shall observe and comply with all relevant and current statutory requirements, approved codes of practice and industry guidance on HSE matters.

- 4.2 CONTRACTOR shall observe and comply with all relevant and current COMPANY standards and expectations on HSE matters and which are described in Clause 31 of Section 2 - General Conditions of Contract.
- 5. COMPETENCE ASSURANCE**
- 5.1 CONTRACTOR shall have in place a competence assurance system for its personnel, the scope of which will cover as a minimum :
- a) all trade/discipline skills employed in the performance of the WORK;
 - b) understanding of safe working practices including, without limitation, communications, permit-to-work systems and risk assessment including risk to the environment; and
 - c) a means of confirmation that the system is effective and verification that all personnel are covered and have been assessed for competence.
- 5.2 COMPANY has the right to object to and require CONTRACTOR to remove from the performance of the WORK any personnel who, in the opinion of COMPANY, misconduct themselves or are incompetent or negligent in the proper performance of their duties and such personnel shall not be employed again in the WORK or any other work of COMPANY without COMPANY's approval.
- 6. REPORTING**
- 6.1 CONTRACTOR shall submit a formal report quarterly which summarises CONTRACTOR's and SUB-CONTRACTOR(s) HSE performance in the preceding reporting period with regard to WORK. This report shall detail the following unless otherwise mutually agreed:-
- (a) performance against agreed/planned HSE targets;
 - (b) all Occupational Safety and Health Administration (OSHA) recordable injuries;
 - (c) all other accidents, spills or other unplanned discharges which either result in, or have potential for, significant injury/damage/loss or are reportable to a statutory authority;
 - (d) all near miss incidents which have potential for injury/damage/loss;
 - (e) the issue or proposed issue of an Improvement or Prohibition Notice, notice of intended prosecution or other legal process;
 - (f) any other event reportable to a statutory authority;
 - (g) a summary of monitoring activity, reviews, inspections and audits;
 - (h) a summary of the status of any remedial actions; and
 - (i) estimated total working hours for CONTRACTOR GROUP personnel on the WORKSITE
- 6.2 Notwithstanding the provision of a report, CONTRACTOR shall follow the requirements of COMPANY's accident and incident reporting and investigation procedures as mutually agreed.

7. MEDICALS, TRAINING AND PROTECTIVE CLOTHING

- 7.1 All personnel proposed by CONTRACTOR GROUP for the WORK shall be as medically fit for duty in accordance with the statutory requirements.
- 7.2 All personnel proposed by CONTRACTOR GROUP shall have successfully attended, fire fighting and refresher courses as necessary in accordance with statutory requirements at a recognised and approved training centre.
- 7.3 All personnel proposed by CONTRACTOR GROUP for offshore duty shall have successfully completed Helicopter Underwater Escape Training (HUET), sea survival and refresher courses as necessary in accordance with statutory requirements recognised and approved training centre.
- 7.4 CONTRACTOR shall, at its own expense, provide its personnel with all necessary protective clothing and equipment suitable for the working conditions. Such clothing/equipment shall be in accordance with statutory requirements..

8. WORKING CONDITIONS

- 8.1 CONTRACTOR shall ensure that all personnel provided by CONTRACTOR GROUP on the WORK shall keep all places of work as clean and tidy as is reasonably practicable under the circumstances, to minimise the risk of causing injury to persons, damage to property or delays in providing the WORK.
- 8.2 On completion of the WORK, CONTRACTOR shall, without delay, clear away and remove from the WORKSITE all surplus materials and equipment and leave all areas in a clean and tidy condition to the satisfaction of COMPANY REPRESENTATIVE.

9. PORTABLE AND TRANSPORTABLE EQUIPMENT

- 9.1 CONTRACTOR shall observe and comply with COMPANY's procedures with regard to the selection, deployment, operation and maintenance of equipment except where CONTRACTOR procedures are fully documented and applicable.
- 9.2 CONTRACTOR is responsible for ensuring that all equipment is operated in accordance with safe working practices.
- 9.3 Location of equipment at the offshore WORKSITE shall be agreed in advance with COMPANY REPRESENTATIVE.

10. HSE PLAN

- 10.1 If requested by COMPANY, CONTRACTOR shall prepare a plan for the management of all aspects of the WORK, known as the "HSE Plan". The HSE Plan shall address the requirements of these HSE provisions, including the requirements of the HSE management system and the SMS (Safety Management System) and EMS (Environmental Management System) interface document where appropriate. The HSE Plan shall be submitted to COMPANY REPRESENTATIVE for review and endorsement in a time frame as agreed with COMPANY.
- 10.2 CONTRACTOR shall develop and agree with COMPANY REPRESENTATIVE, performance measures that indicate that the HSE Plan is being implemented.

- 10.3 The HSE Plan shall form part of the CONTRACT. It shall be reviewed at least annually and updated as necessary to incorporate any changes to the WORK and/or CONTRACT.
- 10.4 The HSE Plan shall address identification of HSE risks associated with the WORK and definition of methods of controlling those risks to an acceptable level.
- 10.5 The HSE Plan shall include details of the proposed method of auditing the effectiveness of CONTRACTOR's HSE management system as applied to the WORK.

11. HSE PERFORMANCE STANDARDS

- 11.1 When working at a WORKSITE owned or controlled by COMPANY, all personnel provided by CONTRACTOR GROUP shall comply with all current and relevant COMPANY HSE practices as they relate to the WORK. At other WORKSITES, CONTRACTOR and COMPANY shall agree which of COMPANY's HSE practices are appropriate to the WORK and will be addressed in the SMS and EMS interface document. Where necessary and appropriate, CONTRACTOR shall seek advice from COMPANY on the interpretation of COMPANY's HSE practices.
- 11.2 CONTRACTOR shall, where appropriate, refer to COMPANY's "Getting HSE Right" and associated HSE standards as a guide in the management of technical integrity as relevant to the WORK.

12. WASTE DISPOSAL AND ENVIRONMENTAL SAFEGUARDS

In the performance of the WORK, CONTRACTOR shall at all times:

- a) observe and comply with all laws and regulations concerning the production, carrying, keeping, treating and/or disposal of waste;
- b) act to minimise the quantity of wastes;
- c) be responsible for and ensuring the environmentally acceptable handling, storage, treatment, transportation, and disposal of its own wastes, in accordance with above guidelines, except when otherwise agreed to be handled and disposed of by COMPANY, and

If required by law, CONTRACTOR shall register as a Registered Waste Broker or a Licensed Waste Manager.

13. REFERENCE DOCUMENTS

In the performance of the WORK, CONTRACTOR shall refer to and observe the following HSE reference documents attached hereto:

- BP HSE Expectations – Getting HSE Right
- BP's Golden Rules for Safety
- Scope specific HSE Reference Documents
- WORKSITE specific HSE Policies and requirements

BP's HSE Expectations comprises 13 primary Units as highlighted below.

Leadership and Accountability

People at all levels in the BP organisation are responsible for leading and engaging the workforce in meeting our health, safety, technical integrity and environmental goals and objectives. Leaders will be held accountable for accomplishing this by demonstrating correct HSE behaviours, by clearly defining HSE roles and responsibilities, by providing needed resources, and by measuring, reviewing and continuously improving our HSE performance.

Expectations:

- Leaders model positive HSE behaviours by personal example both on and off the job, and reinforce and reward positive behaviours.
- Leaders engage in clear, two-way communication with employees, contractors and others on HSE issues.
- Leaders integrate the HSE Expectations into business planning and decision making processes, ensuring that documented systems are in place to deliver these Expectations.
- Leaders establish clear HSE goals and objectives, roles and responsibilities, performance measures and allocate competent resources and, where necessary, specialist expertise.
- HSE Management systems are developed, documented, implemented and supported throughout the organization. These address health, safety, technical integrity, environmental, security, product and operational risks in accordance with the appropriate Expectations.
- Leaders' HSE performance is assessed against their annual objectives, based on feedback from line management, peers and others in the Business Unit.
- Leaders integrate Group HSE targets into their business activities. *(These include, for example, external verifications, climate change, sustainable development, biodiversity, and emissions reductions.)*
- Leaders promote the sharing of HSE lessons learned inside and outside their Business Unit.

Risk Assessment and Management

Management of risk is a continuous process and the cornerstone of all the HSE Elements. We will regularly identify the hazards and assess the risks associated with our activities. We will take appropriate action to manage the risks and hence prevent or reduce the impact of potential accidents or incidents.

Expectations:

- Leaders put into place and promote the use of processes to identify hazards associated with BP's activities, assess risks, control the hazards and manage the risks to acceptable levels.
- Potential hazards and risks to personnel, facilities, the public, customers and the environment are assessed for existing operations, products, business developments, acquisitions, modifications, new projects, closures, divestments and decommissionings.
- Assessed risks are addressed by levels of management appropriate to the nature and magnitude of the risk. Decisions are clearly documented and resulting actions implemented through local procedures.
- Risk assessments and risk management/control measures are referenced in project approval documentation.
- Risk assessments are updated at specified intervals and as changes are planned.

People, Training and Behaviours

People's behaviour is critical to BP's success; therefore, our workforce will be carefully selected and trained, and their skills and competencies regularly assessed.

Expectations:

- Employees and contractors practice, encourage, and reinforce safe, healthy and environmentally sound behaviours.
- HSE roles, responsibilities and accountabilities are developed and used to define individual performance targets. These are documented, and feedback on personal performance is provided.
- Recruitment, selection and placement processes ensure that personnel are qualified, competent, and physically and mentally fit for their assigned tasks.
- BP's workforce has the required skills and training to competently perform their tasks in a healthy, safe and environmentally sound manner. Training is evaluated to determine its effectiveness.
- With employees' involvement, physical, chemical, biological, ergonomic and psychological health hazards are identified and the risks managed in the workplace.
- Each workplace has access to an appropriate level of medical support and to resources/facilities that promote health and wellness.
- A programme is in place to ensure that the performance of our workforce and others on our premises is not impaired by drugs or alcohol.
- New or transferred employees, contractors and other visiting personnel undergo appropriate site orientation/induction training which covers HSE rules and emergency procedures.

Working with Contractors and Others

Contractors, suppliers and others are key to our Group business performance and we will assess their capabilities and competencies to perform work on our behalf. We will work together with them to ensure our HSE Expectations are aligned. We will monitor contractors' and partners' performance and ensure our procurement processes contain the rigour to deliver our Expectations.

Expectations:

- Pre-qualification, selection and retention criteria are established for work performed by contractors, suppliers and others, including a system for assuring their compliance.
- Hazards and risks associated with contractor and procurement activities in our businesses are identified, managed and communicated.
- Interfaces between BP and suppliers of services and products are identified and effectively managed.
- Clear deliverables and performance standards are agreed to and systems are put in place to assure HSE and technical compliance.
- Purchased products and services are, where possible, verified as meeting national/international health, safety and environmental standards.
- Joint venture and alliance partners have HSE management systems that are aligned with those of BP, meet legal compliance requirements and satisfy the Group's Expectations and targets.

Facilities Design and Construction

New facilities and modifications to existing facilities will be designed, procured, constructed and commissioned to enable safe, secure, healthy and environmentally sound performance throughout their operational life, by using recognised standards, procedures and management systems.

Expectations:

- Baseline technical, environmental and health data are collected before the development of any new operation, facility or major modification.
- Facilities are designed and constructed using technology which balances commercial risks and financial benefits to manage technical risk and minimise or eliminate emissions, discharges, impacts on biodiversity and other environmental impacts.
- Project management systems and procedures addressing technical integrity and HSE accountabilities are documented and well understood. Design, procurement and construction standards are formally approved by the designated technical/engineering authority. Formal design review, verification and validation studies are carried out based on risk assessment.
- Operational, maintenance and HSE expertise are integrated early in the project/design stage. Experience from previous projects and current operations is applied.
- Potential hazards are identified and HSE risks assessed using appropriate risk assessment tools (e.g. quantified risk assessments, HAZOPS, and HSE reviews) at specific stages of a project from concept through to start-up, and risks are mitigated through risk management techniques.
- Deviations from design standards are identified and managed at an appropriate level, with the reasons documented and retained.
- Local regulatory requirements are met or exceeded. Where these are absent or inadequate, standards are set that protect people and the environment.
- Quality assurance and inspection systems are in place to ensure that facilities meet design and procurement specifications and that construction is in accordance with approved standards.
- Documented pre-startup reviews are carried out for all newly installed or modified equipment to confirm that construction is in accordance with design, all required verification testing is complete and acceptable, and all recommendations/deviations are closed and approved by the designated technical authority.

Operations and Maintenance

Facilities will be operated and maintained within the current design envelope to ensure safe, secure, healthy and environmentally sound performance.

