**GENERAL CONDITIONS**

**FOR AUXILIARY DRILLING SERVICES**

**ON A CALL-OUT BASIS**

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# DEFINITIONS AND INTERPRETATION

* 1. The following definitions when capitalised shall apply to the CONTRACT

"**AFFILIATE**" means in relation to any legal entity, a legal entity which directly or indirectly controls, which is directly or indirectly controlled by, or which is directly or indirectly under common control with, another legal entity. For the purpose of this definition a legal entity is:

1. directly controlled by another legal entity if such other legal entity legally or beneficially owns shares or any other form of ownership interest carrying more than fifty percent (50%) of the votes exercisable at a general meeting of the first mentioned legal entity or representing more than fifty percent (50%) of the capital of the first mentioned legal entity; and
2. indirectly controlled by a legal entity ("the parent legal entity") if a series of legal entities, beginning with the parent legal entity and ending with the first mentioned legal entity, are so related that each legal entity of the series, except the parent legal entity, is directly controlled by one or more of the legal entities earlier in the series.

"**APPLICABLE LAW**" means any treaty, law, decree, order, regulation, decision or other document that has legal force according to the terms of any system of law, including, without limitation, local law, the laws of any other state or part thereof or international law, and which creates or purports to create any requirement or rule that may affect, restrict, prohibit or expressly allow the terms of this CONTRACT or any activity contemplated or carried out under this CONTRACT.

**“APPROVED”** means that COMPANY has notified CONTRACTOR by written notification that the relevant document, proposal or action is approved by COMPANY.

"**AREA OF OPERATIONS**" means the area more fully described in the FORM OF AGREEMENT utilised in connection with the CONTRACT.

**“BACKGROUND INFORMATION”** means information, data or inventions as better defined in the Article 37.

"**CO-VENTURER**" as applied to COMPANY means any parties to a joint venture agreement under which COMPANY is entering the CONTRACT.

"**COMPANY**" means the legal entity designated as such in the FORM OF AGREEMENT

## "**COMPANY GROUP**" means:

1. COMPANY and its AFFILIATES;
2. CO-VENTURERS;
3. COMPANY's contractors (other than CONTRACTOR) and their sub-contractors; and
4. the directors, officers, employees, consultants, advisors and agents of any legal entity listed in this definition other than CONTRACTOR,

but shall not include any member of CONTRACTOR GROUP.

## “**COMPANY ITEM”** means equipment and material to be supplied by COMPANY to CONTRACTOR for the performance of the SERVICE.

“**COMPANY REPRESENTATIVE**” means the person appointed by COMPANY in accordance with Article 35.

**“CONSEQUENTIAL LOSS”** means any indirect, special or consequential losses and/or loss of production, loss of profit or anticipated profit, loss of revenue or anticipated revenue, business interruption, loss of use of facilities, loss of contract or other business opportunity, arising from or related to the performance of the CONTRACT.

"**CONTRACT**" means the documents listed in the FORM OF AGREEMENT and any amendments, supplements an alterations thereto.

"**CONTRACT PRICE**" means the amounts of compensation to be paid by COMPANY for the performance of the SERVICE in accordance with the provisions of the CONTRACT.

"**CONTRACTOR**" means the legal entity designated as such in the FORM OF AGREEMENT.

**“CONTRACTOR BASE”** means the base utilised by CONTRACTOR to provide the SERVICES in compliance with the CONTRACT. CONTRACTOR BASE, if any, shall be specified in the FORM OF AGREEMENT.

### "CONTRACTOR GROUP" means:

1. CONTRACTOR and its AFFILIATES;
2. the participating companies in any joint venture with CONTRACTOR providing the SERVICE;
3. SUBCONTRACTORS and
4. the directors, officers, employees, consultants, advisors and agents of any legal entity listed in this definition.

"**CONTRACTOR PERSONNEL**” means the personnel to be furnished by CONTRACTOR GROUP in connection with the provision of the CONTRACT.

"**CONTRACTOR REPRESENTATIVE**" means the person appointed by CONTRACTOR in accordance with Article 35.

"**EFFECTIVE DATE**" means the date specified in the FORM OF AGREEMENT on which this CONTRACT comes into force.

"**EMBARKATION POINT**", if any, shall be specified in the FORM OF AGREEMENT.

"**EQUIPMENT**" means the equipment, materials, tools, instruments, machinery, spare parts provided by CONTRACTOR GROUP for the performance of the SERVICE

**"FCPA"** means the U.S. Foreign Corrupt Practices Act of 1977, as amended.

"**FORCE MAJEURE**" means in respect of either PARTY, any event or occurrence whatsoever beyond the reasonable control of that PARTY, which delays, prevents or hinders that PARTY from performing any obligation imposed upon that PARTY under this CONTRACT, including war (declared or undeclared), terrorist activities, acts of sabotage, blockade, fire, lightning, Acts of God, national strikes (excluding those limited to CONTRACTOR GROUP), riots, insurrections, civil commotions, quarantine restrictions, epidemics, earthquakes, land slides, avalanches, floods, hurricanes, explosions and regulatory and administrative or similar actions or delays to take actions of any governmental authority.

**“FORM OF AGREEMENT”** means the document executed between: (i) COMPANY and (ii) CONTRACTOR specifying the SERVICES to be carried out by CONTRACTOR which is a part of this CONTRACT and with respect to which these terms and conditions form part.

"**GOODS**” means the equipment, machinery, materials and/or supplies and/or any part thereof to be provided, directly or indirectly, by CONTRACTOR, and that shall become COMPANY’s property, in accordance with the CONTRACT.

“**GROSS NEGLIGENCE**’’ means any act or failure to act (whether sole, joint or concurrent) by any person or entity which was in reckless disregard of or wanton indifference to, harmful, avoidable and reasonably foreseeable consequences.

“INDEMNIFIED COSTS” means any and all losses, damages, liabilities, claims, demands, actions, proceedings, payments, costs, expenses (including with no limitation legal costs, tribunal experts’ and investigative fees), fines, penalties and interest.

“**INTELLECTUAL PROPERTY RIGHTS**” means all intellectual property rights, including but not limited to those concerning inventions, whether patentable or not, patents, utility models, registered designs and models, trademarks, service marks, domain names, applications for any of the foregoing (and the rights to apply for any of the foregoing), proprietary information and/or technical know-how, copyright, authorship, whether patentable or not, and any similar rights.

"INTERNATIONAL GOOD OIL FIELD PRACTICE" means all those uses and practices that are at the time in question then generally accepted in the international petroleum industry as good, safe, economical and efficient in exploring for, developing, producing, processing and transporting petroleum.

“**NEW TAXES**” means any TAXES that in accordance with the APPLICABLE LAW of the country of the AREA OF OPERATIONS, have become applicable, or have ceased to be applicable, (or the application of which has changed) to the performance of the CONTRACT after the EFFECTIVE DATE, (but specifically excluding TAXES enacted into law prior to the EFFECTIVE DATE, but applying only to periods thereafter) due to:

1. a change in such performance, such change having been agreed in writing between COMPANY and CONTRACTOR; or

b) any amendment or addition to the APPLICABLE LAW of the country of the AREA OF OPERATIONS,

however, NEW TAXES shall exclude any fines, penalties, interest, or any payment imposed as a result of CONTRACTOR's delay, omission, default or negligence in complying with APPLICABLE LAW.

"**PARTY**" means either COMPANY or CONTRACTOR and the expression “Parties” shall be construed accordingly.

"**SERVICE**" means all the activities to be provided by CONTRACTOR under the CONTRACT, as is more fully de­scribed therein.

"**SUBCONTRACTOR**" means any person, including any vendor or supplier, with whom CONTRACTOR has entered into any contract to provide any part of the SERVICE or GOODS including any person at any tier with whom any SUBCONTRACTOR has further contracted any part of the SERVICE, and their legal successors and assigns.

“**TAXES**" means any tax, national or local, levied or charged by any authority empowered to levy taxes, in relation to the performance of this CONTRACT including, but not limited to, profit tax, excess profit tax, withholding tax, income tax (whether in relation to physical or legal persons), value added tax, capital gains tax, any duty, including all customs duties and fees and all import and export taxes and duties, tariffs, transport tax, vehicle tax, sales tax or other ad valorem or consumption tax, stamp duty, equity or capital stock tax, foreign exchange tax, commission fee or duty, employee social security contributions or taxes, payroll and employment taxes, registration duties or taxes, environmental taxes or payments, any levy, fixed rental payment or any other rental or real estate tax including land lease payments, land tax and any land use compensation payment, impost, charge, fee or compulsory contribution, penalty, fine, or interest for late payment.

“**TECHNICAL DOCUMENTATION**” means all documents including but not limited to drawings, designs and calculation data, process documents, technical indices, operation and maintenance manuals and other documentation relating to the SERVICE to be provided by CONTRACTOR to COMPANY in accordance with this CONTRACT.

"**THIRD PARTY**" means any person other than a member of CONTRACTOR GROUP or COMPANY GROUP.

"**VAT**” means value added tax, general sales tax, service tax or similar taxes as levied on payments from COMPANY to CONTRACTOR under this CONTRACT.

**“WARRANTY PERIOD”** shall mean, in respect of the GOODS, the period ending on the earlier of (i) twenty four (24) months after the STYLE \*STYLE Z\_ENIdate of the installation or (ii) forty eight (48) months from the date of delivery.

“**WILD WELL**” means a well:

a) from which there is an uncontrolled continuous flow of any fluid or gas above and/or below the surface of the ground or water bottom/mud line, in the case of well(s) located in water;

b) whose flow cannot be promptly controlled by use of the equipment on site such as blowout preventer, safety valve, storm chokes or other equipment actually installed on the well(s) to stop the flow;

c) which cannot be safely diverted into production; or

d) which is/are declared to be out of con­trol by the appropriate regulatory authority.

“**WILFUL MISCONDUCT**” means any act or failure to act (whether sole, joint or concurrent) by any person or entity which was in the wilful disregard for harmful, avoidable and reasonably foreseeable consequences.

**“WORK ORDER”** means COMPANY’s written request to provide the SERVICE in accordance with Article 10.

“**WORKSITE**” means any COMPANY’s and CONTRACTOR’s location/yard (including but not limited to offices, premises and workshops) where any part of the SERVICE shall be performed.

1.2 Interpretation

* + 1. Words importing the singular include the plural and vice versa where the context so requires.
    2. The headings in this CONTRACT are for convenience only and shall not be taken into consideration in the interpretation or construction of this CONTRACT.
    3. References to Articles and Appendices are references to Articles and Appendices in this CONTRACT.
    4. Unless specifically stated otherwise, all references to days shall mean calendar days.
    5. CONTRACTOR shall prepare all documents, calculations and drawings and shall conduct all communications with respect to this CONTRACT in the English language.
    6. Any reference to a code, law, statute, statutory provision, statutory instrument, order, regulation or other instrument of similar effect shall include any re-enactment or amendment thereof for the time being in force.

# KNOWLEDGE OF AREA OF OPERATIONS

2.1 CONTRACTOR declares and represents that it is fully acquainted in all respects with all conditions of the AREA OF OPERATIONS including inter alia, the political, fiscal and logistics situa­tion, climatic and environmental conditions and that it has evaluated all costs and risks connected therewith, and CONTRACTOR is solely responsible for any misunderstan­dings and/or inaccuracies from whatever sources, in connection with the aforesaid information including correct interpretation of the data provided by COMPANY.

2.2 Notwithstanding Article 2.1, CONTRACTOR shall not be responsible and can rely upon for data provided by COMPANY which CONTRACTOR is not in position to independently verify including, but not limited to information regarding site bathymetry, seabed status, geology, soil conditions, production parameters, well parameters, field parameters/architecture, drilling, installation and completion program and requirements, interface data and information concerning existing and future COMPANY facilities and CONTRACTOR shall be entitled to request a variation to compensate for any cost impact directly resulting from errors or deficiencies in such information, which CONTRACTOR could not, using its reasonable endeavours, mitigate.

# COMPANY- PROVIDED TECHNICAL DOCUMENTS

3.1 The documents, drawings and data given to CONTRACTOR by COMPANY shall be treated in strict confidence, protected against fire, theft and destruction, and promptly returned upon demand by COMPANY or, if no such demand is made by COMPANY, at the time of delivery by CONTRACTOR to COMPANY of the TECHNICAL DOCUMENTATION.

3.2 The documents, drawings and data that COMPANY provides to CONTRACTOR shall be the best information available to COMPANY, nevertheless, subject to Article 3.3, COMPANY shall not be responsible for the completeness, sufficiency or accuracy of such documentation and COMPANY shall not be liable to CONTRACTOR for any additional costs caused by or arising from any ambiguity, error or omission in any such documentation.

3.3 If, during the development of COMPANY's documents, CONTRACTOR finds any anomalies affecting the operational efficiency of the SERVICE, or parts thereof, CONTRACTOR shall so notify COMPANY forthwith proposing the modifications, alterations or changes to be made. COMPANY shall resolve such anomalies and CONTRACTOR shall thereafter be entitled to rely on the amended COMPANY document.

# CONTRACTOR-PROVIDED TECHNICAL DOCUMENTS

4.1 CONTRACTOR shall submit to COMPANY REPRESENTATIVE all TECHNICAL DOCUMENTATION and any technical information (including drawings, designs, specifications, electronically recorded and stored data, computer programs and calculations) developed or arising during the SERVICE in connection with the performance thereof, including the results thereof made by CONTRACTOR as are more fully detailed in the CONTRACT and shall maintain, at all times for the duration of the CONTRACT, up to date, complete and accurate copies of the TECHNICAL DOCUMENTATION.

4.2 Interpretations, research, analysis, recommendations, advice or interpretational data (“Interpretations and/or Recommendations”) furnished by CONTRACTOR hereunder are opinions based upon inferences from measurements, empirical relationships and assumptions. Accordingly, subject to CONTRACTOR’s representations pursuant to Article 22, CONTRACTOR does not warrant the accuracy, correctness, or completeness of any such Interpretations and/or Recommendations, or that COMPANY’s or any person’s reliance on such Interpretations and/or Recommendations will accomplish any particular results and COMPANY assumes full responsibility for the use of such Interpretations and/or Recommendations and for all decisions based thereon (including without limitation decisions based on any oil and gas evaluations, production forecasts and reserve estimates, furnished by CONTRACTOR to COMPANY hereunder) and COMPANY waives any and all claims it may at any time have against CONTRACTOR in respect thereof.

4.3 CONTRACTOR will endeavor to transmit data to COMPANY as accurately and securely as practicable in accordance with current industry practice but, notwithstanding the foregoing, CONTRACTOR does not warrant the accuracy of transmittals by electronic processes and is not responsible to COMPANY for errors caused by failures in such transmittal or accidental or intentional interception of such data by others.

# EQUIPMENT

5.1 CONTRACTOR shall, at its own expense, provide and maintain all EQUIPMENT adequate and necessary to perform the SERVICE.

5.2 All EQUIPMENT shall be free from defects, be safe and fit for use, and maintained at all times in full operating condition with appropriate and uninterrupted valid certification in accordance with APPLICABLE LAW and the requirements of the CONTRACT, be free of any liens or legal charges, and suitable for the safe and efficient performance of the SERVICE.

5.3 CONTRACTOR shall mobilise and maintain any EQUIPMENT with the qualified personnel, the necessary consumables and maintenance parts for the proper and safe operation and maintenance thereof, and ready for immediate use in compliance with the CONTRACT.

5.4 CONTRACTOR shall ensure that any EQUIPMENT shall not be likely to need any repair, replacement or overhaul during its use under the CONTRACT and shall remove, replace or correc­t any EQUIPMENT not achieving such requirements in a timely manner without any charge to COMPANY.

5.5 If any EQUIPMENT is not supplied or fails to perform in compliance with the CONTRACT requirements, no compensation or rate for such EQUIPMENT shall be payable to CONTRACTOR for the period of non availability or malfunction. Furthermore, if the non availability or malfunction of any EQUIPMENT prevents any other EQUIPMENT from operating or causes the malfunctioning of the same or causes a stand by period therefor waiting for the restart of the performance of the unavailable or failing EQUIPMENT, no compensation or rate shall be payable to CONTRACTOR for any EQUIPMENT affected. The period of non-availability or malfunction shall include, but not be limited to, the time elapsed from the moment the unavailability or malfunction occurred until the operations will be regularly resumed using that EQUIPMENT (e.g. Circ. POOH (Pool Out Of Hole), replace tool and RIH (Run In Hole) at the same depth).

* 1. At all times during the performance of the SERVICE, certification for all EQUIPMENT shall be kept valid. CONTRACTOR shall provide all relevant documents and certificates as proof thereof.

# CONTRACTOR PERSONNEL

* 1. CONTRACTOR shall provide all CONTRACTOR PERSONNEL required for the provision of the SERVICE and shall at all times be responsible for the actions or failures to act of such CONTRACTOR PERSONNEL.
  2. CONTRACTOR shall employ only CONTRACTOR PERSONNEL that are properly trained, qualified, fully fit and suitably skilled and experienced to properly perform the tasks assigned to them in a timely and efficient manner.
  3. Use of CONTRACTOR PERSONNEL by CONTRACTOR shall not relieve CONTRACTOR of any liability or obligation under this CONTRACT and the CONTRACTOR shall be liable for all acts, work, omissions and defaults of any of the CONRACTOR PERSONNEL as if they were the acts, works, omissions or defaults of CONTRACTOR.
  4. CONTRACTOR shall ensure that CONTRACTOR PERSONNEL comply with all reasonable instructions of COMPANY.
  5. CONTRACTOR shall ensure that a sufficient number of CONTRACTOR PERSONNEL and the personnel of SUBCONTRACTORS shall be sufficiently conversant and literate in the English language or other language defined in the FORM OF AGREEMENT to enable COMPANY REPRESENTATIVE to issue instructions and to receive verbal and written reports therein
  6. CONTRACTOR shall be responsible for the payment of CONTRACTOR PERSONNEL salaries, allowances, travel, accommodation and meal expenses, holiday and sickness costs and any other related expenses whatsoever arising from the employment or contracting of CONTRACTOR PERSONNEL, including, but not limited to, administrative costs and CONTRACTOR shall be liable for and shall defend, indemnify and hold harmless COMPANY GROUP from and against any and all INDEMNIFIED COSTS arising out of or in connection with any breach by CONTRACTOR of this Article 6.6.
  7. COMPANY shall provide first aid and, if available, emergency medical assistance for CONTRACTOR's PERSONNEL of the same type furnished by COMPANY to its own personnel.
  8. CONTRACTOR shall obtain, and meet all relevant costs for, all visas, work permits and other documents required by CONTRACTOR PERSONNEL in accordance with APPLICABLE LAW.
  9. Any overtime worked by CONTRACTOR PERSONNEL, whether they be shift workers or other­wise - during the provision of the SERVICE shall be at no extra charge to COMPANY. The cost of any additional CONTRACTOR PERSONNEL requested by COMPANY and provided by CONTRACTOR to perform occasional operations, which operations are not contemplated by INTERNATIONAL GOOD OIL FIELD PRACTICE, shall be agreed upon between the PAR­TIES.
  10. Where COMPANY concludes that any CONTRACTOR PERSONNEL does not possess the technical knowledge or skills necessary for the efficient provision of the SERVICES or that the behavior of any CONTRACTOR PERSONNEL is disruptive or undesireable in any manner, COMPANY may so notify CONTRACTOR in writing and CONTRACTOR shall take any corrective measures required by COMPANY including the removal and replacement of such CONTRACTOR PERSONNEL.
  11. Should COMPANY require the removal of any CONTRACTOR PERSONNEL:

1. such CONTRACTOR PERSONNEL shall be so removed forthwith and shall not be again employed in the provision of the SERVICES without the prior written approval of COMPANY,
2. CONTRACTOR shall, as soon as practicable, replace any such CONTRACTOR PERSONNEL with a competent APPROVED substitute, and
3. CONTRACTOR shall bear all costs and expenses associated with such removal and replacement
   1. If CONTRACTOR PERSONNEL are not provided in accordance with the CONTRACT and this leads to any interruption of SERVICE, no compensation or rate for CONTRACTOR PERSONNEL shall be due or paid by COMPANY for the period of such interruption. Furthermore, if the interruption prevents any other CONTRACTOR PERSONNEL or EQUIPMENT from operating in accordance wit the CONTRACT, no compensation or rate for such CONTRACTOR PERSONNEL or EQUIPMENT shall be due or paid by COMPANY for the period of such interruption.

# SUBCONTRACTORS

* 1. Any SUBCONTRACTORS listed in the CONTRACT for the provision of specific parts of the SERVICES are deemed to be APPROVED for those parts of the activities shown against their name.
  2. After the EFFECTIVE DATE, CONTRACTOR may request authorization to subcontract certain parts of the SERVICES and shall supply COMPANY with all information and documentation required by COMPANY in respect thereof.
  3. CONTRACTOR shall not subcontract any part of the SERVICES without the prior written approval of COMPANY, and COMPANY reserves its right to refuse to approve, without justifying such refusal, and within its complete discretion.
  4. CONTRACTOR shall ensure that the terms of any subcontract shall be equivalent to the obligations of this CONTRACT and COMPANY shall be entitled to review any proposed or executed subcontract upon demand though such verification shall not extend to the details of pricing structure, to the make-up of its rates and prices, nor to the related documents.
  5. Use of SUBCONTRACTORS by CONTRACTOR shall not relieve CONTRACTOR of any liability or obligation under this CONTRACT and the CONTRACTOR shall be liable for all acts, work, omissions and defaults of any of its SUBCONTRACTORS, its directors, officers, employees, consultants, advisers and agents as if they were the acts, works, omissions or defaults of CONTRACTOR.
  6. CONTRACTOR shall comply, and shall ensure its SUBCONTRACTOR comply, in respect of their own respective personnel, with APPLICABLE LAW, including but not limited to that relating to social security, national insurance, remuneration provisions and the terms and conditions contained in the national and territorial collective labour agreements in force in the sector and in the area where the activities are performed.
  7. CONTRACTOR shall coordinate all SUBCONTRACTORS working at COMPANY’s WORKSITE, in particular in relation to Health, Safety, Environment and Radiation Protection aspects.
  8. CONTRACTOR shall ensure that SUBCONTRACTORS comply with the provisions of Art. 42 and that each SUBCONTRACTOR has viewed and acknowledged the documents referenced therein.
  9. CONTRACTOR shall ensure that each of its SUBCONTRACTORS accepts that a failure by a SUBCONTRACTOR to comply with the requirements of this Article shall be considered a material breach by SUBCONTRACTOR of its contract with CONTRACTOR and grounds for termination thereof and that COMPANY may (i) terminate the CONTRACT for material breach, or (ii) discontinue the provision of SERVICES provided by the SUBCONTRACTOR that failed to comply charging CONTRACTOR with any extra direct costs resulting therefrom up to a cost limit equal to the value of the SERVICES discontinued and/or (iii) instruct CONTRACTOR to terminate the subcontract and ensure that SUBCONTRACTOR ceases performance of the activities and clears the COMPANY's site or the AREA OF OPERATIONS from persons and materials/equipment under its responsibility.