Expectations:

- Post-startup reviews are carried out for all newly installed or modified equipment to confirm that construction is in accordance with design, all required verification testing is complete and acceptable, and all recommendations/deviations are closed and approved by the designated technical authority.
- Applicable regulatory requirements are met or exceeded and operational/technical/mechanical integrity is maintained by use of clearly defined and documented operational, maintenance, inspection and corrosion control systems.
- Key operating parameters are established and regularly monitored. The workforce understands their roles and responsibilities to maintain operations within these parameters.
- Clearly defined start-up, operating, maintenance and shutdown procedures are in place with designated authorities identified (e.g. permit to work, hand-over, equipment and process isolation, etc).
- Equipment that has been out of service for maintenance or modification is subject to documented inspection and testing prior to use.
- Reliability and availability of protective systems are maintained by appropriate testing and maintenance programmes, including management of temporary disarming or deactivation.
- Risks introduced by simultaneous operations are assessed and managed.

- HSE impacts associated with waste, emissions, noise, biodiversity and energy use are monitored and minimised.
- Comprehensive waste management programmes are in place to ensure that wastes are minimised, re-used, recycled, or properly disposed of.
- Decommissioning, remediation and restoration plans are established using risk-based studies for end of life equipment/facilities.
- A quality assurance programme exists to ensure that equipment replacement or modification maintains operations integrity.

Management of Change

All temporary and permanent changes to organization, personnel, systems, procedures, equipment, products, materials or substances will be evaluated and managed to ensure that health, safety and environmental risks arising from these changes remain at an acceptable level. We will comply with changes to laws and regulations and take account of new scientific evidence relating to HSE effects.

Expectations:

- The health, safety, security, environmental, technical and other impacts of temporary and permanent changes are formally assessed, managed, documented and approved.
- Changes in legal and regulatory requirements, technical codes, and knowledge of health and environmental effects, are tracked and appropriate changes implemented.
- Effects of change on the workforce/organization, including training requirements, are assessed and managed.
- The impact on product quality of changes in manufacturing processes is assessed, associated hazards are evaluated and risks are controlled.
- The original scope and duration of temporary changes are not exceeded without review and approval.

Information and Documentation

We will maintain accurate information on our operations and products. It will be held securely yet readily available.

Expectations:

- A system is in place to securely manage drawings, design data and other documentation, including definition of responsibilities for maintaining this information.
- Applicable regulations, permits, codes, standards and practices are identified. The resultant operating requirements are documented and communicated to the workforce.
- Pertinent records are maintained, available and retained as necessary. Obsolete documentation is identified and removed from circulation.
- Scope and format of technical documentation will be agreed for each facility and will form part of the design input for new facilities and modifications.
- Employee health, medical and occupational exposure records are maintained with appropriate confidentiality and retained as necessary.

Customers and Products

We will assess, manage and communicate the hazards associated with BP's products. We will communicate up-to-date information to help users and others handle our products in a safe and environmentally responsible manner.

Expectations:

- Assessments are conducted for new products prior to marketing or distribution, to identify health, safety and environmental hazards and risks associated with normal use and foreseeable misuse.
- Periodic reassessments are conducted for all manufactured and re-branded products and intermediate streams. This includes a review of adverse effects reported or experienced by those handling these products.

- New uses or markets for existing products are evaluated to ensure that health, safety and environmental hazards and risks are identified and addressed.
- Records of assessment, background information and conclusions are kept up-to-date throughout the product's life and retained as appropriate.
- Up-to-date information on health, safety and environmental hazards and risks relating to the use, storage, handling, transport and disposal of our products is available to the workforce, customers and others. Material Safety Data Sheets (MSDS), labels and other information are developed and issued to handlers and users in accordance with legislative and customer requirements, and as information changes.
- A system exists to collect and review adverse effects reported or experienced by those handling our products. Causes for concern are identified and actions are taken.
- An effective recall system exists for products where a defect could give rise to health, safety or environmental hazards.
- A system is in place to respond on a 24-hour basis to emergency requests for product health, safety and environmental information.

Community and Stakeholder Awareness

We value the importance of community awareness and will actively engage in dialogue with various stakeholders¹⁴ to maintain public confidence in the integrity of our operations and products and our Commitment to HSE Performance.

Expectations:

- Open and proactive communications are established and maintained with employees, contractors, regulatory agencies, public organizations and communities regarding the HSE aspects of our business.
- BP recognises and responds to government and community HSE related Expectations and concerns about our operations and our products.
- HSE impacts of new business development on local communities are openly assessed, communicated, and integrated into the business case.
- HSE impacts of any divestment or decommissioning on existing operations, neighbours or local community (originally identified during the new business development stage) are reviewed, communicated and managed.
- Major business operations periodically issue an externally verified statement relating to HSE performance and programmes.

Crisis and Emergency Management

Emergency management plans will be maintained to cover all of our facilities, locations and products. These plans will identify equipment, training and personnel necessary to protect the workforce, customers, public, environment and BP's reputation in the event of an incident.

Expectations:

- Emergency management plans are based on the risks that potentially impact the business. These plans are documented, accessible, clearly communicated and align to the BP Group's emergency management system.
- Equipment, facilities and personnel needed for emergency response are identified, tested and available.
- Personnel are trained and understand emergency plans, their roles and responsibilities, and the use of crisis management tools and resources.
- Drills and exercises are conducted to assess and improve emergency response/crisis management capabilities, including liaison with and involvement of external organizations.
- Periodic updates of plans and training are used to incorporate lessons learned from previous incidents and exercises.

Incidents Analysis and Prevention

Incidents will be reported, investigated and analysed to prevent recurrence and improve our performance. Our investigations will focus on root causes and/or system failures. Corrective actions and preventive measures will be utilised to reduce future injuries and losses.

Expectations:

- All health, safety, technical integrity, security and environmental incidents, including near misses, are openly reported, investigated, analysed and documented.
- Major incidents are investigated by a multi-function/level team with participation and leadership from outside the Business Unit.
- Incident investigations, including identification of root causes and preventive actions, are documented and closed-out.
- Information gathered from incident investigations is analysed to identify and monitor trends and develop prevention programmes.
- Lessons learned from investigations are shared across BP and personnel take appropriate action upon receipt of such information.
- Mutual sharing of lessons learned and good practice is encouraged within the wider energy and chemical industry.

Assessment, Assurance and Improvement

We will periodically assess the implementation of and compliance with these Expectations to assure ourselves and stakeholders that management processes are in place and working effectively. This will involve both internal self-assessments, and appropriate external assessments. We will use this information to improve our performance and processes.

Expectations:

- HSE performance indicators (both inputs and outcomes) are established, communicated and understood throughout the organization.
- The workforce is actively involved in periodic self-assessments of the effectiveness of processes and procedures to meet the HSE Expectations.
- HSE performance indicators are regularly used to determine when and what management system changes are necessary. When changes occur in one HSE Element the impact on the entire management system is evaluated.
- A system exists to continually improve HSE behaviours through observation, recording, and coaching.
- A documented, risk-based audit programme exists to periodically evaluate progress towards HSE targets, regulatory compliance, and the effectiveness of the Business Unit management system(s).
- The Business Unit, in co-operation with the audit team, plans audits, which are objective and systematic. These are documented and conducted using expertise from inside and outside the unit.
- Findings from learning processes (e.g. audits, incident investigations, near misses, HAZOPS, etc.) are prioritised, tracked and used to systematically improve the HSE management system.
- The Business Unit leadership team reviews the management system to ensure it is continually delivering consistent, desired performance. Based on the review, new risk-based targets are considered and established wherever necessary.
- Business Units report HSE performance data, as part of the Group's HSE Reporting Requirements.
- A process is in place whereby assurance is regularly provided to the Group Chief Executive demonstrating effective implementation of the BP HSE Commitment and Expectations. Annual self-assessments against these Expectations are carried out by each Business Unit, along with external audits at least every three years.

THE GOLDEN RULES FOR SAFETY

BP's safety policy states no harm to people and no accidents. Everyone who works for or on behalf of BP is responsible for their safety and the safety of those around them.

The following safety rules will be strictly enforced to ensure the safety of our people and our communities.

BP's senior leadership are accountable for communicating, training, implementing, and auditing these rules to assure compliance and performance.

Although embedded in each of these rules, it is important to emphasize that:

- *Work will not be conducted without a pre-job risk assessment and a safety discussion appropriate for the level of risk.*
 - *All persons will be trained and competent in the work they conduct.*
 - *Personal protection equipment will be worn as per risk assessment and minimum site requirements.*
 - *Emergency response plans, developed from a review of potential emergency scenarios, will be in place before commencement of work.*
 - *Everyone has an obligation to stop work that is unsafe*
-

PERMIT TO WORK

Before conducting work that involves confined space entry, work on energy systems, ground disturbance in locations where buried hazards may exist, or hot work in potentially explosive environments, a permit must be obtained that:

- *defines scope of work*
- *identifies hazards and assesses risks*
- *establishes control measures to eliminate or mitigate hazards*
- *links the work to other associated work permits or simultaneous operations*
- *is authorized by the responsible person(s)*
- *communicates above information to all involved in the work*
- *ensures adequate control over the return to normal operations*

ENERGY ISOLATION

Any isolation of energy systems; mechanical, electrical, process, hydraulic and others, cannot proceed unless:

- *the method of isolation and discharge of stored energy are agreed and executed by a competent person(s)*
- *any stored energy is discharged*
- *a system of locks and tags is utilised at isolation points*
- *a test is conducted to ensure the isolation is effective*
- *isolation effectiveness is periodically monitored*

GROUND DISTURBANCE

Work that involves a manmade cut, cavity, trench or depression in the earth's surface formed by earth removal cannot proceed unless:

- *a hazard assessment of the work site is completed by the competent person(s)*
- *all underground hazards, i.e., pipelines, electric cables, etc., have been identified, located and if necessary, isolated*

Where persons are to enter an excavation

- *a confined space entry permit shall be issued if the entry meets the confined space definition*
- *ground movement is controlled and collapse is prevented by systematically shoring, sloping, benching, etc., as appropriate*
- *ground and environmental conditions are continuously monitored for change*

CONFINED SPACE ENTRY

Entry into any confined space cannot proceed unless:

- *all other options have been ruled out*
- *permit is issued with authorization by a responsible person(s)*
- *permit is communicated to all affected personnel and posted, as required*

- all persons involved are competent to do the work
- all sources of energy affecting the space have been isolated
- testing of atmospheres is conducted, verified and repeated as often as defined by the risk assessment
- stand-by person is stationed
- unauthorized entry is prevented

WORKING AT HEIGHTS

Working at heights of 2 meters (6 feet) or higher above the ground cannot proceed unless:

- a fixed platform is used with guard or hand rails, verified by a competent person(s) or
- fall arrest equipment is used that is capable of supporting at least a 2275 kg (5000 lbs) static load per person and has:
 - a proper anchor mounted, preferably overhead
 - full body harness using double latch self locking snap hooks at each connection
 - synthetic fibre lanyards
 - shock absorber
- fall arrest equipment will limit free fall to 2 meters (6 feet) or less
- a visual inspection of the fall arrest equipment and system is completed and any equipment that is damaged or has been activated is taken out of service.
- person(s) are competent to perform the work

LIFTING OPERATIONS

Lifts utilizing cranes, hoists, or other mechanical lifting devices will not commence unless:

- an assessment of the lift has been completed and the lift method and equipment has been determined by a competent person(s)
- operators of powered, lifting devices are trained and certified for that equipment
- rigging of the load is carried out by a competent person(s)
- lifting devices and equipment has been certified for use within the last 12 months (at a minimum)
- load does not exceed dynamic and/or static capacities of the lifting equipment
- any safety devices installed on lifting equipment are operational
- all lifting devices and equipment have been visually examined before each lift by a competent person(s)

DRIVING SAFETY

All categories of vehicle, including self-propelled mobile plant, must not be operated unless:

- the vehicle is fit for purpose, inspected and confirmed to be in safe working order,
- number of passenger does not exceed manufacturer's design specification for the vehicle,
- loads are secure and do not exceed manufacture's design specifications or legal limits for the vehicle,
- seat belts are installed and worn by all occupants,
- safety helmets are worn by riders and passengers of motorcycles, bicycles, quads, snow-mobiles and similar types of vehicle.

Drivers must not be authorised to operate the vehicle unless:

- they are trained, certified and medically fit to operate the class of vehicle
- they are not under the influence of alcohol or drugs, and are not suffering from fatigue
- they do not use hand-held cell/mobile phones and radios while driving (best practice is to switch off all phones and two-way radios when driving)

MANAGEMENT OF CHANGE

Work arising from temporary and permanent changes to organization, personnel, systems, process, procedures, equipment, products, materials or substances, and laws and regulations cannot proceed unless a Management of Change process is completed, where applicable, to include:

- a risk assessment conducted by all impacted by the change
- development of a work plan that clearly specifies the timescale for the change and any control measures to be implemented regarding:
 - equipment, facilities and process
 - operations, maintenance, inspection procedures
 - training, personnel and communication
 - documentation
- authorization of the work plan by the responsible person(s) through completion

DRUG AND ALCOHOL STANDARDS AND EXPECTATIONS (UK AND INTERNATIONAL SITES)

COMPANY's standards and expectations relating to drugs and alcohol are as detailed hereunder.