# HEALTH, SAFETY AND ENVIRONMENT

* 1. CONTRACTOR shall apply proactive health, safety and environmental management systems and risk management processes, in accordance with APPLICABLE LAW, INTERNATIONAL GOOD OIL FIELD PRACTICE and shall comply with Appendix “E” of this CONTRACT and any additional requirements advised by COMPANY from time to time.
  2. Within seven (7) days of the EFFECTIVE DATE, CONTRACTOR shall submit to COMPANY for approval a detailed health, safety and environmental management plan which complies with the requirements of this Article and which regulates those requirements set out in Appendix "E" and, specifically, its own rules/programs on the following:
  + safe driving rules (e.g. installation of IVMS In-Vehicle Monitoring System devices);
  + certification/inspection tags of working, safety or emergency equipment;
  + identification of critical / non routine jobs vs non-critical tasks
  + fitness certificates for workers assigned to critical/non routine jobs (including SUBCONTRACTORS’ personnel);
  + PPEs (Personal Protective Equipment) assigned to these workers;
  + training certificates for these workers;
  + competence assurance records for these workers;
  + health surveillance program for these workers;
  + Permit-to-Work System for critical / non-routine jobs in the Country’s official languages (as are required by COMPANY);
  + HSE organization proportionate to the job and competence;
  + control, inspection and follow-up records on contractual HSE requisites;
  + control of access (badges) for workers and visitors;
  + provisions for working hours and night shifts;
  + firefighting and emergency services on site (24h/24h);
  + material safety data sheets, in the Country’s official languages, as are required by COMPANY;
  + lights, guards, marks, signals and fences in place;
  + alcohol and drug abuse policy.
  1. Within twenty (20) days of receipt of such management plan, COMPANY REPRESENTATIVE shall either APPROVE the same or notify CONTRACTOR of changes required to obtain approval. In the latter event, CONTRACTOR shall promptly modify and resubmit the plan. This process shall continue until COMPANY APPROVAL is given by COMPANY REPRESENTATIVE. At all times during the performance of the CONTRACT, in relation to the activities to be carried out in the COMPANY’s site, CONTRACTOR shall demonstrate to have enforced and to have required SUBCONTRACTORS to enforce, CONTRACTOR’s detailed health, safety and environmental management plan referred to in the Article 8.2 which complies with the requirements stated above.
  2. CONTRACTOR shall take, at its expense, all actions necessary to protect all persons from any exposure to, or hazard from, hazardous material under the care, custody and control of CONTRACTOR GROUP and shall adopt all measures needed to reduce, as low as reasonably possible, any injury or damage to people or property.
  3. CONTRACTOR shall take all reasonable steps to protect the environment from and to avoid damage and nuisance to persons and property resulting from the provision of SERVICES and shall not, under any circumstances, cause or permit, in connection with the provision of SERVICES, the discharge, emission or release of any hazardous substance or material:

a) except in compliance with APPLICABLE LAW, and/or

b) in excess of limits established by APPLICABLE LAW and shall immediately report any such discharges, emissions or releases to COMPANY.

* 1. CONTRACTOR shall pay and be responsible for the control, disposal and/or removal of any liquid or non-liquid pollutant or waste materials, including but not limited to, crude oil, natural gas, motor oils, lubricants, motor fuel, pipe dope, paints, solvents, garbage and/or sewage originating above the rotary table from property belonging to or under the care, custody and control of any member of CONTRACTOR GROUP.
  2. CONTRACTOR shall provide such any material safety data sheets as are required by COMPANY and shall comply with all applicable hazardous material procedures APPROVED by COMPANY and shall obtain or arrange at its expense all identification numbers, permits, applications and other things required in connection with the relevant activities under this CONTRACT.
  3. CONTRACTOR shall inform COMPANY forthwith of any injury to, or accident involving, CONTRACTOR PERSONNEL or CONTRACTOR GROUP property connected with the provisions of the SERVICES and undertakes to provide on a monthly basis, COMPANY REPRESENTATIVE, with the overall number of worked hours at the workplace, the causes, reasons and circumstances of each occurred injury or accident and CONRACTOR’s remedial measures in respect thereof.
  4. CONTRACTOR shall ensure that where any CONTRACTOR PERSONNEL observes or becomes aware of practices that are not in compliance with this Article, such CONTRACTOR PERSONNEL shall (a) direct that such practices be corrected so as to comply with this Article (b) notify COMPANY of such practice and (c) where directed by COMPANY to correct any practice so as to comply with this Article, CONTRACTOR PERSONNEL shall immediately comply.
  5. With respect to the performance of the activities under this CONTRACT, CONTRACTOR represents and warrants to have given and implemented instructions to its directors, officers, employees, consultants, SUBCONTRACTORS and/or agents that such persons must comply with the requirements of this Article.
  6. CONTRACTOR shall ensure that each of its SUBCONTRACTORS accepts in writing, copied to COMPANY: (i) the obligations stated in this Article as if they applied directly thereto, mutatis mutandis, in particular the compliance of the SUBCONTRACTOR with APPLICABLE LAW, INTERNATIONAL GOOD OILFIELD PRACTICE, the requirements of Appendix "E", including the HSE Disciplinary Procedure and any regulations, procedures or guidelines adopted by COMPANY on site and (ii) that the non-fulfilment by SUBCONTRACTOR of those regulations will be considered a material breach by SUBCONTRACTOR of its contract with CONTRACTOR and grounds for termination in whole or in part and CONTRACTOR shall comply with COMPANY’s instructions in respect thereof, (iii) that SUBCONTRACTORS must be able to evidence to COMPANY, the existence and enforcement of its own detailed health, safety and environmental management plan, which complies with the requirements of this Article and which regulates those requirements set out in Appendix "E", including but not limited to and (iv) that CONTRACTOR, and, at COMPANY’s discretion, COMPANY may perform any inspections on the SUBCONTRACTOR and its activities during work hours, as it sees fit.
  7. Without relieving CONTRACTOR of any of its obligations, COMPANY may take part, to any degree it deems necessary, in the control and removal of any hazardous material, pollution, contamination or environmental risk which is the responsibility of CONTRACTOR under this CONTRACT or APPLICABLE LAW.
  8. COMPANY reserves the right to perform, directly or indirectly, at COMPANY’s site, at any time during the term of this CONTRACT any and all reviews, inspections and tests which COMPANY from time to time believes in its sole opinion are appropriate, and to obtain from CONTRACTOR any relevant documentation thereto. If any review, inspections and/or tests show that any part of the provision of the SERVICES has not been performed in accordance with this Article, CONTRACTOR, upon notice by COMPANY, shall immediately correct the defects and shall repeat the review inspection and/or tests until the defects have been put right and the defective item complies with the CONTRACT. In addition, COMPANY may at its own discretion apply the sanctions provided in Appendix "E".
  9. Failure by CONTRACTOR or SUBCONTRACTOR to comply with the requirements of this Article shall entitle COMPANY to:

1. terminate the CONTRACT and/or WORK ORDER for material breach;
2. discontinue, in whole or in part, the provision of SERVICES by the SUBCONTRACTOR that failed to comply and/or instruct CONTRACTOR to terminate the subcontract and ensure that SUBCONTRACTOR ceases to the performance of the activities and clears the COMPANY’s site or AREA OF OPERATIONS from persons and materials/equipment under its responsibility and /or require CONTRACTOR to perform the discontinued SERVICES at no additional cost to COMPANY, and/or
3. enforce the HSE Disciplinary Procedure set out in Appendix "E".

# QUALITY ASSURANCE

* 1. CONTRACTOR shall provide, maintain and observe for the duration of the CONTRACT a Quality Assurance system, establish and maintain an organisation securing the various related functions, and develop a Quality Assurance programme covering the various phases of the SERVICES, all in accordance with the Quality Assurance and Quality Control requirements set out in the CONTRACT and in accordance with INTERNATIONAL GOOD OILFIELD PRACTICE.
  2. Within seven (7) days of the EFFECTIVE DATE, CONTRACTOR shall submit the Quality Plan which complies with the requirements of the CONTRACT. COMPANY shall notify CONTRACTOR of changes required. In the latter event, CONTRACTOR shall promptly modify and re-submit the detailed system, organisation and programme with the modifications required by COMPANY.

# WORK ORDER

* 1. The performance of any SERVICE under the CONTRACT will be requested in writing by COMPANY to CONTRACTOR by a WORK ORDER, signed by COMPANY REPRESENTATIVE which shall be the only document which formally authorizes CONTRACTOR to perform any one of the SERVICE.
  2. The WORK ORDER shall specify the particulars of performance of the SERVICE and contain all the information needed by CONTRACTOR to identify the nature of the SERVICE, as well as all reference documents and specifications for the performance of the SERVICE and shall state any additional HSE-R and Quality requirements to be met subject to the agreement between the PARTIES.

# COMPANY ITEMS

* 1. If stated in the CONTRACT, COMPANY shall provide COMPANY ITEMS to CONTRACTOR in time for their use by CONTRACTOR.
  2. Within seven (7) days of receipt of any COMPANY ITEMS from COM­PANY, CONTRACTOR shall perform a visual inspection of them, at COMPANY’s option in the presence of COMPANY personnel, and notify COM­PANY in writing of any visible deficiency within fifteen (15) days of the date of receipt. Subject to such notification, COMPANY ITEMS shall be deemed accepted by CONTRACTOR.
  3. CONTRACTOR shall notify COMPANY of any lack of, or requirement for, COMPANY ITEMS required under this CONTRACT to be supplied by COMPANY in sufficient time for COMPANY to furnish said COMPANY ITEMS in advance of CONTRACTOR's need. CONTRACTOR shall take all reasonable steps to avoid delays due to such deficiency of the furnished COMPANY ITEMS
  4. Unless otherwise agreed, the COMPANY ITEMS will be delivered to CONTRACTOR’s stores, yards or warehouses and CONTRACTOR shall handle, load and unload the COMPANY ITEMS in the respective places of de­li­very.
  5. The delivery and acceptance of all such COMPANY ITEMS shall be entered in suitable Registers of Receipt. CONTRACTOR shall take good care of the COMPANY ITEMS delivered to CONTRACTOR by COMPANY and shall place them under adequate cover and take all reasonable measures to avoid losses, damage or deterioration, including from theft or fire.
  6. Without prejudice to Articles 24 and 25, CONTRACTOR shall be responsible for the care, custody, control, protection and preservation of COMPANY ITEMS from the date of delivery of COMPANY ITEMS to CONTRACTOR GROUP until the date of re-delivery to COMPANY in accordance with this CONTRACT.
  7. CONTRACTOR shall return the COMPANY ITEMS (i) as soon as they are no longer required for the performance of the SERVICE or, on the earlier of: (ii) COMPANY request or (iii) within a period of fifteen (15) days from the date of completion of the SERVICE. In all cases the COMPANY ITEMS shall be returned in as good a condition as when provided, except for ordinary wear and tear, and shall be delivered at the same stores, yards or warehouses as they were received or in any other place desi­gnated by COMPANY, provided such place is not far­ther away from the AREA OF OPERATIONS than such stores, yards or warehouses.
  8. CONTRACTOR shall notify COMPANY of any COMPANY ITEMS supplied to CONTRACTOR by COMPANY that are surplus and, with compensation to be agreed, shall co-operate with COMPANY in the disposition of such surplus, as directed by COMPANY.
  9. If COMPANY agrees to provide CONTRACTOR with elec­tricity, gas, water, other utility or any service whatsoever, COMPANY shall not be responsible and shall have no lia­bility for damage or delay suffe­red by CONTRACTOR as a result of breakdown or su­spension of these services for any reason, provided that the suspension or breakdown shall not be due to an unjusti­fied act or omission or order of COMPANY.

# TRANSPORT OF GOODS, EQUIPMENT AND CONTRACTOR PERSONNEL.

* 1. CONTRACTOR shall carry out the transportation of GOODS in accordance with the provisions of the CONTRACT.
  2. CONTRACTOR shall notify COMPANY in writing of the detailed shipping schedule of the GOODS at least thirty (30) days before shipment.
  3. CONTRACTOR shall take all necessary measures to ensure that all licenses and shipping documentation are arranged and issued in a timely manner.
  4. Unless otherwise set forth, all mobilization/demobilization and transportation costs for EQUIPMENT and CONTRACTOR's PERSONNEL to, from and within the AREA OF OPERATIONS shall be at CONTRACTOR’s charge.
  5. For SERVICE to be performed offshore, COMPANY will arrange, at its expense, for the transpor­tation of CONTRAC­TOR's PERSONNEL and EQUIPMENT from the EMBARKATION POINT to COMPANY’s offshore location and vice versa.
  6. COMPANY shall provide board and lodging for CONTRACTOR's PERSONNEL during the time they are aboard the offshore Drilling Unit; however, when CONTRACTOR's PERSONNEL are at COMPANY's disposal onshore, board and lodging will be reimbursed to CONTRACTOR at documented cost.

# PACKING OF THE GOODS

* 1. CONTRACTOR shall ensure that packing shall be weather resistant and suitable for the risks associated with the mode of transport employed, loading and unloading operations and that all costs thereof are included in the CONTRACT PRICE.

* 1. Any movable parts shall be properly fastened so as to prevent loss or damage during transit or during the loading and unloading operations.
  2. Without prejudice to CONTRACTOR's responsibility for any damage arising out of or resulting from the provision of unsuitable packing, COMPANY reserves the right, prior to shipping the GOODS, to satisfy itself as to the suitability and fitness of packing.
  3. CONTRACTOR shall supply the GOODS in accordance with the marking requirements set out in the CONTRACT.

# SPARE PARTS

* 1. Unless specifically stated otherwise in the CONTRACT, CONTRACTOR shall provide any spare parts for the GOODS to be used for the "Commissioning and Start-up" activities, the cost for which shall be included in the CONTRACT PRICE.
  2. As regards any spare parts for the GOODS recommended for the duration of the CONTRACT, CONTRACTOR shall send to COMPANY a separate tender on or before the CONTRACT delivery dates.

# TITLE TO THE GOODS

15.1 Title to the GOODS shall pass to COMPANY on delivery thereof at the delivery point specified in the CONTRACT.

15.2 Risk in the GOODS shall pass to COMPANY in accordance with Incoterms stipulated in the CONTRACT.

# DEFECTS LIABILITY.

* 1. CONTRACTOR shall promptly, after receipt of notice from COMPANY, correct, reperform, repair or replace, at its expense, the SERVICE, GOODS or parts thereof deemed by COMPANY in its reasonable opinion to be defective and/or not meeting the requirements of the CONTRACT.
  2. Notwithstanding Article 16.1, COMPANY shall, at its expense, provide (i) infrastructure for removal and reinstallation and (ii) offshore transportation, and onshore transportation of the GOODS from the the ultimate destination to and from the original delivery point specified in the CONTRACT, as necessary. CONTRACTOR shall re-perform installation SERVICES at no cost to COMPANY.
  3. If CONTRACTOR fails to meet its obligations pursuant to Article 16.1 and 16.2 within a reasonable time, then COMPANY may decide at its sole discretion:
  4. to carry out, or engage others to carry out, the necessary work of correction, performance, repair or replacement at CONTRACTOR’s expense provided that it shall do so in a reasonable manner and notifies CONTRACTOR of its intention to do so and the costs and expenses reasonably incurred by COMPANY (subject to a limit of one hundred and twenty percent (120%) of the original value of the defective GOODS or defective portion of the SERVICE) may be deducted from the CONTRACT PRICE or recovered as a debt from CONTRACTOR at COMPANY’s absolute and sole option, and CONTRACTOR shall have no liability for such work; or
  5. to determine and certify a reasonable reduction in the CONTRACT PRICE.
  6. CONTRACTOR’s obligation pursuant to Article 16.1 and 16.2 in respect of:
     1. GOODS shall be limited to those defects in the GOODS notified to CONTRACTOR before the end of the WARRANTY PERIOD, and
     2. the SERVICE shall be limited to those defects in the SERVICE notified to CONTRACTOR within one (1) year of the completion of the relevant SERVICE.
  7. All remedial work carried out under this Article 16:
     1. in respect of the GOODS shall give rise to a further twenty four (24) months warranty for the affected GOODS commencing from the date of completion of the remedial action, and
     2. . in respect of the SERVICE shall give rise to a further twelve (12) months warranty for the affected SERVICE commencing from the date of completion of the remedial action.
  8. The warranties provided herein shall not apply with respect to (i) normal wear and tear of any GOODS that are normally consumed in the performance of the SERVICE, (ii) use in different application or manner from that for which such GOODS or SERVICE was originally intended, (iiI) alteration, tampering or repair by anyone other than CONTRACTOR GROUP or (iv) maintenance that is not in accordance with CONTRACTOR’s instructions.

16.7 The warranties and remedies provided in the CONTRACT are exclusive and are made in lieu of any other warranties in respect of the SERVICE or GOODS express or implied, including warranties of merchantability and fitness for purpose.

# INSPECTION AND TESTS.

* 1. Upon reasonable written notice, CONTRACTOR shall permit COMPANY and/or its repre­sentatives to inspect and test the SERVICE and to examine the EQUIPMENT and shall ensure that COMPANY’s repre­sentatives have full and free access to the offices and facilities of CONTRACTOR and its SUB-CONTRACTORS. During the inspection visits, CONTRACTOR shall afford the necessary assistance, and supply the necessary documentation, to COMPANY’s inspectors, to enable them to monitor the progress of the SERVICE and to ascertain that the method of performing the SERVICE meets the terms of the CONTRACT.

* 1. The presence of COMPANY's representatives shall not relieve CONTRACTOR of its re­spon­si­bi­lity for the execution of the SERVICE.
  2. In case the nature of the SERVICE requires that it be submitted to tests as the SERVICE proceeds, or submitted to specific tests or in­spections accor­ding to the CONTRACT, CONTRACTOR shall notify COM­PANY in adequate time that the SERVICE is rea­d­y for the test in order that COMPANY's representa­tives shall have the op­portunity of being present at all such tests.
  3. Unless an agreement to the contrary has been made, it is understood that tests necessary for the kind of work in question, according to good practice, shall form an integral part of the carrying out of the SERVICE and shall be for the account of, and carried out under the responsibility of, CONTRACTOR who shall also supply the necessary testing equipment.
  4. CONTRACTOR shall send to COMPANY the full set of documents relating to the planning and/or inspections in accordance with the CONTRACT.

# TESTING OF THE GOODS

* 1. CONTRACTOR shall carry out the tests required under the CONTRACT. CONTRACTOR may also perform additional tests, when so required by COMPANY at COMPANY’s expense.
  2. CONTRACTOR shall notify COM­PANY in adequate time of the readiness of the GOODS for testing.
  3. The successful completion of the tests shall not relieve CONTRACTOR from any of its responsibilities under the CONTRACT.
  4. All costs of COMPANY's Inspectors and/or Inspection Companies, in connection with the tests required by the CONTRACT, will be for COMPANY's account. Any and all other costs incurred in running the tests shall be borne by CONTRACTOR. More specifically, CONTRACTOR shall meet the cost of:

1. obtaining the necessary approvals from, and/or having the tests performed by, the proper regulatory bodies;
2. supplying adequate equipment, electricity and/or motive power, water, handling equipment as well as all things necessary to run the tests;
3. repeating any operations, e.g. handling operations, assemblies and stripping down, in connection with the GOODS to be tested;
4. additional services rendered by COMPANY's Inspectors and/or Inspection Companies in the event that CONTRACTOR fails to enable such Inspectors to witness the tests;

e) repeating any test(s) in the event that the result does not conform to the requirements of the CONTRACT.

* 1. If the results of any test do not meet the requirements of the CONTRACT, CONTRACTOR shall take the necessary remedial actions in accordance with the procedures and timing agreed with COMPANY.
  2. Time spent by CONTRACTOR in complying with the above provisions shall not entitle CONTRACTOR to claim any extension of time.
  3. In the event of continuing or persistent failure of the GOODS to meet such tests, COMPANY may give notice of default to CONTRACTOR, and COMPANY reserves the right to terminate the CONTRACT and/or WORK ORDER in accordance with Article 23.3.1.
  4. If expressly required by the CONTRACT, CONTRACTOR shall, at the time of running the test, provide COMPANY with copies of all relevant certificates.
  5. CONTRACTOR shall submit to the necessary test the GOODS supplied by SUBCONTRACTOR, if any, and shall send to COMPANY the relevant test certificate(s), duly signed by CONTRACTOR.

# CHANGES OR MODIFICATIONS IN THE SERVICE

* 1. COMPANY shall have the right at any time during the term hereof to ask CONTRACTOR to make any changes that COMPANY considers advisable in the SERVICE or in the plans and specifications, and CONTRACTOR shall carry out such changes. Changes may include additions to, or reductions in, the amount of work.
  2. Should such changes entail an in­crease or reduction in the CONTRACT PRICE and/or a change in the delivery date(s), CONTRACTOR shall promptly notify COMPANY accordingly, and the PAR­TIES shall agree on the adjustment to the CONTRACT PRICE and/or delivery date(s), based on fairness criteria, and in accordance with the provisions of the CONTRACT and the agreement between the PARTIES as aforesaid shall be embodied in a revision to the CONTRACT.
  3. The CONTRACT PRICE shall not be increased on ac­count of additional work or additional materials required to remedy defects attributable to CONTRAC­TOR, or to carry out tests in excess of those spe­cified in the CONTRACT if such additional tests are necessary because of defects attributable to CON­TRACTOR.
  4. CONTRACTOR shall not change, modify or alter any part(s) of the SERVICE except as directed by COM­PANY in writing. In the event of any variation made by CONTRACTOR without COMPANY's prior approval, CONTRACTOR shall, at COMPANY’s option, but at CONTRACTOR’s expense, restore any varied part(s) of the SERVICE to the condition required by the CONTRACT.
  5. If CONTRACTOR fails to comply with the provisions of clause 19.4, COMPANY reserves the right to ter­mi­nate the CONTRACT.

# TAXES

* 1. Except as otherwise stated in this Article 20, CONTRACTOR shall bear and be liable for all TAXES that are assessed or levied on CONTRACTOR arising from or consequent to the CONTRACT and/or its performance by CONTRACTOR and shall, at its own expense, pay all such TAXES in accordance with APPLICABLE LAW whether related directly or indirectly to this CONTRACT and CONTRACTOR hereby agrees to be liable for and shall defend, indemnify and hold harmless COMPANY from and against any and all INDEMNIFIED COSTS arising out of or in connection with any assessment or levy made in respect of any of the aforesaid TAXES.
  2. COMPANY shall withhold from any payment to CONTRACTOR such sums that represent any TAXES that COMPANY is obliged to withhold in accordance with APPLICABLE LAW. COMPANY shall settle such TAXES with the appropriate authorities in accordance with APPLICABLE LAW. COMPANY shall provide CONTRACTOR with proof of such settlement in accordance with APPLICABLE LAW. In the event that CONTRACTOR is eligible for any reduced rate of withholding tax, CONTRACTOR will provide COMPANY with appropriate documentation required under APPLICABLE LAW to justify such reduced rate before any payment is made under this CONTRACT. In the absence of such documentation the full rate of Withholding Tax will apply. If CONTRACTOR has failed to properly fulfill its obligations to justify such reduced rate and COMPANY is subsequently penalised by any tax authority, CONTRACTOR shall be liable for and shall indemnify and hold harmless COMPANY GROUP from and against any and all INDEMNIFIED COSTS of whatever nature and howsoever caused arising therefrom or consequent thereto. COMPANY shall use reasonable efforts to support CONTRACTOR in CONTRACTOR’s efforts to obtain a tax reduction/exemption certificate (or the like) from the relevant tax authorities if the reduction/exemption certificate is required by APPLICABLE LAW to validate the claim for withholding tax reduction/exemption.
  3. CONTRACTOR shall charge COMPANY VAT at the rate required under APPLICABLE LAW.
  4. To the extent that any NEW TAXES apply, sums payable under this CONTRACT will be adjusted, either upwards or downwards, so that in respect of TAXES, CONTRACTOR will at all times be in the same financial position as CONTRACTOR would have been in if the NEW TAXES were not applicable to the performance of this CONTRACT. Notwithstanding the foregoing, at COMPANY’s option, any adjustment of sums payable under this CONTRACT is, if the adjustment is favourable to CONTRACTOR, subject to:

CONTRACTOR providing COMPANY with such proof of the effect of NEW TAXES on the financial position of CONTRACTOR in relation to TAXES, as COMPANY may reasonably require CONTRACTOR to provide; without prejudice to the generality of the foregoing, it shall be deemed to be reasonable for COMPANY to require disclosure of CONTRACTOR’s supporting documentation, including any documentation provided to the relevant authorities; and

CONTRACTOR making every effort to minimise its liability for any TAXES applicable to the performance of this CONTRACT under APPLICABLE LAW.

Notwithstanding the foregoing, COMPANY shall not be liable for NEW TAXES which would not have been incurred or imposed in the manner or to the extent actually imposed if CONTRACTOR were tax resident in any country with which the country of the AREA OF OPERATIONS has concluded a convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and capital and CONTRACTOR had taken reasonable steps to avail itself of protection under such convention.