It is the policy of COMPANY to maintain a work environment free from the influence of alcohol and drug abuse. Accordingly, COMPANY prohibits the possession, use, distribution or sale of alcohol and/or non-prescribed or illicit drugs and controlled substances at the WORKSITE or when conducting business on COMPANY's behalf, and requires employees and non-employees to be free from alcohol and/or non-prescribed or illicit drugs and controlled substances upon entering the WORKSITE.

By accepting this CONTRACT, CONTRACTOR agrees that it will maintain a similar policy regarding its own premises and that it will inform its employees and agents of those policies, including the fact that they will be subject to search by COMPANY on their persons, and in COMPANY's work areas, living quarters, vehicles, lockers, and other property while individuals are entering, on, or leaving the WORKSITE.

Any alcohol and/or illicit drugs or controlled substances found at the WORKSITE will be confiscated. Any incident involving illicit drugs or controlled substances may be brought to the attention of the appropriate law enforcement agency and COMPANY shall provide its full cooperation in prosecuting such matters. CONTRACTOR personnel violating this policy will be immediately removed from WORKSITE by CONTRACTOR at CONTRACTOR's expense.

SUBSTANCE ABUSE POLICY (US ONLY)

COMPANY has a strong commitment to provide a safe work place for its employees and other persons working or visiting on its premises and working on its projects. In order to assist in maintaining a safe working environment, and to protect COMPANY property, this Policy concerning substance abuse is established.

Contractors, subcontractors, and vendors who perform labor or services on COMPANY WORKSITES or premises, on COMPANY Projects, or on whose premises COMPANY employees spend substantial time, must have and administer a formal substance abuse interdiction policy. CONTRACTOR's policy, at a minimum, must include substance testing of CONTRACTOR's employees entering COMPANY WORKSITES or premises or working on COMPANY Projects, consistent with the terms of this Policy.

For the purpose of this Policy, a "COMPANY Project" refers to any work performed under the "Scope of Work" provision of the applicable contract between COMPANY and CONTRACTOR.

The failure of a CONTRACTOR to comply with the provisions of this policy constitutes cause for termination subject to the provisions of this CONTRACT.

SECTION I - POLICY STATEMENT

The use, possession, concealment, transportation, promotion, or sale of the following substances is strictly prohibited on COMPANY premises, including all property owned, operated, leased by, or under the control of COMPANY, as well as on the location of any authorized COMPANY Project, regardless of the physical location where such work is performed.¹

- Prohibited substances are defined as: (a) any alcoholic beverage, the use of which is not authorized by the COMPANY, (b) any substance that an individual may not sell, possess, use, or distribute under the laws of the state in which the individual is employed or is working, and (c) any otherwise legal but illicitly-used substances.
- "Otherwise legal but illicitly-used substances" include (a) prescription drugs obtained without proper medical authorization, and (b) prescribed drugs, over-the-counter drugs, and other substances not being used for their intended purposes or at intended dosage.
- Drug paraphernalia and similar items used for substance abuse are likewise prohibited on COMPANY premises.

CONTRACTORS shall submit a copy of their policy and program to the COMPANY employee designated to administer contracts, or to such other individual as may hereafter be designated by COMPANY. Such policy must provide for substance testing of employees, and must meet the minimum standards as set forth in Section II below. COMPANY reserves the right to prohibit solicitation of bids from, deny entry to COMPANY premises to, or cancel any project, or portion thereof, with, any CONTRACTOR that fails to present a written policy that meets COMPANY's minimum standards, or that fails to administer an acceptable policy.

Any CONTRACTOR employee found to be in violation of this Policy shall, thereafter, be prohibited from entering COMPANY premises and prohibited from working on any COMPANY Project. Reinstatement of the access privilege may be made after one year upon request of the employing CONTRACTOR. Such

¹ In many contracts, COMPANY reserves the right to remove a CONTRACTOR's employees for any reason. In no way does this policy detract from that right.

requests will be evaluated on the merits of each case. A request will be granted only upon receipt of evidence that the employee successfully passed a substance screen conducted within not more than thirty (30) days prior to the date of the request, successfully completed an assessment by a Substance Abuse Professional ("SAP") and complied with all recommended treatment or rehabilitation prescribed by the SAP.

SECTION II – TESTING

A. DEFINITIONS

For the purpose of this policy:

1. "Substance testing" means the analysis of urine, saliva, or breath; however, at times circumstances may warrant additional testing methods.
2. "Chain of custody" means the combination of procedures and documentation that provides a faithful and accurate written record of the custody of a biological specimen, from time of initial collection of a specimen, to final laboratory analysis.
3. "Negative test result" means a laboratory conclusion that the presence of a substance was not detected in a specimen at or above the screening and confirmation levels utilized.
4. "Screened positive result" means that an EMIT analysis has revealed one or more substances present at or above screening cut-off level.
5. "Presumptive positive result" means a laboratory conclusion that a specimen was found to contain the presence of a substance based on one or more analytical procedures, one of which must be gas chromatography/mass spectrometry (GC/MS).
6. "Confirmed positive result" means a laboratory presumptive positive result that has been confirmed as a positive substance test by a Medical Review Officer (MRO)

B. LABORATORY AND SAMPLING STANDARDS

1. Testing for the following substances, at the indicated screening and confirmation cutoffs, are recommended:

| <u>Drug</u> | <u>EMIT Screen</u> | <u>GC/MS Confirmation Levels</u> |
|--------------|--------------------|--------------------------------------|
| Amphetamines | 1000 ng | 500 ng |
| Marijuana | 50 ng | 15 ng |
| Cocaine | 300 ng | 150 ng |
| Opiates | 2000 ng | 2000 ng |
| PCP | 25 ng | 25 ng |
| Alcohol | .02 BAC | .02 BAC |

CONTRACTORS subject to DOT testing should abide by appropriate levels.

2. The specimens of applicants and current employees will be tested using an enzyme immunoassay (such as EMIT) and/or a radioimmunoassay. (Approved on-site testing is permissible.) In this testing scheme, a positive finding is called a screened positive. All screened positives will be further tested using GC/MS. In this testing scheme, a positive finding is called a presumptive positive. All presumptive positives will undergo MRO review.

3. Alcohol screening testing may include utilization of either breath or saliva testing. Tests, which are screened positive, will undergo confirmation via the use of an evidential-quality breathalyzer for confirmation of positive alcohol test results. MRO review is not required for positive alcohol test results, unless otherwise required by applicable local, state, or federal law

C. CONFIDENTIALITY

When a CONTRACTOR conducts drug testing of its employees in order to establish eligibility to enter COMPANY premises or work on COMPANY Projects, such substance testing results that are positive will not be individually disclosed to COMPANY. COMPANY will require, however, that CONTRACTORS certify that each employee assigned to work on COMPANY premises or on COMPANY Projects has passed a substance test that meets the standards of this Policy. CONTRACTORS must maintain records related to substance tests under this Policy, which are subject to audit by COMPANY as further set forth in Sections IV and VI of this Policy.

The results of reasonable suspicion or accident/incident investigation substance tests performed by a CONTRACTOR on its employees assigned to work on COMPANY premises or projects must be disclosed to local COMPANY management upon request, unless prohibited by federal, state, or local law.

D. TESTING

1. CONTRACTORS will conduct substance testing in these situations:
 - a. before any CONTRACTOR employee may enter COMPANY premises or perform work in any COMPANY Project for the first time.
 - b. annual random drug testing of at least 25% of CONTRACTOR's workforce engaged in work on COMPANY premises and on any COMPANY Project; this requirement will be met if CONTRACTOR covers the applicable employees under a larger drug testing pool that is subject to annual testing of at least 25% of the pool population.
 - c. upon reasonable suspicion by CONTRACTOR or COMPANY that a CONTRACTOR employee on COMPANY premises, or working on a COMPANY Project, is under the influence of, or has consumed any substance or item prohibited by this policy.
 - d. when designated by COMPANY management, immediately following any incident that results in a recordable bodily injury as defined by OSHA, or damage to COMPANY or CONTRACTOR-owned property. Additionally, any substance testing, following an incident requiring DOT substance testing as regulated and described by DOT (FHA, RSPA, USCG), must be strictly adhered to. (Note: Substance testing may also be required by CONTRACTOR or COMPANY following a near-miss incident. A near-miss incident is any incident which, if it had proceeded to a reasonably possible and more serious level of development, would have had the potential for personnel injuries, property damage, or serious liability claims).
2. CONTRACTORS will assume all costs associated with testing.
3. The refusal of a CONTRACTOR's employee to sign a consent form or submit to any testing required by this Policy will result in revocation of the person's access privileges. A refusal to test shall include a failure to cooperate with any part of the testing process, including: (1) failing to remain until the process is completed; (2) failing to provide a sufficient or adequate specimen (without medical explanation); (3) failing to appear for testing (including failing to

appear within a reasonable time after being notified of testing); (4) failing to submit to a re-collection or retesting when required; or (5) submitting a specimen that the MRO verifies as adulterated or substituted.

E. EXCEPTIONS

The following exceptions may be granted at the discretion of COMPANY management:

1. CONTRACTORS and CONTRACTORS' employees who are contracted or hired on short notice may be permitted to begin work on-site or on a COMPANY Project pending receipt of the results of pre-access substance testing. This permission will not extend beyond seven (7) calendar days from the first date after work starts by CONTRACTOR.

Any person working under this provision must be removed from the work site immediately upon receipt of a positive test result, or at the end of seven (7) calendar days if test results have not been reported.

This provision is to allow work to begin on emergency or short notice situations *only*. Testing must be done as soon as reasonably feasible, and results must be available within the seven (7) calendar days allotted. This provision covers only employees needed for immediate initial staffing and does not extend to those hired with sufficient time for pre-access testing (2-3 days after job begins).

2. CONTRACTORS or vendors who have a need for site access, and whose work on a COMPANY Project poses a minimal safety risk, may be exempted by authorized COMPANY management from compliance with this Policy.

F. VALIDITY PERIOD

A pre-access substance test must have been administered within ninety (90) days immediately preceding access. This requirement may be waived by local authorized COMPANY management for persons who are regaining access after an absence of not more than ninety (90) days.

COMPANY will recognize a substance test conducted of an employee while that employee worked for a different employer if (1) the test is conducted within the 90-day period required by this policy, and (2) the laboratory and sampling procedures meet the standards set forth in this Policy. COMPANY prefers that the testing requirements be verified by an independent agency such as CONTRACTOR's Safety Council.

SECTION III - SEARCHES AND INSPECTIONS

COMPANY reserves the right at all times on its premises to conduct unannounced substance screens, searches, and inspections of CONTRACTORS, CONTRACTORS' employees, vendors, and other persons, including their effects, lockers, baggage, desks, tool boxes, clothing, and vehicles. The purpose of such screens, searches, and inspections is to ensure compliance with this Policy.

Any controlled substances or items prohibited by this Policy, or any materials that are illegal to possess, will be retained by COMPANY and may be destroyed or turned over to the appropriate law enforcement agency.

The refusal of a CONTRACTOR's employee to submit to a search or inspection will result in the revocation of the person's access privileges.

SECTION IV – COMPLIANCE AUDITS

COMPANY reserves the right to periodically audit a CONTRACTOR's records to verify compliance with this Policy. Such verification will include, but not be limited to:

1. examination of the CONTRACTOR's substance abuse policy and its implementing directives and procedures;
2. a determination that substance testing is being conducted in those situations where it is required, and that the testing meets the standards of this policy;
3. examination of chain of custody procedures which ensure integrity of collected specimens; or
4. evaluation of laboratory services.

Audit results will be treated as confidential in order to protect the privacy of tested persons.

SECTION V – SUBCONTRACTS

In all cases where a CONTRACTOR is permitted to employ a SUBCONTRACTOR, the CONTRACTOR is responsible for insuring that the SUBCONTRACTOR and SUBCONTRACTOR's employees are in compliance with this Policy. Contracts between CONTRACTORs and SUBCONTRACTORs must stipulate that COMPANY reserves the right to audit SUBCONTRACTOR's substance abuse programs.

SECTION VI – CONSENT FORMS

The CONTRACTOR must obtain a signed consent demonstrating each employee's agreement to release to CONTRACTOR and COMPANY the results of any substance testing performed, unless prohibited by applicable federal, state, or local law.

COMPANY will look at substance test results only during occasional compliance audits as described in Section IV, or when testing is required by COMPANY as described in Section II.

SECTION VII – NOTICE

The CONTRACTOR must ensure that each of its employees and the employees of its SUBCONTRACTORs is informed of the provisions of this Policy and of the CONTRACTOR's substance abuse policy. Notice will include the consequences of failure to comply, and notice will be made prior to any employees entering COMPANY premises or working on COMPANY Projects.

SECTION VIII – CONCLUSION

Consideration for work on COMPANY WORKSITE, premises or projects will be conditioned upon CONTRACTOR's implementation of a policy that, in COMPANY's sole judgment, conforms to the minimum standards expressed in this Policy. Program development and implementation are the responsibility of the CONTRACTOR.