# CUSTOM DUTIES AND FEES

* 1. CONTRACTOR assumes full and exclusive liability for the payment of any and all customs and excise duties, stamp duties, invoice, sales and use taxes, agents/handlers’ fees and other charges relating to the import/export and transportation of EQUIPMENT and all property of any member of CONTRACTOR GROUP to be used by CONTRACTOR GROUP for performing the SERVICE and any and all taxes, duties, levies and imposts levied against or on account of the property and equipment of any of them and import/export duties and related levies on household effects and ancillary items for the personal use of any member of CONTRACTOR GROUP.
  2. Without prejudice to the generality of Article 21.1, CONTRACTOR, if requiring the import of items to be furnished for the performance of the SERVICE, shall deal with such imports (and shall ensure that each supplier and associated scope contractor shall similarly do) in conformance with any legal, regulatory or contractual provisions which may grant COMPANY concessionary duties rates or exemption from local customs duties (including sales taxes and other surcharges in relation thereto and licence and import cum export authorisation fees) on imports of items required for the performance of the SERVICE. CONTRACTOR acknowledges that COMPANY does not warrant the availability of any concessionary rate/exemption:

1. CONTRACTOR shall indicate in its import applications that all such items are to be used by CONTRACTOR for COMPANY’s project and shall comply with such directions of COMPANY as are necessary to gain such concessionary rate/exemption (including but not limited to the provision of such documentation as may be required by COMPANY pursuant to any such legal, regulatory or contractual provision);
2. Notwithstanding the foregoing, CONTRACTOR shall be liable for and shall defend, indemnify and hold COMPANY harmless from and against any and all INDEMNIFIED COSTS in respect of or arising out of any failure to gain such concessionary rate/exemption; provided that COMPANY agrees to use all reasonable endeavours to assist CONTRACTOR or to expedite matters in relation thereto;
3. If governmental permits for the importation of EQUIPMENT and other items contemplated by this Article 21 include the obligation to re-export, CONTRACTOR shall timely comply with such obligations and CONTRACTOR shall reimburse COMPANY for and indemnify COMPANY against duties or charges or fines arising from its failure to so comply. In any event unless specifically authorised otherwise, all items not being part of the permanent SERVICE must be re-exported upon termination of the SERVICE hereunder;
4. On termination of this CONTRACT, CONTRACTOR agrees to remove all EQUIPMENT and material not being part of the permanent SERVICE from the site forthwith and further agrees that as soon as practicable thereafter it shall notify any applicable customs or fiscal authorities, that the SERVICE provided by CONTRACTOR to COMPANY hereunder have been completed and that CONTRACTOR has removed all EQUIPMENT and material not being part of the permanent SERVICE from the site.

# REPRESENTATIONS AND WARRANTIES

* 1. COMPANY represents and warrants that:

1. it is a company duly organised and validly existing under the laws of the place specified in the CONTRACT;
2. it is authorised to enter into this CONTRACT and has received all necessary approvals to do so and that it has, and shall continue to have, during the term of this CONTRACT, all necessary licenses, permits, consents and authorisations to perform the obligations under the CONTRACT;
3. this CONTRACT has been duly authorised and executed by COMPANY and constitutes valid and legally binding obligations of COMPANY, enforceable in accordance with their terms; and
4. compliance with the terms of this CONTRACT will not result in any violation of (i) any of COMPANY’s memorandum of association, articles of association, certificate of incorporation, by-laws or equivalent constitutive documents, (ii) any provision contained in any agreement or instrument to which COMPANY is a party or by which COMPANY or its assets are bound or (iii) or any statute, law, rule, regulation, judgement, decree or order applicable to COMPANY.
   1. CONTRACTOR represents and warrants that:
5. it is a company duly organized and validly existing under the laws of the country of constitution;
6. it is authorized to enter into this CONTRACT and has received all necessary approvals to do so and that it has, and shall continue to have, during the term of this CONTRACT, all necessary licenses, permits, consents and authorizations to perform the obligations under the CONTRACT;
7. this CONTRACT has been duly authorized and executed by CONTRACTOR and constitutes valid and legally binding obligations of CONTRACTOR, enforceable in accordance with their terms;
8. compliance with the terms of this CONTRACT shall not result in any violation of (i) any of CONTRACTOR's memorandum of association, articles of association, certificate of incorporation, by-laws or equivalent constitutive documents, (ii) any provision contained in any agreement or instrument to which CONTRACTOR is a party or by which CONTRACTOR or its assets are bound or (iii) or any statute, law, rule, regulation, judgement, decree or order applicable to CONTRACTOR;
9. CONTRACTOR shall provide the SERVICES in accordance with this CONTRACT and INTERNATIONAL GOOD OIL FIELD PRACTICE;
10. CONTRACTOR shall give the SERVICE the highest priority, and CONTRACTOR shall prosecute the SER­VICE in a diligent, good and workmanlike manner without inter­rup­tion to com­pletion;
11. CONTRACTOR shall apply its relevant technical knowledge and organisational experience in providing the SERVICES with all skill and care utilising sound engineering practices;
12. during the term of this CONTRACT, CONTRACTOR shall comply with all APPLICABLE LAW and particularly (whether APPLICABLE LAW or not) anti-corruption legislation, the Anti-Terrorism, Crime and Security Act 2001, the FCPA, and the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions. CONTRACTOR shall not (a) pay, promise to pay, or offer any fee, commission, material remuneration or other thing of value to or for the benefit of any government official, political party or official thereof or candidate for political office in order to corruptly influence an act or decision of such person in his or her official capacity, cause such person to act or fail to act in violation of his or her lawful duty or cause such person to influence an act or decision of the government, for the purpose of assisting CONTRACTOR or any of its AFFILIATES or SUBCONTRACTORS, if any, to obtain or retain business or gain any improper advantage, or (b) otherwise violate the FCPA or any other anti-corruption laws applicable to CONTRACTOR, any of its AFFILIATES or SUBCONTRACTORS, if any, or any of their respective directors, officers, employees, consultants, advisors or agents;
13. in connection with this CONTRACT, all transactions, including but not limited to the disposition of assets, the incurring of liabilities, the recording of expenses and the documenting of contractual arrangements undertaken by CONTRACTOR shall be recorded by CONTRACTOR in compliance with APPLICABLE LAW and shall in reasonable detail accurately and fairly reflect the transactions (including the purpose of each transaction and the person with whom it was concluded) in CONTRACTOR's books and records;
14. in connection with this CONTRACT, CONTRACTOR shall not retain or pay any agent, SUBCONTRACTOR, if any, or consultant if CONTRACTOR knows that, or has reason to believe that, circumstances exist which make it likely that such agent, SUBCONTRACTOR or consultant will engage in conduct that would violate any provision of par.2 (i) above when such agent, SUBCONTRACTOR or consultant were a party to this CONTRACT. CONTRACTOR shall take reasonable precautions to require its agents, SUBCONTRACTORS and consultants to comply with the obligations in par.2 (i) as above;
15. in connection with this CONTRACT, CONTRACTOR shall (a) enact and maintain appropriate compliance policies to implement the provisions of above par.2 (i) to 2 (k) inclusive, including arranging for appropriate training of CONTRACTOR PERSONNEL regarding their obligations to adhere to the standards of conduct set forth in such policies and (b) require CONTRACTOR PERSONNEL, its AFFILIATES, SUBCONTRACTORS, if any, and their respective directors, officers, employees, consultants, advisors and agents to comply with the obligations assumed by CONTRACTOR in above par.2 (i) to 2 (k) inclusive as if they were directly applicable thereto. This effort shall include, but not be limited to, establishing reasonable precautions to prevent such CONTRACTOR PERSONNEL, AFFILIATES, SUBCONTRACTORS, if any, and their respective directors, officers, employees, consultants, advisors and agents from receiving entertainment or gifts, payments, loans, or other things of value from government officials or making, promising or offering entertainment or gifts, payments, loans, or other things of value to COMPANY's directors, officers, employees, consultants, advisors or agents, or government officials, in violation of APPLICABLE LAW, including, without limitation, anti-corruption laws;
16. the GOODS shall conform to the requirements of the CONTRACT and be free from defects until the end of the WARRANTY PERIOD and shall, at delivery, be new;
17. CONTRACTOR shall co-ordinate and properly execute the provision of SERVICES in co-ordination with other contractors, if any;
18. CONTRACTOR shall prepare and maintain all TECHNICAL DOCUMENTATION required by COMPANY;
19. CONTRACTOR shall consult with and advise COMPANY and keep it informed with respect to all matters arising in connection with this CONTRACT and at all times co-operate with COMPANY and COMPANY REPRESENTATIVE;
20. CONTRACTOR shall notify COMPANY immediately of any impending or actual stoppages of any activity under the CONTRACT as above, industrial disputes or other matters affecting or likely to affect the performance of this CONTRACT and in such circumstance CONTRACTOR shall provide, in an expeditious manner, details of how it shall overcome the delay;
21. it is solvent and that no bankruptcy, insolvency or receivership proceeding has been commenced against CONTRACTOR and that it is aware of no basis upon which a reasonable person would expect there to be any likelihood of such a proceeding during the term of this CONTRACT;
22. CONTRACTOR shall remedy any defects such that the SERVICES are wholly in accordance with this CONTRACT;
23. CONTRACTOR shall ensure that any TECHNICAL DOCUMENTATION shall be free from defects, suitable and wholly in accordance with this CONTRACT;
24. CONTRACTOR shall provide competent superintendence, labour, materials, equipment and all services whether temporary or permanent and all other things of whatever nature required in and for the provision of SERVICES;
25. CONTRACTOR shall:

send, as requested by COMPANY, updated reports/records concerning the progress of the SERVICE and/or the status of any SUB-CONTRACTS and

institute adequate precautions to prevent any delays from occurring and/or take such actions as are necessary and proper to eliminate the effects of any intermediate delays.

# TERMINATION

* 1. Termination procedure
     1. Any termination shall become effective as of the date and in the manner specified in the notice of termination. Termination of the CONTRACT shall be without prejudice to any claim, right, obligation or liability already made, accrued or incurred (as the case may be) by either PARTY prior to the date of such termination or which may be specified or implied to remain in force thereafter.
     2. On receipt of a notice of termination, CONTRACTOR shall, unless otherwise directed by such notice, immediately discontinue the SERVICE and shall, if so requested, use its reasonable efforts to cancel all existing commitments upon terms satisfactory to COM­PANY and shall thereafter perform only such por­tion of the SERVICE as may be necessary to preserve and protect the part of the SERVICE being performed and to protect GOODS and COMPANY ITEMS lo­cated at CONTRAC­TOR BASE, or in transit thereto.
     3. In the event of termination of this CONTRACT, COMPANY may require the assignment of subcontracts to COMPANY.
  2. Early Termination
     1. COMPANY at its sole discretion may ter­minate for any reason and at any time the CONTRACT by giving written notice thereof to CONTRACTOR.
     2. If the CONTRACT is terminated by COMPANY pursuant to paragraph 23.2.1 above, CON­TRACTOR shall be entitled to the reim­bur­sement of the CONTRACT PRICE for that por­tion of the SERVICE performed in accordance with the CONTRACT up to the date of termination, evaluated at the rates and prices provided for in the CONTRACT, and the duly documented cost of any GOODS already pur­chased by CONTRACTOR and any unbreakable commitments made in good faith by CONTRACTOR for services or materials required for the provision of the SERVICE and reasonable documented demobi­li­sation expenses to be agreed between the PARTIES.
     3. Upon such termination, title to and pos­session of all work and GOODS, incorpo­rated or to be incorpora­ted in, or deliverable docu­ments re­la­ted to, the SERVICE shall pass to and vest in COMPANY on a "where is, as is" basis.
  3. Termination for Cause
     1. Without prejudice to the other provisions of the CONTRACT, COMPA­NY shall be entitled to terminate the CONTRACT in the following cases:

1. CONTRACTOR has not commenced the SERVICE or delivered the GOODS within the dates or terms set forth in the CONTRACT, after the exhaustion of any relevant liquidated damages payable by CONTRACTOR;
2. CONTRACTOR fails to perform the SERVICE in accordance with the terms of the CONTRACT; in particular, CONTRACTOR PERSONNEL and/or EQUIPMENT and/or GOODS do not meet the requirements indi­cated, or does not repair or replace malfunctioning EQUIPMENT and/or GOODS or parts;
3. CONTRACTOR delays in sending the TECHNICAL DOCUMENTATION to COMPANY or such documentation is not free from defects, suitable and wholly in accordance with the CONTRACT;
4. CONTRACTOR fails to meet any HSE or quality assurance requirement during the execution of the SERVICE;
5. CONTRACTOR is in material breach of the CONTRACT;
6. CONTRACTOR fails to comply with current APPLICABLE LAW, that has a detrimental effect on COMPANY, including without limiting regulations relating to insurance, salaries, wages and social secu­rity contributions for its PERSONNEL and safety legisla­tion;
7. CONTRACTOR suspends the provision of the SER­V­ICE in the event of arbitration;
8. In the event that any certifications submitted or produced by CONTRACTOR in relation to the award or performance of the CONTRACT prove at any time to be irregular or invalid;
9. CONTRACTOR assigns the CONTRACT or subcontracts the SERVICE, or any part thereof, wi­thout COM­PANY's prior written consent;
10. If a petition in bankruptcy is filed by or against CONTRACTOR or a receiver or administrator is appointed for any part of CONTRACTOR's assets provided by CONTRACTOR pursuant to the CONTRACT or for a substantial part of any of CONTRACTOR's other assets or an assignment is made of any part of CONTRACTOR's assets for the benefit of its creditors, or process of Court or authority is levied or enforced upon or issued out against any substantial part of CONTRACTOR's assets;
11. CONTRACTOR dissolves, liquidates or terminates its corporate existence other than by merger, sale, acquisition or reorganisation into an AFFILIATE; or an order is made by a court or an effective resolution is passed for the dissolution, liquidation or winding up of CONTRACTOR.
    * 1. If COMPANY considers that one of the aforesaid cau­ses of termination exists, except for paragraphs 23.3.1. j) or k), it may by writ­ten notice the­re­of to CONTRACTOR require CONTRACTOR to take reasonable steps to remedy such cause within a period of fifteen (15) days of receipt of COM­PANY's notice. If, upon the expiry of such period, such cause has not been remedied or removed or if agreement has not been reached on a plan to re­m­edy or remove the cause, or in the circumstances of paragraphs 23.3.1. j) or k , exists, COMPANY may terminate the CONTRACT forthwith.

* + 1. If the CONTRACT is terminated by COMPANY pursuant to paragraph 23.3 above, CON­TRACTOR shall be entitled to the reim­bur­sement of the CONTRACT PRICE for that por­tion of the SERVICE performed in accordance with the CONTRACT up to the date of termination, evaluated at the rates and prices provided for in the CONTRACT. However, COMPANY shall be entitled to be reimbursed, within sixty (60) days of re­ceipt by CONTRACTOR of the relevant debit note, for all reasonable documented direct costs incurred in connection with such termi­nation.
  1. Suspension
     1. COMPANY may, at any time and, for any reason, suspend the SERVICE or any part thereof by written notice to CONTRACTOR. Unless instructed otherwise by COMPANY, upon receipt of such notice, CONTRACTOR shall immediately discontinue the performance of the part of the SERVICE affected by the suspension and continue to perform the other parts of the SERVICE.
     2. CONTRACTOR shall promptly resume performance of the suspended SERVICE upon written notice from COMPANY.
     3. Where COMPANY suspends the SERVICE under Article 23.4.1, CONTRACTOR shall be entitled to compensation for any costs incurred during the period of suspension with respect to maintaining its CONTRACTOR PERSONNEL, EQUIPMENT and any other reasonable costs of demobilisation or remobilisation and safeguarding the SERVICE, evaluated at the rates and prices provided for in this CONTRACT or where no rates or prices are established, as shall be agreed between the PARTIES. CONTRACTOR shall take all reasonable measures to mitigate such costs during the period of suspension.
     4. If operations are suspended under this Article 23 for a period of thirty (30) consecutive days, the PARTIES shall meet to discuss the various alternatives available, including without limitation, amendment of this CONTRACT, continued suspension of performance or termination of this CONTRACT.

# LIABILITIES AND INDEMNITIES

* 1. All exclusions and indemnities given under this Article 24 shall apply irrespective of cause and notwithstanding negligence or breach of duty (whether statutory or otherwise) and shall apply irrespective of any claims in tort, under this CONTRACT or APPLICABLE LAW. However, except as provided elsewhere in Article 24.8, the exclusion of liability and indemnities shall not apply and may not be relied on (i) by COMPANY GROUP to the extent that any claim or liability was caused by its GROSS NEGLIGENCE WILFUL MISCONDUCT or fraud or (ii) by CONTRACTOR GROUP to the extent that any claim or liability was caused by its GROSS NEGLIGENCE, WILFUL MISCONDUCT or fraud.
  2. CONTRACTOR shall be liable for and shall defend, indemnify and hold harmless COMPANY GROUP from and against any and all INDEMNIFIED COSTS of whatever nature and howsoever caused, in respect of or arising out of:

1. injury, illness or death of any member of CONTRACTOR GROUP, and/or
2. subject to Articles 24.3 (d) and 24.5, loss of, or damage to the property, owned, hired or leased, of any member of CONTRACTOR GROUP; and
   1. COMPANY shall be liable for and shall defend, indemnify and hold harmless CONTRACTOR GROUP from and against any and all INDEMNIFIED COSTS of whatever nature and howsoever caused, in respect of, or arising out of:
      * 1. injury, illness or death of any member of COMPANY GROUP;
        2. loss of, or damage to the property, owned, hired or leased, of any member of COMPANY GROUP;
        3. loss of or damage to the reservoir, production formation, hole or well, and/or
        4. loss of, or damage to the property of any member of CONTRACTOR GROUP in the event of operations on a WILD WELL.
   2. Subject to Article 24.6, the PARTIES respective liability for claims by THIRD PARTIES is set out in this Article 24.4:

24.4.1Subject to Articles 24.4.2 (ii), (iii) and (iv), CONTRACTOR shall be liable for and shall defend, indemnify and hold harmless COMPANY GROUP from and against any and all INDEMNIFIED COSTS in respect of or arising out of injury, illness or death to a THIRD PARTY and/or loss or damage to the property, owned, hired or leased of a THIRD PARTY caused by any member of CONTRACTOR GROUP.

* + 1. COMPANY shall be liable for and shall defend, indemnify and hold harmless CONTRACTOR GROUP from and against any and all INDEMNIFIED COSTS in respect of or arising out of injury, illness or death to a THIRD PARTY and/or loss or damage to the property, owned, hired or leased of a THIRD PARTY (i) caused by any member of COMPANY GROUP or (ii) in the event of operations on a WILD WELL, (iii) in the event of a blow-out, explosion, cratering or any subsurface occurrence or (iv) involving any permanent THIRD PARTY oil and gas exploration and production facilities and pipelines, rigs or vessels within 500 meters radius of the wellsite.
  1. In the event of loss of, or damage to, the EQUIPMENT occurring below the rotary table in connection with the SERVICE, COMPANY shall at its sole option be liable for either;

the value for such EQUIPMENT lost in hole and not repairable as set out in the CONTRACT depreciated as in accordance with the CONTRACT or the replacement value delivered to AREA OF OPERATION, with proper supporting documentation if no lost in hole value is set forth in the CONTRACT; or

the duly justified cost of repair provided such repair is possible and convenient and approved by COMPANY; or

the replacement value delivered to AREA OF OPERATION, with proper supporting documentation if no lost in hole value is set forth in the CONTRACT;

* + 1. Notwithstanding the above, COMPANY shall not be liable if the loss or damage is caused by wear and tear, defect in EQUIPMENT or by CONTRACTOR GROUP's negligence, GROSS NEGLIGENCE or WILFUL MISCONDUCT.
    2. COMPANY is not obliged to fish any EQUIPMENT from the well but should such fishing operations be carried out, they shall occur under the sole supervision and responsibility of COMPANY who may require advice or assistance from CONTRACTOR who will comply with such request, without assuming liability therefor.
    3. Any non-repairable EQUIPMENT left in hole for which CONTRACTOR receives reimbursement from COMPANY will become the property of COMPANY following payment therefor.
  1. The liability of COMPANY and CONTRACTOR for pollution and contamination (including for claims by THIRD PARTIES arising thereform is as follows:
     1. Subject to Article 24.2, COMPANY shall be liable for and shall defend, indemnify, and hold harmless CONTRACTOR GROUP from and against any INDEMNIFIED COSTS of whatsoever nature arising from pollution and or contamination (including all costs of containment, clean-up and disposal) that: (i) emanates below the surface of the water or land, as the case may be, including but not limited to, radioactive sources, fire, blowout, explosion, cratering or an uncontrolled well condition or WILD WELL, (ii) emanates from the property of any member of COMPANY GROUP or (iii) results from the treating, storing, transporting, disposing of or otherwise managing drill cuttings and muds/waste materials associated thereto, to the extent that these activities are not included in the SERVICES.
     2. Subject to Article 24.3, CONTRACTOR shall be liable for and shall defend, indemnify and hold harmless COMPANY GROUP from and against any INDEMNIFIED COSTS of whatsoever nature arising from pollution and or contamination (including all costs of containment, clean-up and disposal) that: (i) occurs on the premises of any member of CONTRACTOR GROUP, (ii) subject to Article 24.6.1, emanates above the surface of the water or land, as the case may be from the property of, or under the care, custody or control of, any member of CONTRACTOR GROUP (including any marine vessel and radioactive source) and (iii) subject to Article 24.6.3, for treating, storing, transporting, disposing of or other­wise managing all waste emanating from the property of, or under the care, custody and control of any member of CONTRACTOR GROUP.
     3. In the event the SERVICES require treating, storing, transporting, disposing of or otherwise managing drill cuttings and muds/waste materials related thereto, CONTRACTOR’S liability will be determined in the FORM OF AGREEMENT.
  2. To the extent required by APPLICABLE LAW, COMPANY shall raise and remove any EQUIPMENT (floating or otherwise) which may sink or be lost overboard in the course of the performance of the SERVICE, notwithstanding that such EQUIPMENT may be insured and whether or not declared a total loss. When the loss occurs through shipping or handling by COMPANY, COMPANY shall bear the costs of the recovery, however, if the loss occurs through CONTRACTOR GROUP fault, the direct reasonable costs of recovery shall be to CONTRACTOR’S account.
  3. Notwithstanding any provision to the contrary elsewhere in the CONTRACT and except to the extent of any agreed liquidated damages (including without limitation any predetermined termination fees) provided for in the CONTRACT, (i) neither COMPANY nor COMPANY GROUP, shall under any circumstances, be liable to CONTRACTOR or CONTRACTOR GROUP for CONSEQUENTIAL LOSS, and CONTRACTOR hereby waives any claim it may at any time have against COMPANY GROUP in respect of any such damages, and (ii) neither CONTRACTOR nor CONTRACTOR GROUP, shall under any circumstances, be liable to COMPANY or COMPANY GROUP for CONSEQUENTIAL LOSS and COMPANY hereby waives any claim it may at any time have against CONTRACTOR GROUP in respect of any such damages, provided however, that such waivers shall not extend to any claim in respect of any fees, charges or other amounts due under this CONTRACT.
  4. The indemnified party in this CONTRACT shall, at all times, have the right to be represented by its own counsel at its own cost and expense and to participate in the defence of any action relating to such matter in which it may be named as a defendant.