The central goal of this Policy is to provide a safe and efficient working environment for all persons on COMPANY premises, and to ensure that COMPANY Projects are performed in a safe and efficient manner. Cooperation is vitally important to the achievement of this important goal.



MINIMUM HEALTH, SAFETY, AND ENVIRONMENTAL REQUIREMENTS (US ONLY)
Offshore and Onshore

The following constitute minimum Health, Safety, and Environmental (HSE) Requirements for CONTRACTOR and its SUBCONTRACTORS performing WORK at COMPANY facilities/WORK sites and for WORK done at CONTRACTOR WORK sites where WORK is performed exclusively for COMPANY. HSE Requirements (Requirements) means all applicable federal, state, maritime (if offshore), and local statutes, regulations, enforceable agreements, agency orders, permits, and contract documents. Each CONTRACTOR will ensure that any SUBCONTRACTOR it employs meets these Requirements and any other applicable requirements listed in this exhibit. CONTRACTOR will take any additional precautions necessary to prevent harm to personnel or damage to property or the environment.

CONTRACTOR will have in place a comprehensive Health, Safety, and Environmental Program with a strong focus on continuous performance improvement. CONTRACTOR will furnish the COMPANY with details of CONTRACTOR's internal HSE Program, manuals, and policy documents upon request. COMPANY has the right to audit CONTRACTOR's Program, manuals, and documents. CONTRACTOR's Program will deliver a total recordable incident rate (TRIR) acceptable to the COMPANY. Each COMPANY Business Unit (BU) will define the rate (per 200,000 man-hours) acceptable to its activities.⁽¹⁾

The following elements will be addressed in CONTRACTOR's HSE Program:

1. CONTRACTOR will comply with all HSE Requirements while performing WORK. CONTRACTOR will ensure that CONTRACTOR's personnel (personnel provided by or on behalf of CONTRACTOR) understand (i) the principles of COMPANY's HSE policy (i.e., "No Accidents, No Harm to People, and No Damage to the Environment") and COMPANY's Getting HSE Right (GHSER) expectations, (ii) COMPANY's environmental concepts of achieving no damage to the environment through compliance with regulations, pollution prevention, and continual improvement, and (iii) their roles and responsibilities for COMPANY's Environmental Management System, where applicable, including appropriate Operational Controls. Operational Controls include documented standard operating procedures (SOPs), engineered controls, training, personnel expertise, checklists, and preventive maintenance.
2. CONTRACTOR will have in place a Management of Change process acceptable to COMPANY and subject to audit by COMPANY.
3. CONTRACTOR will conduct periodic HSE audits of its operations and equipment and its SUBCONTRACTORS' operations and equipment. CONTRACTOR's management will review the audit findings, action plans, and implementation with COMPANY at COMPANY's request.
4. CONTRACTOR will conduct or take part in scheduled safety meetings covering facility and job hazards, accidents, near-misses, site-specific safety and health rules, and site-specific procedures.
5. CONTRACTOR will have daily toolbox or safety moment prior to starting work. For any non-routine or safety-critical WORK, CONTRACTOR will conduct or take part in a Job Safety Analysis (JSA) prior to starting, when there is a scope change, and at crew changes. A discussion of all HSE issues, hazards, and procedures to complete the WORK will be reviewed and documented by those conducting the WORK.⁽²⁾
6. CONTRACTOR will report and document all potential hazards, unsafe conditions, and unsafe acts. All such documents will be provided to COMPANY upon request. CONTRACTOR will report to COMPANY any situation where it observes or becomes aware of a fact or facts which suggest an environmental issue, including but not limited to spills, gas releases, or violations pertaining to Environmental Requirements. Reporting will be to COMPANY's supervisor (preferred), HSE-designated person, HSE specialist, or legal counsel. For those situations



Appendix 4 to Section 6
Minimum Health, Safety, and Environmental Requirements (US Only)

where CONTRACTOR feels reported environmental events are not adequately addressed, CONTRACTOR may call COMPANY's confidential U.S. Anonymous Environmental Hotline at 800-225-6141. CONTRACTOR will immediately notify COMPANY of all CONTRACTOR or SUBCONTRACTOR incidents resulting in personal injury or damage to property.

7. CONTRACTOR will ensure proper personal protective equipment is available to CONTRACTOR's personnel and that it is worn as required. The use of steel-toed safety shoes, hardhats, safety glasses, and additional personal protective equipment (e.g., flame resistant clothing (FRC), hearing protection, respiratory protection, face shields, fall protection, hand protection, etc.) may vary depending on the nature of the WORK and/or as specified by Requirements for identified tasks.
8. CONTRACTOR shall comply fully with the Substance Abuse Policy.
9. If a fatality, High Potential Incident (HIPO) as defined in COMPANY's Getting HSE Right (gHSEr) expectations, or Days Away From WORK (DAFW) case is incurred, CONTRACTOR management will meet with the COMPANY Business Unit or Performance Unit leadership upon request to review the incident and discuss plans to prevent recurrence.
10. For all major incidents and HIPOs, CONTRACTOR will investigate and report its findings within a timely manner to COMPANY. Upon request, an investigation will be conducted for all recordable cases and the finding will be reported to COMPANY. The investigation should identify root causes associated with the incident as well as proposals for corrective action. The degree of the investigation will vary according to the actual or potential severity.
11. CONTRACTOR will have a short service employee policy.⁽³⁾
12. CONTRACTOR's personnel will be fully trained in compliance with appropriate HSE Requirements.⁽⁴⁾ CONTRACTOR will have a training program in place to instruct CONTRACTOR's personnel in all applicable HSE Requirements for the WORK. CONTRACTOR will conduct assessments of training to ensure CONTRACTOR's personnel are competent to perform WORK. CONTRACTOR will maintain HSE training records for five (5) years for all employees. COMPANY can audit these training records at COMPANY request.
13. CONTRACTOR will have a preventative maintenance program that will identify and prioritize maintenance for safety and/or environmental critical items. The following preventative measures will be used:
 - 13.1 For all equipment and containers brought to WORKSITE by the CONTRACTOR, CONTRACTOR will inspect and repair or replace if necessary all containers, hoses, nozzles, and equipment prior to beginning WORK;
 - 13.2 Where Environmental Requirements dictate, CONTRACTOR will construct dikes, berms, drainage conveyances, and place drip pans to control liquid releases; and
 - 13.3 CONTRACTOR will have a Spill Prevention, Control, and Countermeasure (SPCC) plan, if required by law for the storage of bulk materials.
14. For WORK performed at COMPANY facilities/WORKSITES, CONTRACTOR will have a Waste Management Program that, at a minimum, addresses:
 - 14.1 disposal of solid and liquid wastes generated by CONTRACTOR in compliance with all Requirements, including:



Appendix 4 to Section 6
Minimum Health, Safety, and Environmental Requirements (US Only)

- i. disposal at an agency approved disposal site except when otherwise agreed to be handled and disposed of by COMPANY; and
 - ii. COMPANY-generated waste will be disposed at a COMPANY-approved disposal facility.
- 14.2 handling of all chemical and associated drums and containers:
 - i. CONTRACTOR will ensure all fluids are accompanied by applicable Material Safety Data Sheets (MSDS), and MSDS's will be supplied to COMPANY;
 - ii. CONTRACTOR will ensure that all its used containers are disposed and/or recycled per Requirements; and
 - iii. CONTRACTOR will have properly completed manifests or Bills of Lading of transport and disposal of its wastes available for audit by COMPANY except when otherwise agreed to be handled and disposed of by COMPANY.
- 15. At any time, COMPANY has the right to require CONTRACTOR to remove and bar from the WORKSITE any personnel whose conduct jeopardizes the safety of any person.⁽⁵⁾
- 16. Where applicable, CONTRACTOR will ensure that all:
 - 16.1 air emissions and noise abatement control equipment are maintained, operated, and calibrated per Requirements;
 - 16.2 periodic and exception air emissions reporting are completed per Requirements to regulatory agencies and as required by COMPANY; and
 - 16.3 land usage Requirements are maintained, including use of roads and the size of the disturbance.
- 17. CONTRACTOR will ensure all CONTRACTOR's personnel are familiar with emergency response plans where CONTRACTOR performs WORK prior to such WORK commencing.
- 18. COMPANY may require CONTRACTOR to have a CONTRACTOR Environmental Management System (C-EMS) (optional requirement as determined by COMPANY). The C-EMS requirements are listed below. COMPANY will notify CONTRACTOR if CONTRACTOR is required to have a C-EMS. Date for submittal of the C-EMS, if not presently determined, will be negotiated with and mutually agreed to by COMPANY and CONTRACTOR.

Offshore Specific Requirements

- ⁽¹⁾ The current requirement by all Gulf of Mexico Business Units is 4.5 TRIR or less.
- ⁽²⁾ A JSA must be completed for all offshore lifts and transfers and prior to carrying out any of "BP's Golden Rule of Safety" activities (with the exception of Management of Change, Vehicle Safety, and Permit to WORK).
- ⁽³⁾ Unless otherwise agreed by COMPANY, CONTRACTOR's personnel will have a minimum of six (6) months' experience in the type of WORK to be performed for COMPANY.
- ⁽⁴⁾ In addition, the following training will be required:



Appendix 4 to Section 6
Minimum Health, Safety, and Environmental Requirements (US Only)

All Personnel working on behalf of COMPANY

- Manual Lifting Techniques (Awareness Level Training)
- Drug Awareness as per DOT 46 CFR 16.401 and 391.119
- For personnel going offshore – Offshore Safety Orientation (IADC Rig Pass) and Water Survival (in water every five (5) years)

Supervisors

- Environmental Management Systems (COMPANY EMS and/or C-EMS)
- Incident Investigation/Root Cause Analysis Training
- Job Safety Analysis (JSA) Training
- Safety Audit Training (STOP or equivalent behavior-based safety program)

If Applicable to Scope of WORK

- Cranes/Rigging/Slings as per API RP 2D and COMPANY Policy (Training every two (2) years)
 - Well Control and Production Safety Systems Training as per MMS 30 CFR 250.1503
 - Rigging/Material Handling (Awareness Level Training)
- (5) CONTRACTOR will not permit any barred person to WORK at any other COMPANY facility/WORK site without prior COMPANY approval.

Onshore Specific Requirements

- (1) The current requirement for the Onshore US Business is 2.0 TRIR or less.
- (2) WORK involving any of "BP's Golden Rules of Safety" activities (with the exception of Management of Change, Vehicle Safety, and Permit to WORK) will not be conducted without a pre-job risk assessment and a safety discussion appropriate for the level of risk, which may include a documented JSA.
- (3) CONTRACTOR will have a short service employee program that meets the expectations in the Onshore US BU Short Service Employee Standard.
- (4) CONTRACTOR will provide only competent personnel qualified to WORK on associated equipment. CONTRACTOR must be able to demonstrate the competency (technical, safe WORK practices, etc.) of the personnel through, but not limited to, routine CONTRACTOR audits, internal COMPANY audits, or reviews by regulatory agencies.

C-EMS Requirements

If required by COMPANY in accordance with paragraph 18 above, CONTRACTOR will have a "fit-for-purpose" Environmental Management System (C-EMS) for the WORK. The C-EMS will incorporate planning for compliance, performing compliance tasks, and checking for compliance with Environmental Requirements and the C-EMS, as well as implementation of corrective actions.

1. Planning for compliance will include:

- 1.1 identifying the Environmental Requirements that apply to the WORK and how these activities could potentially impact the environment; and



Appendix 4 to Section 6
Minimum Health, Safety, and Environmental Requirements (US Only)

- 1.2 identifying functions/tasks to ensure compliance with Environmental Requirements.
2. Performing compliance tasks will include:
 - 2.1 assigning roles and responsibilities for functions/tasks associated with the Environmental Requirements;
 - 2.2 identifying, implementing, and maintaining Operational Controls as appropriate. At a minimum, these Controls will include a plan to:
 - (i) prevent, report, mitigate, and clean-up any spill or release (with reference to #6 and #13 above);
 - (ii) prevent, report, mitigate, and address any event that can lead to a non-compliance, non-conformance to the C-EMS or any environmental impact; and
 - (iii) manage wastes generated. In addition to #14 above, CONTRACTOR shall describe plan for managing CONTRACTOR-generated wastes at COMPANY facilities/WORK sites;
 - 2.3 ensuring training needs have been identified and personnel and subcontract personnel are trained and competent to perform their jobs in conformance with Environmental Requirements; and
 - 2.4 ensuring that SUBCONTRACTORS, if any, comply with Environmental Requirements.
3. Checking for compliance will include:
 - 3.1 verifying compliance with Environmental Requirements and the C-EMS (Verification includes periodic compliance audits conducted by objective personnel);
 - 3.2 monitoring performance against environmental performance measures or any obligation contained in this CONTRACT; and
 - 3.3 maintaining records that demonstrate compliance with Environmental Requirements, including but not limited to training, preventative maintenance, waste management, environmental monitoring, and assurance reviews.
4. Implementation of corrective actions will consist of identifying such actions from:
 - 4.1 environmental events reported to COMPANY;
 - 4.2 spot checks;
 - 4.3 compliance audits; and
 - 4.4 monitoring and measurement activities;and executing same as appropriate in a timely manner.