# INSURANCE REQUIREMENTS

* 1. Without limiting its obligations under this CONTRACT or APPLICABLE LAW, CONTRACTOR shall maintain or cause to be maintained, throughout the term of the CONTRACT, with reputable insurers acceptable to COMPANY and, as a minimum rated “BBB” by Standard & Poor’s or equivalent, and shall pay for the following insurance policies:

(i) Workman's Compensation Insurance where required by APPLICABLE LAW or under each employment contract covering personal injury to, or death of, employees of the CONTRACTOR engaged in the performance of the CONTRACT;

(ii) Employers Liability Insurance covering personal injury to, or death of, employees of the CONTRACTOR engaged in the performance of the CONTRACT with amounts re­qui­red by APPLICABLE LAW but in no event less than US $ ten million (10,000,000) (or equivalent in EURO) for any one occurren­ce, which­eve­r is greater. Claims formulated by employees of CONTRACTOR against COMPANY GROUP shall be treated as claims against CONTRACTOR and compensated by such insurance;

General Third Party Liability Insurance covering all opera­tio­ns of CONTRAC­TOR under the CONTRACT for lia­bilities for death and personal injury and lia­bi­lities for loss or damage to property with a com­bined single limit of not less than US $ ten million (10,000,000) (or equivalent in EURO) per occurrence;

Automobile Public Liability Insurance with a minimum of than US $ five million (5,000,000) (or equivalent in EURO) for the death of or injury to any one person and at least US$ five million (5,000,000) (or equivalent in EURO) for all per­sons injured or killed as a result of one acci­dent and Automobile Public Liability Property Damage Insurance with a minimum of at least US$ five million (5,000,000) (or equivalent in EURO) for loss of or damage to proper­ty resulting from any one acci­dent;

If the performance of the CONTRACT requires the use of any vessel, craft or floating equipment that is owned, leased or chartered by CONTRACTOR GROUP:

1. Marine Hull and Machinery insurance, including war risk coverage and, to the extent not provided in the present Article, collision liability in an amount not less than the full value of each of such vessels, craft, or floating equipment;
2. Full P&I entry, including wreck and debris removal and oil pollution removal, stipulated with a member of the International Group of P&I Clubs including P&I war, strikes and related risks. The P&I cover shall provide:
   * Comprehensive liability insurance against accident and/or death of the Master, officers and crew and THIRD PARTIES;
   * the maximum limits of cover for pollution liability available from the Club at each renewal of the P&I Cover and in any case for an amount not less than United States Dollars One Billion (US$1,000,000,000,00) for any one occurrence;
   * Wreck and debris removal;
   * Contractual liabilities extension for an amount not less than United States Dollars Three Hundred Million (US$250,000,000,00) for any one occurrence;
     1. If the performance of the CONTRACT requires the use of any minor vessel, craft or floating equipment including but not limited to, Platform Supply Vessel, Anchor Handling Tug Supply Vessel, that is owned, leased or chartered by CONTRACTOR GROUP, Article (v) 2. above shall not apply but CONTRACTOR shall procure marine liability insurance, including wreck and debris removal and oil pollution removal, for an amount not less than United States Dollars Twenty Million (US$25,000,000,00) for any one occurrence;
     2. Property Damage In­su­rance for CONTRACTOR's own EQUIPMENT. COMPANY accepts CONTRACTOR may self-insure;
     3. Any other insurance required by APPLICABLE LAW.
   1. All insurance policies that are required to be maintained by CONTRACTOR GROUP by this Article shall contain provisions that the relevant insurers shall have no right of subrogation against any member of COMPANY GROUP or their respective insurers to the extent of the liabilities assumed by CONTRACTOR under the CONTRACT. In addition, all the insurance policies maintained in accordance with this Article, with the exception of the workman compensation insurance, shall provide that COMPANY is additionally insured under the policies to the extent of the liabilities assumed by CONTRACTOR under the CONTRACT.
   2. Within ten (10) days of the signature of the CONTRACT, (or the date of amendment of any policy) CONTRACTOR shall fur­nish to COMPANY certificates evidencing that all insurance requirements under the CONTRACT are in full force and effect and fully compliant with the requirements of this Article. Such cer­tificates shall:

(i) show the effective and expiry dates of all policies;

(ii) show the insurance limits;

(iii) state that the insurance shall not be cancelled or materially altered during the term of the CONTRACT without thirty (30) days prior writ­ten notice;

(iv)) state that the COMPANY is additionally insured under the policy, except with respect to the workman compensation insurance, and the subrogation rights are waived in favour of COMPANY GROUP and the respective insurers to the extent of the liabilities assumed by CONTRACTOR under the CONTRACT;

(v) contain a statement that all the endorse­ment­s required by this Article have been atta­ched to the appropriate policies.

* 1. The furnishing of certificates by CONTRACTOR shall not be interpre­ted to mean that COMPANY is assuming any responsi­bi­lity for the correctness of the policies to which the certificates relate and/or that CONTRACTOR has complied with all its obligations under the CONTRACT.
  2. CONTRACTOR further acknowledges that the insurances, and in particular the monetary amounts thereof, are minimum requirements and shall not be construed as limiting or re­stricting in any manner whatsoever the liability of CONTRACTOR under the CONTRACT, nor imposing any liability on COMPANY with respect to any amount in excess of the amounts set forth. Any deductibles from cover under any of the insurances specified in this Article shall be borne by CONTRACTOR in the event of a claim. CONTRACTOR shall forthwith on request of COMPANY provide details of the amount of all said deductibles.
  3. Policies relating to the insurance requirements set out in this Article shall not be cancelled or materially altered during the term of this CONTRACT without CONTRACTOR giving thirty (30) days prior written notice to COMPANY, and only provided that the insurance coverage required by this CONTRACT is maintained.
  4. Failure to comply with this Article, secure the insurance coverages, or the fa­ilure to comply fully with any of the insurance provisions of the CONTRACT, or the failure to secu­re such endorsements on the policies as may be ne­ces­sary to carry out the terms and provisions of the CONTRACT, shall in no way serve to relieve CON­TRACTOR from any obligation under the CON­TRAC­T. In the event that liabilities for any loss or damage which CONTRACTOR has assumed under the CONTRACT are denied by CONTRACTOR's underwriter for any other reason, or if CONTRACTOR fails to maintain any of the insurance policies herein required, CONTRACTOR shall be liable for and shall defend, indemnify and hold harmless COMPANY GROUP from any and all INDEMNIFIED COSTS arising out of or re­sulting from such denial or failure. Additionally, should CON­TRAC­TOR fail to secure or maintain the insurance coverages required by this Article, COM­PANY reserves the right either to terminate the CONTRACT or to obtain any required insurance coverages at CONTRACTOR's cost always provided that CONTRACTOR’s liabilities stated in the CONTRACT will remain un­changed.
  5. CONTRACTOR shall cause every SUB-CONTRACTOR employ­ed by CONTRACTOR in the performance of the CONTRACT to carry insurance of the appropriate types and proportionate amounts required by this Article or APPLICABLE LAW in connection with the activities engaged in by that person. CONTRACTOR shall furnish COM­PANY with certificates of insurance evidencing co­ve­rage for each member of CONTRACTOR GROUP.
  6. Those insurances which members of CONTRACTOR GROUP are required to maintain by this CONTRACT or APPLICABLE LAW shall always be construed as primary insurances to the extent of the liabilities assumed by CONTRACTOR under the CONTRACT without any right of contribution from any insurance taken out by the COMPANY.

# LIQUIDATED DAMAGES

* 1. All amounts of liquidated damages set out in the CONTRACT are agreed as a genuine pre-estimate of the losses which may be sustained by COMPANY in the event that the CONTRACTOR fails in its respective obligations under the CONTRACT, and not as a penalty.
  2. The provisions of liquidated damages set out in the CONTRACT shall be the COMPANY’s sole and exclusive financial remedy in the event CONTRACTOR fails to achieve the respective obligations for which liquidated damages are applied in accordance with the CONTRACT.
  3. In circumstances where any liquidated damages are successfully challenged by CONTRACTOR as constituting a penalty or otherwise can not be enforced against the CONTRACTOR, the PARTIES agree that CONTRACTOR’s liability to the COMPANY will instead be for general damages at law.
  4. COMPANY may, without prejudice to any other method of recovery, deduct the amount of any liquidated damages from any monies due, or which become due, to the CONTRACTOR.

# CONTRACT PRICE

* 1. In consideration for the satisfactory performance of this CONTRACT in accordance with its terms, COMPANY shall pay CONTRACTOR the CONTRACT PRICE in the amounts set out, and in the manner stipulated, in the applicable Appendix.
  2. Except as otherwise stipulated in this CONTRACT, the sums set out in the CONTRACT shall remain fixed and not be subject to any adjustment or escalation during the term of this CONTRACT.
  3. CONTRACTOR has properly evaluated all costs and contingencies necessary for the completion of the performance of the CONTRACT in accordance with its terms and CONTRACTOR undertakes to make no claims whatsoever or requests for variations, for price adjustments and/or time extensions based on its failure sufficiently to evaluate such costs and contingencies or for its reliance on COMPANY supplied information and data and CONTRACTOR hereby waives any right to demand any such additional compensation howsoever arising.
  4. If APPLICABLE LAW requires CONTRACTOR to charge COMPANY VAT, CONTRACTOR will charge such an amount in addition to the CONTRACT PRICE and will follow the administration of such VAT in accordance with APPLICABLE LAW.

# WORK TICKET

* 1. Save as otherwise stated in the CONTRACT, CONTRACTOR shall, at the end of each job or month, whichever comes first, submit to COMPANY a Work Ticket, in the form and number requested by COMPANY, covering the SERVICE performed in the month con­cer­ned by CONTRACTOR.
  2. The Work Ticket shall quote:

1. number and date of the Work Ticket and, in the case of Call-out Contract, number and date of WORK ORDER;
2. reference number and date of issue of the CONTRACT;
3. code number allocated to CONTRACTOR as shown on the CONTRACT;
4. items billable as listed, numbered and described in the CONTRACT.

* 1. COMPANY shall check the Work Ticket and shall either (i) return it approved to CONTRACTOR or (ii) provide reasons for objection, within fifteen (15) calendar days from the date of receipt. Should COMPANY not respond within this period, CONTRACTOR shallbe entitled to submit invoices based on the Work Ticket and, in case any discrepancy is found later, amounts will be adjusted accordingly by means of a credit note.

# INVOICING

* 1. Subject to Article 28.3, CONTRACTOR may submit invoices to COMPANY after APPROVAL of the relevant Work Ticket in the form and number requested by COMPANY.
  2. Each invoice shall include the following information:

1. reference number and date of issue of this CONTRACT;
2. the code number allocated to CONTRACTOR as shown on this CONTRACT;
3. items billable as listed, numbered and described in the applicable Schedule;
4. the VAT rate and amount (where applicable); and
5. a copy of the relevant APPROVED milestone payment certificate.
   1. All invoices submitted by CONTRACTOR to COMPANY shall be accompanied by such documents, records, lien waivers (when available), receipts, APPROVED time sheets or other evidence as COMPANY may request to support charges contained therein and CONTRACTOR shall ensure that all such documents, records, lien waivers, receipts, APPROVED time sheets or other evidence shall truly reflect the facts about the activities, milestones and transactions to which they pertain and that COMPANY may rely upon these as being complete and accurate.
   2. The invoices shall be sent to the COMPANY's address specified in the FORM OF AGREEMENT.

# PAYMENT

* 1. Subject to the approval by COMPANY of CONTRACTOR’s invoice, the invoice shall be paid within the term specified in the FORM OF AGREEMENT, in the currency indicated in the applicable Schedule, to CONTRACTOR’s designated bank account, details of which are set out in the FORM OF AGREEMENT, which bank account shall be opened, maintained and operated by CONTRACTOR either in the country of performance of the SERVICE or the country of incorporation or foreign branch registration. Payment under this CONTRACT shall be made only to this account opened in the name of CONTRACTOR.
  2. COMPANY shall have the right to withhold payment with respect to any item it disputes until agreement is reached with CONTRACTOR or the dispute over such item is otherwise settled. COMPANY shall pay the undisputed part of a disputed invoice and shall notify the CONTRACTOR of the reasons for the dispute. Any adjustment or credit due for any such item shall be documented in the month succeeding the month in which the dispute is settled. To the extent that COMPANY prevails in this dispute, CONTRACTOR shall not be entitled to receive any interest on payments withheld.
  3. COMPANY shall have the right to withhold payment with respect to reasonable amounts to cover claims that may be made against any member of COMPANY GROUP or against the property of any such persons, by any person, arising out of performance under this CONTRACT and COMPANY shall have the right to make reasonable settlements of such claims.
  4. In addition to any other remedy available to it, COMPANY may set-off against payments due to CONTRACTOR hereunder any amount due and owing or claimed in good faith to be due and owing to COMPANY by CONTRACTOR hereunder for any reason. COMPANY shall not be entitled to withhold monies due to the CONTRACTOR under any other contracts with the 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.
  5. Any payment made by COMPANY hereunder, including the final billing under this CONTRACT, shall not prevent COMPANY from filing claims or prejudice its right to recover the amount of such claims however they may have arisen, or constitute a waiver by COMPANY of any of its rights under this CONTRACT or APPLICABLE LAW. Without prejudice to the generality of the foregoing, either PARTY may recover any sums paid to the other PARTY by mistake of law or fact.
  6. In the event of late payment of correctly prepared and supported invoices relative to the terms specified in the CONTRACT, interest will be payable, calculated on a daily basis from the due date for payment until actual payment, on the amount due to CONTRACTOR at the then current “Base Rate” or equivalent of the national bank of the country of the AREA OF OPERATIONS plus two per cent (2%),

# NO ASSIGNMENT OF CREDIT ALLOWED

Unless expressly authorized by COMPANY, the assignment of all credits due to CONTRACTOR under the CONTRACT is excluded with resulting liability of CONTRACTOR, to COMPANY, for any breach of the above-mentioned agreement. Further, in no circumstances may CONTRACTOR give any special cash warrants to any THIRD PARTY(IES), nor delegate, in any manner whatsoever, the collection of any of the monies due to CONTRACTOR hereunder.