Submittal of CONTRACTOR's completed C-EMS will be made to COMPANY by _____, 20__.

Initials: _____



**MASTER SERVICES AGREEMENT
EMERGENCY WELL SERVICES**

**SECTION 7
BP POLICY ON BUSINESS ETHICS**

What we stand for...

A good business should be both competitively successful and a force for good...

BP's business policies

Great companies are generators of progress and change. By offering new opportunities and choices they reshape markets and human lives

BP itself has changed enormously in the last five years, and is now a new company. It incorporates the heritages of the various enterprises which have come together to establish a base from which we can compete and grow in the global energy market. That growth will bring more change.

The paradox is that successful change depends on the continuity of secure values – values which inform every decision made by every individual on a daily basis.

Our values are expressed in our brand.

BP is innovative, committed to the protection of the natural environment, progressive in its restless search for improvement and, above all, performance driven – determined to deliver on every commitment made to all those with whom we do business.

We are committed to the safety of our people, and to the safety of the communities in which we operate. Our aim is to do no damage – to people or to the environment.

We are also committed to the development of our people – on the basis of merit alone, regardless of background, gender, nationality or sexual orientation. We believe in the benefits of diversity and of inclusion. In a highly competitive world, the only companies which will thrive are those which are genuinely meritocratic at every level.

We work within the law in every one of the 100 countries in which we operate, and we work to our standards, which are often higher than the legal requirement. Those standards are universal in BP.

We will not engage in bribery or corruption in any form including facilitation payments. Corruption is the enemy of genuine development and human progress, and we are committed to the principle of transparency in all our dealings.

BP is now one of the largest companies in the world, which means that we must exercise any power we have with the greatest care. We will not participate in partisan political activity, and we will make no political contributions in any country. As a business we depend on the existence of legitimate governments and we must not jeopardise that legitimacy.

Companies are composed of human beings and that means we will make mistakes. Things will go wrong. The challenge is not to deny that reality but to learn from every mistake and to do everything in our power to ensure that mistakes are never repeated.

We believe these values, applied in action through the policies set out in this book, provide the basis on which individuals and communities around the world can give us their trust. They set the foundation for relationships built on the principle of mutual advantage.

If we can continue to build a track record of delivering on our promises and of meeting the standards we are setting for ourselves, I believe we can demonstrate that our activity in every place in which we operate is to the benefit of the whole community and of every individual. By doing so we can show that there is no trade-off between high standards and high performance. The two are inextricably linked and mutually interdependent.

Lord Browne of Madingley
Group Chief Executive
August 2002

BP's business policies: A summary

BP's goal

At the core of BP is an unshakeable commitment to human progress. Our products and services are creating the freedom to move, to be warm, to be cool, to see and enjoy a better quality of life. We believe this freedom is inseparable from the responsibility to produce and consume our products in ways that respect both human rights and natural environments. Confronting this paradox is our mission, but we cannot do it alone. Where others see contradiction and conflict, we see opportunities for mutual progress.

We will enable customers, governments, communities and our own people to participate in a new constructive dialogue. We aim for a radical openness - a new approach from a new company: transparent, questioning, flexible, restless and inclusive.

We will be the magnet for people who want to change the world with new ideas, delivering a performance standard that challenges the world's best companies

We believe that, wherever we operate, our activities should generate economic benefits and opportunities for an enhanced quality of life for those whom our business impacts; that our conduct should be a positive influence; that our relationships should be honest and open; and that we should be held accountable for our actions.

Our business policies focus on five areas-ethical conduct; employees; relationships; health, safety and environmental performance; and control and finance.

We are committed to:

- respecting the rule of law, conducting our business with integrity, and showing respect for human dignity and the rights of the individual wherever we do business.
- creating mutual advantage in all our relationships so that people will trust us and want to do business with us.
- demonstrating respect for the natural environment and work towards our goals of no accidents, no harm to people and no damage to the environment.
- managing our financial performance to maximize long-term value for our shareholders.

We expect everyone who works for BP to take responsibility for living up to these commitments. Wherever we work, we will seek continual improvement both in our own performance and in that of our business partners. In joint operations, we will apply these policies where we are operators; where we are not, we will seek to influence our partners such that the joint operation adopts similar policies. Line managers are accountable for policy implementation and for providing assurance on compliance for their area of responsibility.

We recognize that these commitments in some cases represent our current reality and in others our aspirations for the future. We will share our experiences and best practices. We will endeavour to learn from our mistakes. Our business plans will include specific, measurable targets for improving our performance. We will be open about our actual performance-whether good or bad-as we believe that this not only enhances our accountability, but also acts as a stimulus for improvement. Our measures of success are:

- the extent to which we meet these commitments.
- the long-term value we create for our shareholders.

- the pride of our employees in their accomplishments, and a culture in which people from all backgrounds are able to contribute.
- the satisfaction of our customers and all those with whom we do business.
- the contribution to sustainable human progress and the generation of economic activity in the communities where we operate.
- how we apply technological innovation in our business to improve the quality of life for all.

Policy commitments

Our business policies focus on five areas- ethical conduct; employees; relationships; health, safety and environmental performance; and control and finance. They apply to all our activities worldwide.

Our policy commitments are the foundation on which we build and conduct our business. We expect everyone who works for BP to live up to these commitments.

Policy expectations

Our policy expectations set out in more detail what the policy commitments mean in practice. They describe the boundaries for what is and what is not acceptable practice in BP. They also clarify what people can expect in their dealings with BP.

All employees are encouraged to raise questions or issues with their management or team leaders. When in doubt, employees should ask before acting.

Practices that BP considers dishonest or unethical include the following:

- Fraud;
- Deception;
- Clandestine brokering or sharing of tender information;
- Collusion for the purpose of corrupting a competitive tender; and
- Payments, gifts, or entertainment from suppliers to BP staff, agents, or representatives to influence decision-making.

Should a supplier become aware of criminal acts or ethical violations, or feel that it is being pressurised to become involved in, dishonest or unethical practices it is encouraged to contact BP. BP confirms that such reporting will be acknowledged as a contribution to good business, which may enhance the reputation of the supplier.

The BP helpline is available to all employees and partners as another means of communicating questions and concerns relating to possible violations of law or policies.

Questions or concerns can be reported by e-mail addressed to IFAN@bp.com, or confidentially and anonymously to our 24-hour lines: (800) 225-6141 for calls within the United States and the Western Hemisphere and 0 (20) 7 496 4466 for calls within the UK and the rest of the world.

We wish to encourage an open culture where all concerns expressed in good faith will be investigated and, if appropriate, acted upon.

Policy commitment to ethical conduct

We will pursue our business with integrity, respecting the different cultures and the dignity and rights of individuals in all the countries where we operate.

BP supports the belief that human rights are universal. They are enshrined in the UN Universal Declaration of Human Rights (UDHR), which we support. The UDHR sets out the obligations to promote universal respect for and observance of human rights and fundamental freedoms for all, without distinction as to race, gender, language or religion. The promotion and protection of all human rights is a legitimate concern of business.

In our actions and our dealings with others, we will:

- respect the rule of law.
- promise only what we expect to deliver, make only commitments we intend to keep, not knowingly mislead others and not participate in or condone corrupt or unacceptable business practices.
- fulfil our obligations and commitments, treat people according to merit and contribution, refrain from coercion and never deliberately do harm to anyone.
- act in good faith, use company assets only for furthering company business and not seek personal gain through abuse of position in the company.

We will expect the same commitments from third parties directly acting on BP's behalf.

Policy expectations: Ethical conduct

Many ethical decisions involve dilemmas and require judgement in order to arrive at the best way forward. In cases of uncertainty, everyone working for BP is expected to raise the issues within an open environment with their management and colleagues to obtain clarification. All employees have the right to make confidential reports directly to the help-line.

In deciding whether or where to do business, it will be a precondition that we can implement our policy commitments in all our operations.

We will respect the law in the countries and communities in which we operate. This will include competition and antitrust laws and the Foreign and Corrupt Practices Act. Where the law is unclear or conflicting, we will take expert advice but will always seek to act in accordance with these commitments.

BP will never offer, pay, solicit or accept bribes in any form, either directly or indirectly.

This includes those transactions formerly known as facilitation payments. Any demand for, or offer of, a bribe in whatever form to any BP employee must be rejected and reported immediately to line management.

We will hold no secret or unrecorded funds of money or assets.

We will only give or accept gifts and entertainment that are for business purposes and are not material or frequent

In consultation with Regional and Country Presidents, Business Unit Leaders should put in place local rules to cover the giving and acceptance of gifts and entertainment which reflect this expectation and local custom. We will never accept gifts or entertainment during the process of a competitive bid or tender exercise.

We will avoid situations where loyalty to the company may come into conflict with personal interests or loyalties

If such a conflict does arise, it should be declared in writing to more senior management, who must make sure that the individual is insulated from any decision making or operation in the area of the conflict of interest.

BP supports the principles set forth in the UN Universal Declaration of Human Rights and will respect the 2000 International Labour Organisation 'Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy' and the 2000 OECD 'Guidelines for Multinational Enterprises'

Business Unit Leaders are expected to engage in open dialogue and consultation with local communities and their representatives, non-governmental organizations and government at all levels to ensure that potential issues arising from our operations are identified and the risks addressed. Whether we continue to operate in a country with serious human rights issues will be determined in the light of our ability to fulfil our policy commitments in our own activities and to act as a force for good over the long term.

BP will not employ forced labour or child labour

We will not use child labour in our own operations or in the provision of our goods or services and we will seek to facilitate the transition to alternatives to child employment, such as apprenticeships, training and further education.

Before we make major investments in a new area, we will evaluate the likely impact of our presence and activities

These assessments will consider the likely impact of major developments on local communities and indigenous peoples, local infrastructure and the potential for conflict and its implications for security.

BP will never make political contributions, whether in cash or in kind anywhere in the world.

BP will continue to engage in policy debate on subjects of legitimate concern to the company, its staff and communities in which it operates by processes such as lobbying.

BP welcomes its employees' participation in the political processes as individuals in ways that are appropriate to each country.

Fees for services rendered by third parties, including agents and consultants, must be for legitimate business purposes that are demonstrably commensurate with the service provided.

We will not choose business partners to do things on our behalf that contravene these commitments

We will not employ agents to carry out actions that conflict with these commitments. In joint operations, we will apply these commitments where we are operators; where we are not, we will seek to influence our partners such that the joint operation adopts similar commitments.

Policy commitment to employees

Our approach to managing people and developing their skills is consistent with the principles of our brand. We respect the rights and dignity of all employees. Everyone who works for BP contributes to our success and to creating a distinctive company. Working together, drawing from our diverse talents and perspectives, we will stimulate new and creative opportunities for our business. Collectively we will generate a more exciting and rewarding environment for work in which every individual feels responsible for the performance and reputation of our company.

We commit to creating a work environment of mutual trust and respect; in which diversity and inclusion are valued; and where everyone who works for BP:

- knows what is expected of them in their job
- has open and constructive conversations about their performance
- is helped to develop their capabilities in a culture of innovation and allowed to develop themselves within the company
- is recognized and competitively rewarded for their performance
- is listened to and involved in improving the team's performance
- is fairly treated, without discrimination
- feels supported in the management of their personal priorities

Policy expectations: Employees

Everyone who works for BP can expect to:

Know what is expected of them in their job

- Team leaders will provide a clear view of the business aims and everyone's part in delivering them.
- Team leaders will help everyone to get the information they need to do their job.

Have open and constructive conversations about their performance

- Team leaders will give everyone in their team open and constructive feedback through face-to-face conversations.
- Leaders will hold a formal conversation with every employee in their team at least once a year to review their performance and identify how it can be improved further.

Be helped to develop their capabilities

- We will encourage individuals to formulate personal development plans and play an active part in shaping their careers.
- We will coach people in their development and make training accessible to all to build relevant skills.
- We will actively encourage mentoring relationships to facilitate continual learning growth.
- We will use systematic selection and placement processes to make the best use of people's skills and abilities.

Be recognized and competitively rewarded for their performance

- We will clearly explain the relationship between Group, Business Unit, Team and individual performance and reward so that all employees understand how they can share in BP's success.

- We will set base pay and benefits at competitive levels within each national and business framework.
- We will explicitly link annual individual and team awards to business performance.
- We will recognize and reward contributions to innovation and creative change and the building of effective business relationships.
- We will give exceptional reward for exceptional performance.
- We will encourage employees to become BP shareholders.

Be listened to and involved in improving the teams performance

- Everyone will have the opportunity to give feedback to their team leaders to enable them to improve their leadership performance without fear of victimization.
- Leaders will initiate and encourage open and timely two-way dialogue with their teams on all issues relating to business performance.
- We will use upward feedback and peer review process to provide performance feedback to supervisors and managers.
- We expect everyone to network both within and between Business Units and with those outside the company and to share knowledge, skills and experience across BP.
- We will deploy the diversity of talent, background and perspective within BP's workforce to build innovative, high-performance teams.

Be fairly treated

- We will handle organizational change which results in job dislocations with care and sensitivity through constructive dialogue and provision of all reasonable options.
- We will only outsource in-house activities if we believe that this will lead to better business in the long term.
- We will ensure that leadership opportunities and development are open to all on merit.
- We will advertise employment opportunities below the Group Leadership, specifying when there is a preferred candidate and explaining expatriation and relocation options.
- We will practise inclusion by eliminating intentional and unintentional exclusionary behaviours.
- We recognize, consistent with local legislation, the right of every employee to form or join trade unions.

Feel supported in the management of their personal priorities

- We will encourage everyone to raise any tensions between work and home life with their manager, who is expected to help individuals obtain constructive support in handling such tensions.
- For everyone moving overseas, we will provide ongoing, open conversations about their future and plans for re-entry into their home country.

Policy commitment to relationships

We believe that long-term relationships founded on trust and mutual advantage are vital to BP's business success.

Our commitment is to create mutual advantage in all our relationships so that others will always prefer to do business with BP.

We will do this by:

- understanding the needs and aspirations of individuals, customers, contractors, suppliers, partners, communities, governments and non-government organizations
- conducting our activities in ways that bring benefits to all those with whom we have relationships
- fulfilling our obligations as a responsible member of the societies in which we operate
- demonstrating respect for human dignity and the rights of individuals

We will work to build long-term relationships founded upon:

- high performance standards
- delivering on our promises
- openness and flexibility
- learning from others
- mutual interdependence
- sharing success.

Policy expectations: Relationships

We will engage in dialogue and build relationships with many different groups to promote understanding and seek new ways of conducting our business to greater mutual advantage. We respect cultural diversity and seek mutual benefit from working together with people with diverse experiences and cultural backgrounds.

We will make others aware of our policies and expectations. We will work anywhere and with anyone provided that our policies are not compromised.

In specific relationships:

- **With Individuals**

We will respect their rights, culture and dignity. We will act fairly and justly.

- **With Customers**

We will provide our customers with high-quality goods and services that meet their needs. We will deliver what we promise.

- **With Partners, Contractors and Suppliers**

We will seek partners whose policies are consistent with our own. We will combine complementary skills, appropriate technology and experience to create greater effectiveness. We will make our contractors and suppliers aware of our own commitments and expectations, and of their responsibilities in implementing them.

- **With Communities**

Our aim is that countries and communities in which we operate should benefit directly from our presence-through the wealth and jobs created, the skills developed within the local population and the investment of our time and money in people rather than in things, so that we create sustainable human progress.

We will work toward improvements that are measurable and contribute to the real, independent growth of communities where we operate.

Wherever we operate, we will strive to minimize any disruption to the environment arising from our activities.

We will conduct our activities with a standard of care in which our employees can take pride. We will take into consideration the specific developmental needs of communities in which we operate, through a process of open dialogue and consultation.

- **With Governments**

We will respect national sovereignty.

We will work constructively with governments in the development of policy.

We recognize changing public expectations of the extent to which companies should put pressure on governments on human rights issues and will seek, working in partnership with others, to resolve any tensions or conflicts arising between international expectations and national or local practices in a sensitive manner.

- **With Non-Governmental Organisations**

We will seek to create mutual understanding and build constructive relationships with non-governmental organizations who have a genuine interest in our business and concerns about its impact upon individuals, society and the environment.

- **With the Media**

We will seek to form a constructive and productive relationship with all branches of the media: television, radio, newspapers and the Internet.

- **With Trade Bodies**

We will seek to influence trade bodies for the mutual benefit of the industry and society.

- **With Employee Representative Bodies**

We will seek to work in good faith with trade unions and other bodies that our employees collectively choose to represent them within the appropriate local legal framework.

Commitment to Health, Safety and Environmental performance (HSE)

Everyone who works for BP, anywhere, is responsible for getting HSE right. Good HSE performance and the health, safety and security of everyone who works for us are critical to the success of our business.

Our goals are simply stated - no accidents, no harm to people, and no damage to the environment.

We will continue to drive down the environmental and health impact of our operations by reducing waste, emissions and discharges and by using energy efficiently. We will produce quality products that can be used safely by our customers.

We will:

- consult with, listen to and respond openly to our customers, employees, neighbours, public interest groups and those who work with us
- work with others—our partners, suppliers, competitors and regulators—to raise the standards of our industry
- openly report our performance, good and bad
- recognize those who contribute to improved HSE performance

Our business plans include measurable HSE targets. We are all committed to meeting them.

Policy expectations: Health, Safety and Environmental (HSE) performance

BP's HSE Management System Framework

In all our activities and operations, we will:

- comply fully with all legal requirements and meet or exceed our HSE Expectations wherever we operate in the world
- provide a secure working environment by protecting ourselves, our assets and our operations against risk of injury, loss or damage resulting from criminal or hostile acts
- ensure that all BP employees, contractors and others are well informed, well trained, engaged in and committed to the HSE improvement process; we recognize that safe operations depend not only on technically sound plant and equipment but also on competent people and an active HSE culture, and that no activity is so important that it cannot be done safely
- regularly provide assurance that the processes in place are working effectively; while all BP employees and contractors are responsible for HSE performance, line management is accountable for understanding and managing HSE risks
- fully participate in hazard identification and risk assessments, Assurance Management System Assessments and reporting of HSE results
- maintain public confidence in the integrity of our operations; we will openly report our performance and consult with people outside the company to improve our understanding of external and internal HSE issues associated with our operations
- expect that all parties working on BP's behalf recognize that they can impact our operations and reputation, and must operate to our standards. We will assure ourselves that our contractors' and others' management systems are compatible with our Commitment to HSE Performance

BP's HSE Expectations are detailed within the thirteen elements of the HSE Management System Framework, which are summarized below.

- **Leadership and Accountability**

People at all levels in the BP organization are responsible for leading and engaging the workforce in meeting our health, safety, technical integrity and environmental goals and objectives. Leaders will be held accountable for accomplishing this by demonstrating correct HSE behaviours, by

clearly defining HSE roles and responsibilities, by providing needed resources and by measuring, reviewing and continuously improving our HSE performance.

- **Risk Assessment and Management**

Management of risk is a continuous process and the cornerstone of all the HSE elements. We will regularly identify the hazards and assess the risks associated with our activities. We will take appropriate action to manage the risks and hence prevent or reduce the impact of potential accidents or incidents.

- **People, Training and Behaviours**

People's behaviour is critical to BP's success; therefore, our workforce will be carefully selected and trained, and their skills and competencies regularly assessed.

- **Working with Contractors and Others**

Contractors, suppliers and others are key to our Group business performance and we will assess their capabilities and competencies to perform work on our behalf. We will work together with them to ensure that our HSE Expectations are aligned. We will monitor contractors' and partners' performance and ensure our procurement processes contain the rigour to deliver our Expectations.

- **Facilities Design and Construction**

New facilities and modifications to existing facilities will be designed, procured, constructed and commissioned to enable safe, secure, healthy and environmentally sound performance throughout their operational life by using recognized standards, procedures and management systems.

- **Operations and Maintenance**

Facilities will be operated and maintained within the current design envelope to ensure safe, secure, healthy and environmentally sound performance.

- **Management of Change**

All temporary and permanent changes to organization, personnel, systems, procedures, equipment, products, materials or substances will be evaluated and managed to ensure that health, safety and environmental risks arising from these changes remain at an acceptable level. We will comply with changes to laws and regulations and take account of new scientific evidence relating to HSE effects.

- **Information and Documentation**

We will maintain accurate information on our operations and products. It will be held securely yet will be readily available.

- **Customers and Products**

We will assess, manage and communicate the hazards associated with BP's products. We will communicate up-to-date information to help users and others handle our products in a safe and

environmentally responsible manner.

- **Community and Stakeholder Awareness**

We value the importance of community awareness and will actively engage in dialogue with various stakeholders to maintain public confidence in the integrity of our operations and products and our Commitment to HSE Performance.

- **Crisis and Emergency Management**

Emergency management plans will be maintained to cover all our facilities, locations and products. These plans will identify equipment, training and personnel necessary to protect the workforce, customers, public, environment and BP's reputation in the event of an incident.

- **Incidents Analysis and Prevention**

Incidents will be reported, investigated and analysed to prevent recurrence and improve our performance. Our investigations will focus on root causes and/or system failures. Corrective actions and preventive measures will be utilized to reduce future injuries and losses.

- **Assessment, Assurance and Improvement**

We will periodically assess the implementation of and compliance with these Expectations to assure ourselves and our stakeholders that management processes are in place and working effectively. This will involve both internal self-assessments and appropriate external assessments. We will use this information to improve our performance and processes.

Addressing the full set of HSE Expectations is mandatory for every activity across the entire BP organization. The relevance, application and degree of implementation within a particular operation or Business Unit will be a function of:

- the operational risk profile
- local and national regulatory requirements
- any voluntary HSE management programmes

Managers are accountable for putting in place appropriate documented systems and processes for each Expectation, for ensuring continuous progress towards BP's HSE goals and targets and for confirming that these are effective via the HSE Assurance process.

The content, format and terminology of HSE management and audit systems at the Business Unit or functional unit level is a matter of local choice, provided that these:

- are compatible with the Assurance Management System Assessments
- are appropriate to operational risks
- are relevant to regulatory and voluntary codes subscribed to by BP
- can be referenced back to all relevant Expectations set out in this HSE Management System Framework

At the same time, we encourage standardization of programmes, work processes and procedures across similar operations and Business Units, and the transfer, sharing and adoption of efficient and cost-effective good practices.

Policy commitment on control and finance

BP commits to maximizing long-term shareholder value. To deliver on this commitment, we will maintain excellent standards of planning and control. Our understanding of risk and management of financial matters will be carried out to the highest professional standards.

We will do this by:

- preparing plans and setting clear business performance targets
- challenging plans and targets and monitoring progress against them
- ensuring that investments of whatever type are properly evaluated and approved and that expenditure (of both revenue and capital) is authorized
- understanding and managing the risks to all company assets, including information and digital business systems, and ensuring that objectives are met efficiently, with sound control processes
- producing financial reports that are reliable, accurate and timely, and ensuring that all transactions are properly handled and reported and that assets are financially safeguarded
- taking decisions on finance, tax and accounting matters to optimize the Group position

Policy expectations: Control and finance

Financial Planning, Performance Contracts and Monitoring

Annual performance contracts and medium- term plans will be prepared for all Business Units and service functions and agreed on with their respective Business Executive Committees or Executive Vice Presidents. The degree of risk to achieving the targets set will be appraised realistically. Progress against these targets will be measured and reported accurately and monitored inter alia through quarterly performance review meetings. Actual financial performance will be that recorded in the Group Accounts.

Financial Decisions

All significant decisions on finance, tax and accounting matters will be referred to the appropriate functional team.

Group Investment and Appraisal

To ensure that capital is efficiently invested, all opportunities will be evaluated in accordance with the principles of the Group Investment Appraisal and Approval Procedures (GIAAP).

External Financial Reporting

We will all conform with the requirements of the Group to meet its UK and US reporting requirements as expressed in the Group Reporting Manual and UK Accounting Standards. All local statutory and fiscal reporting requirements will be met.

Management of Risks

The key risks to the achievement of any objective will be understood and managed. This includes consideration of risks to information and digital business systems. Adequate controls will be maintained to give reasonable assurance that operations are effective and efficient, that financial results are timely and reliable, that assets and reputation are safeguarded and that laws and regulations are complied with.

Authorities

Delegated financial authority should be given to individuals best able to exercise these authorities. Staff at all levels will only take decisions within the authority delegated to them and within their competence to do so, and will have the information needed to run their part of the business.

Independent Review

All activities in the Group will be subject to independent review at a frequency determined by risk. The extent of independent review will be determined by the internal and external auditors. Unrestricted access to staff and documents will be provided (subject to legal constraints) to Internal and External Audit on request.

Finance and Tax

To optimize the Group position, we will manage the Group's financial and tax structure centrally and will borrow money centrally, using asset-based finance only when it adds value. Responsibility for managing key financial risks (including foreign exchange and insurance) and for executing certain transactions (including borrowing and depositing cash, cash transfers, dealing in all financial and foreign exchange markets) will be held centrally. We will also manage the interface and relationships with banks and other providers of financial services on an integrated basis.

Development & Deployment of Financial Staff

Processes will be put in place to ensure that staff obtain the appropriate training and experience and are deployed across the Group in appropriate posts. The appointment of Business Unit controllers or more senior posts will require the approval of the Chief Financial Officer.

Policy implementation and assurance

We expect everyone who works for BP to take responsibility for living up to these commitments. In joint operations, we will apply these policies where we are operators; where we are not, we will seek to influence our partners such that the joint operation adopts similar policies. Line managers are accountable for policy implementation and for providing assurance on compliance for their area of responsibility.

Policy implementation

These policy commitments and expectations apply to all our business operations and our dealings with all those with whom we do business. Everyone in BP is held accountable for implementing them and for raising with their management any issue where they are in doubt about the correct course of action they should take.

Business Unit Leaders are responsible for ensuring that these policies are understood and put into practice within their Business Units. Regional and country heads should be consulted to ensure that the policies are appropriately aligned with local laws and practice. Wilful or careless breach or neglect of these policies will be treated as a serious disciplinary matter.

Any employee or contractor who feels under pressure to take action inconsistent with these commitments and expectations should discuss the issue with their business or Stream management. If this does not lead to a satisfactory resolution, the issue should be referred to the country or regional head, Group Security, Internal Audit or Group Vice President, who will find an acceptable solution, respecting confidences and addressing any fears of retribution.

Policy assurance

Our policies are integral to BP's broad system of internal control and to how assurance is provided across the Group. Policy assurance in BP means people being sure about how effectively the policies are being implemented so that they can confidently assure others, and ultimately the Group Chief Executive and Board of Directors, based on their own knowledge and experience. Underpinning that confidence and reinforcing individuals' knowledge and experience, there must be rigorous and objective processes to measure performance, identify gaps and implement measures to address those gaps that need to be addressed.

As a general principle, every employee is required to provide assurance on their specific accountabilities. For policies, business and functional leaders are accountable to their Executive Vice Presidents for providing assurance on compliance with the policies.

Regional and country heads are accountable through their Group Vice Presidents to their Executive Vice Presidents, for providing support to and challenging Business Units on policy implementation throughout their countries or regions and for seeing that any gaps of country, regional or Group significance are being managed effectively.

Accountability for assuring the Group Chief Executive and the Board that the policy commitments are being implemented consistently across all parts of BP, and that appropriate processes have been established within the business line, lies with the Deputy Group Chief Executive for the commitments to ethical conduct, employees, relationships, security and HSE performance, and with the Chief Financial Officer for the commitment on control and finance.

The following processes and roles relate primarily to the four policy areas and expert functions (such as security) covered by the Deputy Group Chief Executive. Though the details differ, the same basic principles apply to assurance on the Control and Finance Policy.

Providing assurance

Assurance is generated by a number of activities and processes, which need to be tailored to fit the particular circumstances of a business or functional unit and integrated into their overall management process and assurance plans. Specifically for the policies, assurance activities and processes fall into three broad categories:

- performance measures to demonstrate that the policies are being implemented in practice; these can be hard measures, such as HSE measures, security measures or staff survey results, or soft measures, such as the quality of important relationships or the level of staff awareness of the ethical dilemmas they face
- the internal processes for implementing each of the policies, monitoring performance and reporting gaps at the Business Unit, functional, regional and Group levels
- external support and challenge by Business Executive Committees, the Group Vice Presidents, regional and country heads, functional experts and independent reviews; these promote better understanding of external perceptions and potential risks to performance or reputation and facilitate the sharing of experience to improve internal processes and performance

These activities and reviews are designed to give complementary perspectives, identify any gaps and shortcomings and their underlying causes and propose actions to deal with them. They strengthen confidence at the Business Unit (BU), country, regional and Group levels that the policies are being implemented and that BP's reputation and financial performance are being protected. The heart of assurance is based on mutual personal convictions generated through informed discussions. The harder-edged processes bring the rigor needed to shape these discussions.

Business line managers

Business line managers are accountable to their respective Business Executive Committees for:

- demonstrating compliance with BP's Business Policies and taking corrective action
- providing assurance that the commitments and expectations have been communicated to all staff in a way that encourages understanding and awareness
- providing assurance that issues which represent a significant risk to BP's reputation have been identified and are being managed effectively
- providing regional and country heads or the Group Vice Presidents with the information they require, to ensure that performance is taking place within the limits set by the policies in all Business Units in their country or region, and that issues which can affect BP's reputation and prospects within the country or region are being managed in an integrated and effective manner.

This section was downloaded directly from <http://qbc.bpweb.bp.com/policy/> on the BP intranet.



**MASTER SERVICES AGREEMENT
EMERGENCY WELL SERVICES**

**SECTION 8
LOCAL POLICIES AND REQUIREMENTS**

LOCAL POLICIES AND REQUIREMENTS

Special Local requirements shall be inserted here by the contract specialist in the region/ asset. These may include, but are not limited to :

- *A Form of Parent Company Guarantee is attached for those countries where guarantees are required. A PCG may be more cost effective when a guarantee is required by law.*
- *Equal Opportunity and Affirmative Action, US Only*
- *Non-Harrassment Policy, US Only*
- *Voluntary Principles on Security and Human Rights, where required by Business Unit*
- *Other specific additions driven by local policy, e.g. Alaska, Trinidad, etc.*

FORM OF PARENT COMPANY GUARANTEE

(If required, to be completed on headed paper of CONTRACTOR's Parent Company.)

BP
(address)

Dear Sirs,

Subject: <TITLE OF WORK - COUNTRY> <SERVICES> <CONTRACT REF.>

We refer to the subject Services proposed by of which we are the CONTRACTOR's Parent Company, and hereby request BP..... ("BP") to issue a WORK ORDER to for the same. In the event of BP doing so and in consideration of BP issuing such WORK ORDER under the above-referenced CONTRACT (the "CONTRACT"):

1. We guarantee that shall duly perform all its obligations contained in the CONTRACT.
2. If shall in any respect fail to perform its obligations under the CONTRACT or shall commit any breach thereof, we undertake, on simple demand by BP, to perform or to take whatever steps may be necessary to achieve performance of, said obligations under the CONTRACT and shall indemnify and keep indemnified BP against any loss, damages, claims, costs and expenses which may be incurred by BP by reason of any such failure or breach on the part of to the same extent that would be liable therefore. In no event, shall Guarantor's liability hereunder exceed that of CONTRACTOR under the CONTRACT.
3. Our guarantee and undertakings hereunder shall be unconditional and irrevocable, and without prejudice to the generality of the foregoing we shall not be released or discharged from our liability hereunder by:
 - a. any waiver or forbearance by BP of or in respect of any of 's obligations under the CONTRACT whether as to payment, time performance or otherwise howsoever, or by any failure by BP to enforce the CONTRACT or this instrument, or
 - b. any alteration to, addition to or deletion from the CONTRACT or the scope of the work to be performed under the CONTRACT, or
 - c. any change in the shareholding relationship between ourselves and and our guarantee and undertakings hereunder shall continue in force until all 's obligations under the CONTRACT and all our obligations hereunder have been duly performed.
4. This document shall be construed and take effect in accordance with <English> Law.

Yours faithfully,

| | | | |
|---------------|----------|---|-----------------------------------|
| Signed: | Director |) | For and on behalf of CONTRACTOR's |
| Name: | |) | Parent Company |
| | |) | |
| Signed: | Director |) | |
| Name: | |) | |
| Date: | |) | |

EQUAL OPPORTUNITY AND AFFIRMATIVE ACTION (US ONLY)

CONTRACTOR agrees to comply with the provisions of all Acts, Executive Orders, statutes and regulations identified in this Exhibit as though the provisions were set forth fully in the CONTRACT.

I. EQUAL OPPORTUNITY AND AFFIRMATIVE ACTION PROVISIONS

- A. Equal Opportunity Clause - Section 202 of Executive Order 11246 of September 24, 1965 regarding equal employment opportunity, and any amendments, are incorporated by reference. Reference is specifically made to Paragraphs (1) through (7) of Section 202 and any future amendments or revisions thereto.
- B. Affirmative Action Clause for Disabled Veterans and Veterans of the Vietnam Era - Section 402, Vietnam Era Veterans Readjustment Assistance Act of 1974, as amended, Executive Order 11701 dated January 24, 1973, and the applicable regulations of 41 C.F.R. Section 60-250, et seq., requiring affirmative action to employ and advance in employment qualified disabled veterans and veterans of the Vietnam era, are incorporated by reference.
- C. Affirmative Action for Handicap Workers - Section 503 of the Rehabilitation Act of 1973, as amended, 29 U.S.C. § 793 and the applicable regulations of 41 C.F.R. 60-741, requiring affirmative action to employ and advance in employment qualified handicapped persons, are incorporated by reference.
- D. Minority Business Enterprises - Section 1-1310.2 of the Federal Procurement Regulations relating to Minority Business Enterprises, Executive Order 11625 of October 13, 1971 stating that it is the policy of the United States Government that minority business enterprises shall have the maximum practicable opportunity to participate in the performance of government Contractors, is incorporated by reference. CONTRACTOR agrees to use its best efforts to carry out this policy in the award of subcontracts.
- E. Nondiscrimination in the Outer Continental Shelf - Section 604 of the Outer Continental Shelf Lands Act amendments of 1978, 30 C.F.R. 270 et seq., providing that no person shall, on the basis of race, creed, color, national origin, or sex, be excluded from receiving or participating in any sale, activity, or employment conducted pursuant to the provisions of the Act, is incorporated by reference.
- F. Certification of Non-segregated Facilities - 41 C.F.R. Section 60-1.8, which prohibits maintaining or providing facilities which are segregated by race, color, religion or national origin, is incorporated by reference. CONTRACTOR certifies that it does not and will not maintain any facilities it provides for its employees in a segregated manner, or permit its employees to perform those services at any location, under its control, where segregated facilities are maintained and that CONTRACTOR shall require a similar certification from its proposed SUBCONTRACTORS in a form approved by the federal government prior to the award of any subcontract to any non-exempt SUBCONTRACTOR.
- G. Immigration Reform and Control Act of 1986, 8 U.S.C.A. 3124a, et seq., as amended - CONTRACTOR certifies that none of its employees who perform work pursuant to this CONTRACT or who may do so hereafter are or will be unauthorized aliens as defined in this act. CONTRACTOR certifies further that it complies with said statute and the implementing regulations. CONTRACTOR agrees to obtain a certification from its SUBCONTRACTORS performing work related to this CONTRACT that none of their employees are unauthorized aliens as defined by said statute and that such Contractors comply with the statute.
- H. Americans with Disabilities Act, 42 U.S.C. § 12101, et seq. - CONTRACTOR agrees that it shall not discriminate against a qualified individual with a disability because of the disability in regard to job

application procedures, the hiring, advancement, or discharge of employees, employee compensation, job training, and other terms, conditions and the privileges of employment.

II. AFFIRMATION ACTION COMPLIANCE PROGRAM

CONTRACTOR certifies that, if the value of any CONTRACT or purchase order is \$50,000 or more and CONTRACTOR has 50 or more employees, CONTRACTOR will a) file with the appropriate federal agency a complete and accurate report on Standard Form 100 (EEO-1) within thirty days after the signing of this instrument or the award of this purchase order, as the case may be (unless such report has been filed in the last twelve months) and continue to file such report annually, on or before March 31, or as otherwise provided by law, regulation or direction of proper authority; and b) develop and maintain a written affirmative action compliance program for each of its establishments in accordance with the regulations with the Secretary of Labor promulgated under Executive Order 11246, as amended. CONTRACTOR further agrees to require each of its SUBCONTRACTORS to develop an affirmative action compliance program if the subcontract may exceed \$50,000 in value and the SUBCONTRACTOR has fifty or more employees (41 C.F.R. 60-1.40).

III. UTILIZATION OF SMALL BUSINESS CONCERNS AND SMALL DISADVANTAGED BUSINESS CONCERNS

It is the policy of the United States Government that a fair proportion of the purchases and contracts for supplies and services for the government be placed with small business concerns and small disadvantaged business concerns. CONTRACTOR agrees to accomplish the maximum amount of subcontracting to small businesses and small disadvantaged businesses that CONTRACTOR finds consistent with the provisions of 48 C.F.R. 52.219-8 and the efficient performance of this CONTRACT.

NON-HARASSMENT POLICY (US ONLY)

COMPANY has a strong commitment to provide a working environment for all employees that is free from discrimination and harassment of any kind. Consistent with this objective, a corporate Non-Harassment Policy has been established. It is against COMPANY policy for any person, whether an employee or non-employee, on COMPANY's premises to harass any other person on the basis of race, color, religion, gender, national origin, disability, age, or any other protected status.

Employees at all levels of COMPANY have the responsibility to avoid any act or actions, implied or explicit, that may suggest harassment in any form.

Sexual harassment by employees or non-employees is an example of one type of harassment that is prohibited. Sexual harassment is defined as unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature when:

- (a) submission to such conduct is made, either explicitly or implicitly, a term or condition of an individual's employment;
- (b) submission to or rejection of such conduct by an individual is used as a basis for employment decisions affecting such individual; or
- (c) such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile, or offensive working environment.

Harassment on the basis of any other protected characteristic also is prohibited. Harassment is defined as verbal or physical conduct that denigrates or shows hostility toward an individual because of his or her race, color, sex, religion, national origin, age, disability, or any other characteristic protected by law if the harassment creates an intimidating, hostile, or offensive work environment, if it unreasonably interferes with an individual's work performance, or if it adversely affects an individual's employment.

COMPANY is committed to a work environment free of harassment and will strictly enforce these guidelines. Harassing conduct will result in appropriate disciplinary action up to and including discharge. Any employee who believes that harassment has occurred should immediately notify his or her supervisor, department head, or the human resources manager. Any supervisor or manager who receives a complaint alleging harassment must report the incident to human resources.

A prompt investigation of the alleged incident will be conducted and appropriate corrective action will be taken, if warranted. To the extent consistent with adequate investigation and appropriate corrective action, any complaints of harassment will be treated as confidential.

COMPANY will not in any way retaliate against an employee who, in good faith, makes a complaint of harassment or participates in the investigation of such a complaint. Retaliation against any individual for good faith reporting a claim of harassment or cooperation in the investigation will not be tolerated and will itself result in appropriate discipline. COMPANY will take appropriate steps to enforce this policy.

VOLUNTARY PRINCIPLES ON SECURITY AND HUMAN RIGHTS

The Governments of the United States and the United Kingdom, companies in the extractive and energy sectors ("Companies"), and non-governmental organizations, all with an interest in human rights and corporate social responsibility, have engaged in a dialogue on security and human rights.

The participants recognize the importance of the promotion and protection of human rights throughout the world and the constructive role business and civil society (including non-governmental organizations, labor/trade unions and local communities) can play in advancing these goals. Through this dialogue, the participants have developed the following set of voluntary principles to guide Companies in maintaining the safety and security of their operations within an operating framework that ensures respect for human rights and fundamental freedoms. Mindful of these goals, the participants agree to the importance of continuing this dialogue and keeping under review these principles to ensure their continuing relevance and efficacy.

Acknowledging that security is a fundamental need, shared by individuals, communities, businesses and governments alike, and acknowledging the difficult security issues faced by Companies operating globally, we recognize that security and respect for human rights can and should be consistent;

Understanding that governments have the primary responsibility to promote and protect human rights and that all parties to a conflict are obliged to observe applicable international humanitarian law, we recognize that we share the common goal of promoting respect for human rights, particularly those set forth in the Universal Declaration of Human Rights, and international humanitarian law;

Emphasizing the importance of safeguarding the integrity of company personnel and property, Companies recognize a commitment to act in a manner consistent with the laws of the countries within which they are present, to be mindful of the highest applicable international standards, and to promote the observance of applicable international law enforcement principles (e.g., the U.N. Code of Conduct for Law Enforcement Officials and the U.N. Basic Principles on the Use of Force and Firearms by Law Enforcement Officials), particularly with regard to the use of force;

Taking note of the effect that Companies' activities may have on local communities, we recognize the value of engaging with civil society and host and home governments to contribute to the welfare of the local community while mitigating any potential for conflict where possible;

Understanding that useful, credible information is a vital component of security and human rights, we recognize the importance of sharing and understanding our respective experiences regarding, *inter alia*, best security practices and procedures, country human rights situations, and public and private security, subject to confidentiality constraints;

Acknowledging that home governments and multilateral institutions may, on occasion, assist host governments with security sector reform, developing institutional capacities and strengthening the rule of law, we recognize the important role Companies and civil society can play in supporting these efforts;

We hereby express our support for the following voluntary principles regarding security and human rights in the extractive sector, which fall into three categories, risk assessment, relations with public security and relations with private security:

RISK ASSESSMENT

The ability to assess accurately risks present in a Company's operating environment is critical to the security of personnel, local communities and assets; the success of the Company's short and long-term

operations; and to the promotion and protection of human rights. In some circumstances, this is relatively simple; in others, it is important to obtain extensive background information from different sources; monitoring and adapting to changing, complex political, economic, law enforcement, military and social situations; and maintaining productive relations with local communities and government officials.

The quality of complicated risk assessments is largely dependent on the assembling of regularly updated, credible information from a broad range of perspectives – local and national governments, security firms, other companies, home governments, multilateral institutions and civil society knowledgeable about local conditions. This information may be most effective when shared to the fullest extent possible (bearing in mind confidentiality considerations) between Companies, concerned civil society, and governments.

Bearing in mind these general principles, we recognize that accurate, effective risk assessments should consider the following factors:

- Identification of security risks. Security risks can result from political, economic, civil or social factors. Moreover, certain personnel and assets may be at greater risk than others. Identification of security risks allows a Company to take measures to minimize risk and to assess whether Company actions may heighten risk.
- Potential for violence. Depending on the environment, violence can be widespread or limited to particular regions, and it can develop with little or no warning. Civil society, home and host government representatives and other sources should be consulted to identify risks presented by the potential for violence. Risk assessments should examine patterns of violence in areas of Company operations for educational, predictive and preventative purposes.
- Human rights records. Risk assessments should consider the available human rights records of public security forces, paramilitaries, local and national law enforcement, as well as the reputation of private security. Awareness of past abuses and allegations can help Companies to avoid recurrences as well as to promote accountability. Also, identification of the capability of the above entities to respond to situations of violence in a lawful manner (i.e., consistent with applicable international standards) allows Companies to develop appropriate measures in operating environments.
- Rule of law. Risk assessments should consider the local prosecuting authority and judiciary's capacity to hold accountable those responsible for human rights abuses and for those responsible for violations of international humanitarian law in a manner that respects the rights of the accused.
- Conflict analysis. Identification of and understanding the root causes and nature of local conflicts, as well as the level of adherence to human rights and international humanitarian law standards by key actors, can be instructive for the development of strategies for managing relations between the Company, local communities, Company employees and their unions, and host governments. Risk assessments should also consider the potential for future conflicts.
- Equipment transfers. Where Companies provide equipment (including lethal and non-lethal equipment) to public or private security, they should consider the risk of such transfers, any relevant export licensing requirements, and the feasibility of measures to mitigate foreseeable negative consequences, including adequate controls to prevent misappropriation or diversion of equipment which may lead to human rights abuses. In making risk assessments, companies should consider any relevant past incidents involving previous equipment transfers.

INTERACTIONS BETWEEN COMPANIES AND PUBLIC SECURITY

Although governments have the primary role of maintaining law and order, security and respect for human rights, Companies have an interest in ensuring that actions taken by governments, particularly the actions of public security providers, are consistent with the protection and promotion of human rights. In cases where there is a need to supplement security provided by host governments, Companies may be required

or expected to contribute to, or otherwise reimburse, the costs of protecting Company facilities and personnel borne by public security. While public security is expected to act in a manner consistent with local and national laws as well as with human rights standards and international humanitarian law, within this context abuses may nevertheless occur.

In an effort to reduce the risk of such abuses and to promote respect for human rights generally, we have identified the following voluntary principles to guide relationships between Companies and public security regarding security provided to Companies:

Security Arrangements

- Companies should consult regularly with host governments and local communities about the impact of their security arrangements on those communities.
- Companies should communicate their policies regarding ethical conduct and human rights to public security providers, and express their desire that security be provided in a manner consistent with those policies by personnel with adequate and effective training.
- Companies should encourage host governments to permit making security arrangements transparent and accessible to the public, subject to any overriding safety and security concerns.

Deployment and Conduct

- The primary role of public security should be to maintain the rule of law, including safeguarding human rights and deterring acts that threaten Company personnel and facilities. The type and number of public security forces deployed should be competent, appropriate and proportional to the threat.
- Equipment imports and exports should comply with all applicable law and regulations. Companies that provide equipment to public security should take all appropriate and lawful measures to mitigate any foreseeable negative consequences, including human rights abuses and violations of international humanitarian law.
- Companies should use their influence to promote the following principles with public security: (a) individuals credibly implicated in human rights abuses should not provide security services for Companies; (b) force should be used only when strictly necessary and to an extent proportional to the threat; and (c) the rights of individuals should not be violated while exercising the right to exercise freedom of association and peaceful assembly, the right to engage in collective bargaining, or other related rights of Company employees as recognized by the Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work.
- In cases where physical force is used by public security, such incidents should be reported to the appropriate authorities and to the Company. Where force is used, medical aid should be provided to injured persons, including to offenders.

Consultation and Advice

- Companies should hold structured meetings with public security on a regular basis to discuss security, human rights and related work-place safety issues. Companies should also consult regularly with other Companies, host and home governments, and civil society to discuss security and human rights. Where Companies operating in the same region have common concerns, they should consider collectively raising those concerns with the host and home governments.
- In their consultations with host governments, Companies should take all appropriate measures to promote observance of applicable international law enforcement principles, particularly those reflected

in the U.N. Code of Conduct for Law Enforcement Officials and the U.N. Basic Principles on the Use of Force and Firearms.

- Companies should support efforts by governments, civil society and multilateral institutions to provide human rights training and education for public security as well as their efforts to strengthen state institutions to ensure accountability and respect for human rights.

Responses to Human Rights Abuses

- Companies should record and report any credible allegations of human rights abuses by public security in their areas of operation to appropriate host government authorities. Where appropriate, Companies should urge investigation and that action be taken to prevent any recurrence.
- Companies should actively monitor the status of investigations and press for their proper resolution.
- Companies should, to the extent reasonable, monitor the use of equipment provided by the Company and to investigate properly situations in which such equipment is used in an inappropriate manner.
- Every effort should be made to ensure that information used as the basis for allegations of human rights abuses is credible and based on reliable evidence. The security and safety of sources should be protected. Additional or more accurate information that may alter previous allegations should be made available as appropriate to concerned parties.

INTERACTIONS BETWEEN COMPANIES AND PRIVATE SECURITY

Where host governments are unable or unwilling to provide adequate security to protect a Company's personnel or assets, it may be necessary to engage private security providers as a complement to public security. In this context, private security may have to coordinate with state forces, (law enforcement, in particular) to carry weapons and to consider the defensive local use of force. Given the risks associated with such activities, we recognize the following voluntary principles to guide private security conduct:

- Private security should observe the policies of the contracting Company regarding ethical conduct and human rights; the law and professional standards of the country in which they operate; emerging best practices developed by industry, civil society, and governments; and promote the observance of international humanitarian law.
- Private security should maintain high levels of technical and professional proficiency, particularly with regard to the local use of force and firearms.
- Private security should act in a lawful manner. They should exercise restraint and caution in a manner consistent with applicable international guidelines regarding the local use of force, including the U.N. Principles on the Use of Force and Firearms by Law Enforcement Officials and the U.N. Code of Conduct for Law Enforcement Officials, as well as with emerging best practices developed by Companies, civil society, and governments.
- Private security should have policies regarding appropriate conduct and the local use of force (e.g., rules of engagement). Practice under these policies should be capable of being monitored by Companies or, where appropriate, by independent third parties. Such monitoring should encompass detailed investigations into allegations of abusive or unlawful acts; the availability of disciplinary measures sufficient to prevent and deter, and procedures for reporting allegations to relevant local law enforcement authorities when appropriate.
- All allegations of human rights abuses by private security should be recorded. Credible allegations should be properly investigated. In those cases where allegations against private security providers

are forwarded to the relevant law enforcement authorities, Companies should actively monitor the status of investigations and press for their proper resolution.

- Consistent with their function, private security should provide only preventative and defensive services and should not engage in activities exclusively the responsibility of state military or law enforcement authorities. Companies should designate services, technology and equipment capable of offensive and defensive purposes as being for defensive use only.
- Private security should (a) not employ individuals credibly implicated in human rights abuses to provide security services; (b) use force only when strictly necessary and to an extent proportional to the threat; and (c) not violate the rights of individuals while exercising the right to exercise freedom of association and peaceful assembly, to engage in collective bargaining, or other related rights of Company employees as recognized by the Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work.
- In cases where physical force is used, private security should properly investigate and report the incident to the Company. Private security should refer the matter to local authorities and/or take disciplinary action where appropriate. Where force is used, medical aid should be provided to injured persons, including to offenders.
- Private security should maintain the confidentiality of information obtained as a result of its position as security provider, except where to do so would jeopardize the principles contained herein.

To minimize the risk that private security exceed their authority as providers of security, and to promote respect for human rights generally, we have developed the following additional voluntary principles and guidelines:

- Where appropriate, Companies should include the principles outlined above as contractual provisions in agreements with private security providers and ensure that private security personnel are adequately trained to respect the rights of employees and the local community. To the extent practicable, agreements between Companies and private security should require investigation of unlawful or abusive behavior and appropriate disciplinary action. Agreements should also permit termination of the relationship by Companies where there is credible evidence of unlawful or abusive behavior by private security personnel.
- Companies should consult and monitor private security providers to ensure they fulfil their obligation to provide security in a manner consistent with the principles outlined above. Where appropriate, Companies should seek to employ private security providers that are representative of the local population.
- Companies should review the background of private security they intend to employ, particularly with regard to the use of excessive force. Such reviews should include an assessment of previous services provided to the host government and whether these services raise concern about the private security firm's dual role as a private security provider and government contractor.
- Companies should consult with other Companies, home country officials, host country officials, and civil society regarding experiences with private security. Where appropriate and lawful, Companies should facilitate the exchange of information about unlawful activity and abuses committed by private security providers.

OTHER LOCAL CLAUSES / POLICIES

When applicable, insert Other Local Policies and Requirements here.

Action required: by the contract specialist in the region / asset.