# AUDIT AND RECORDS

* 1. CONTRACTOR shall maintain true and complete records of all its operations under or relevant to this CONTRACT.
  2. At all times during the performance of the CONTRACT, CONTRACTOR shall provide COMPANY with accurate and complete information with respect to the SERVICE and the events affecting the performance of the SERVICE and CONTRACTOR shall make available to COMPANY REPRESENTATIVE all relevant planning and reporting documents and CONTRACTOR shall comply with the reporting requirements in accordance with the CONTRACT.
  3. CONTRACTOR agrees to retain all pertinent books and records including but not limited to payroll, accounting and payment records, invoices, time reports and travel/entertainment expense reports relating to the SERVICE for a twenty four (24) month period or any other longer period as may be requested under APPLICABLE LAW, commencing at the end of the calendar year in which provision of any of such SERVICE was completed or the CONTRACT terminated and for any additional period as may be necessary to permit COMPANY to complete any audit commenced within such period. Representatives and auditors of COMPANY shall have access at any time, upon reasonable notice, during normal working hours to the books and records maintained by CONTRACTOR relating to the SERVICES and to any work sites and shall have the right to copy and audit such books and records except those in respect of any make-up of rates and lump-sum included in the CONTRACT.
  4. CONTRACTOR shall obtain equivalent rights of audit to those specified above from all SUBCONTRACTORS and shall cause such rights to extend to COMPANY.

# ASSIGNMENT

* 1. COMPANY may freely assign the CONTRACT (or any interest, therein) to its AFFILIATES and/or COVENTU­RERS by giving reasonable written notice to CONTRACTOR, and to any other person, subject to CONTRACTOR's prior written consent, which consent shall not be unreasonably withheld.
  2. CONTRACTOR shall not assign the CONTRACT (or any interest therein) without COMPANY’s prior written consent, which consent shall not be unreasonably withheld.

# COMPLIANCE WITH LAWS

* 1. CONTRACTOR shall comply, and shall ensure that CONTRACTOR GROUP shall comply with, all APPLICABLE LAW and, subject to Article 24, CONTRACTOR shall be liable for and shall defend, indemnify and hold harmless COMPANY GROUP from and against any and all INDEMNIFIED COSTS arising out of or in connection with any breach by CONTRACTOR GROUP of APPLICABLE LAW.
  2. CONTRACTOR shall, at its own cost, obtain in due time and maintain throughout the duration of this CONTRACT, all such approvals, permits, authorisations, licenses and clearances required for the performance of the SERVICE and which are required by APPLICABLE LAW to be obtained by CONTRACTOR.
  3. When so requested by COMPANY, CONTRACTOR shall assist COMPANY in obtaining such approvals, permits, authorisations, licenses and clearances related to the SERVICE which may only be obtained by COMPANY as well as in supplying COMPANY with all information as COMPANY may necessitate for complying with APPLICABLE LAW.
  4. CONTRACTOR shall ensure that provision of the SERVICE shall not be started without the requisite approvals, permits, authorisations, licenses and clearances being obtained from the relevant authorities.
  5. If, at any time after the EFFECTIVE DATE, there is a change in APPLICABLE LAW, (excluding in respect of TAXES) in the country of the AREA OF OPERATIONS whether through amendment of existing laws or regulations or enactment of new laws or regulations or change of interpretation or implementation policy, and such change has an effect on CONTRACTOR’s costs for performing the SERVICE (to be evaluated in accordance with the unit rates set out in the CONTRACT, where applicable), either PARTY shall be entitled to request that this change be taken into account and the amounts payable under the CONTRACT shall be adjusted accordingly. In the event that there is an adverse effect on CONTRACTOR’s costs then, upon providing to COMPANY satisfactory written evidence demonstrating such adverse effect, COMPANY shall provide for an increase to the CONTRACT PRICE: provided that (i) CONTRACTOR shall have no such entitlement where it knew or ought to have known on the EFFECTIVE DATE that a change in such APPLICABLE LAW was expected to take place that could forseeably have an adverse effect on CONTRACTOR under this CONTRACT and (ii) CONTRACTOR shall demonstrate that it has taken and is taking all reasonable, practical steps to minimise the increased costs for performing the SERVICE.

# REPRESENTATIVES OF THE PARTIES.

* 1. COMPANY shall by notice in writing appoint one COMPANY REPRESENTATIVE who has the authority to represent COMPANY.
  2. COMPANY REPRESENTATIVE shall notify CONTRACTOR information, instructions and decisions of COMPANY made in connection with the performance of the CONTRACT.
  3. Except as otherwise stated in this CONTRACT, only COMPANY REPRESENTATIVE shall be authorised to receive on behalf of COMPANY notifications, information and decisions of CONTRACTOR under the provisions of the CONTRACT.
  4. The presence of COMPANY REPRESENTATIVE or any of COMPANY GROUP’s personnel shall in no way relieve CONTRACTOR of its obligations and liabilities under the CONTRACT.
  5. CONTRACTOR shall appoint in writing a CONTRACTOR REPRESENTATIVE who shall be a suitably qualified professional, having the experience and capability necessary to represent CONTRACTOR in the performance of the SERVICE and who is authorised to represent and bind CONTRACTOR in any course of action in connection with the SERVICE.
  6. CONTRACTOR REPRESENTATIVE shall notify COMPANY of all information, instructions and decisions of CONTRACTOR made in connection with the performance of this CONTRACT.
  7. Except as otherwise stated in this CONTRACT, only CONTRACTOR REPRESENTATIVE shall be authorised to receive on behalf of CONTRACTOR notifications, information and decisions of COMPANY under the provisions of this CONTRACT.
  8. Either PARTY may change its respective representatives under the present Article at any time at its sole discretion by notice in writing to the other PARTY.
  9. Neither the COMPANY REPRESENTATIVE nor the CONTRACTOR REPRESENTATIVE or their respective assistants shall be empowered to change, alter or vary the terms and conditions of this CONTRACT or to waive any of the rights, duties and liabilities of the PARTIES.

# INDEPENDENT CONTRACTOR

* 1. CONTRACTOR shall be an independent CONTRACTOR with respect to the performance of the SERVICE with exclusive control over its EQUIPMENT, materials and CONTRACTOR PERSONNEL and neither CONTRACTOR nor anyone employed by CONTRACTOR shall be deemed for any purpo­se to be the employee, agent, ser­vant, borrowed servant or representative of COMPANY in the performance of any work or service hereunder.
  2. COMPANY shall have no direction or control of CONTRACTOR, CONTRACTOR PERSONNEL or SUBCONTRACTORS. The actual performance and supervision of the SERVICE shall be by CONTRACTOR, but COMPANY or its COMPANY REPRESEN­TATIVE shall have full and complete access to the opera­tions to de­termine whether the SERVICE is being perfor­med by CONTRAC­TOR in accor­dance with all pro­visions of the CON­TRACT. No provi­sions herein shall be construed as creating a part­nership, joint venture or other association whereby COMPANY and CON­TRACTOR would be jointly liable as partners or CO-VENTURERS.

# INTELLECTUAL PROPERTY RIGHTS

* 1. Each PARTY shall retain the ownership of its INTELLECTUAL PROPERTY RIGHTS which are in the possession of that PARTY prior to the execution of this CONTRACT (hereinafter “BACKGROUND INFORMATION”) even if disclosed to the other PARTY under this CONTRACT.

* 1. Each party hereby grants to the other PARTY a non-exclusive, non-transferable, royalty-free licence and right to use its BACKGROUND INFORMATION solely for the purpose and to the extent necessary to carry out the SERVICE in accordance with this CONTRACT. The licences granted in this Article 37.2 shall not include the right to manufacture or sublicence.
  2. Where any INTELLECTUAL PROPERTY RIGHTS in any country in the world or any confidential know-how results from:
     1. developments by CONTRACTOR which are based wholly on data, equipment, processes, substances and the like in the possession of CONTRACTOR GROUP at the EFFECTIVE DATE of the CONTRACT or otherwise produced outside of the CONTRACT or,
     2. enhancements of or in the existing INTELLECTUAL PROPERTY RIGHTS of CONTRACTOR GROUP,

such rights shall vest in CONTRACTOR GROUP.

* 1. Where any INTELLECTUAL PROPERTY RIGHTS in any country in the world or any confidential know-how results from:
  2. developments by COMPANY GROUP which are based wholly on data, equipment, processes, substances and the like legally owned or controlled by COMPANY GROUP at the EFFECTIVE DATE of the CONTRACT or otherwise produced outside the CONTRACT, or
  3. enhancements of or in the existing INTELLECTUAL PROPERTY RIGHTS of COMPANY GROUP,

such rights shall vest in COMPANY.

* 1. Except as provided in clauses 37.1 to 37.4 inclusive, COMPANY and CONTRACTOR shall each have an equal, undivided interest in the right, title and interest in and to any information or data that is jointly conceived or jointly generated and to any invention, idea, process or principle that is jointly conceived and, in either case, arising solely out of the performance of the CONTRACT.

(i) In the event that either COMPANY or CONTRACTOR believes that a application for any INTELLECTUAL PROPERTY RIGHTS should be filed or a right registered in any such joint interest, that PARTY shall notify accordingly the other PARTY in writing. The other PARTY must advise the notifying PARTY within a 60 day period thereafter of its agreement to participate in the application or registration process in the manner set out below. If the other PARTY does not within the notice period, agree to participate in such process, the notifying PARTY shall be the assignee of all the other PARTY’s rights in the interest. Both COMPANY and CONTRACTOR agree to cooperate fully in the preparation of such patent application and to pay its share of all necessary fees to prepare, establish and maintain any jointly owned application or patent, or registered right in force throughout its full term; provided however, that a PARTY may elect to discontinue payment of such fees and shall thereafter promptly notify the other PARTY of such election and, at no cost to the other PARTY, assign such patent or registered right to the other PARTY, retaining no interest therein.

(ii) In the event that either COMPANY or CONTRACTOR do 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, but will give the other PARTY and its AFFILIATES and its CO-VENTURERS a royalty-free, irrevocable, non-exclusive, non-transferable, world-wide licence to use such right and have used for their own operations which shall not be otherwise sublicensed.

* 1. CONTRACTOR declares and warrants that (i) the methods and processes used by CONTRACTOR GROUP to perform the SERVICE and (ii) the GOODS and/or EQUIPMENT shall not infringe the INTELLECTUAL PROPERTY RIGHTS of any other person and CONTRACTOR shall immediately notify COMPANY if it causes or becomes aware of any infringement or alleged infringement under this Article 37, or any matter that may reasonably be expected to give rise to a claim for infringement. In such event COMPANY shall have the right to require CONTRACTOR, at no cost to COMPANY, to amend or alter the SERVICE or its performance thereof so as to avoid actual, alleged or potential infringement.
  2. CONTRACTOR shall be liable for and shall defend, indemnify, and hold harmless COMPANY GROUP from and against any and all INDEMNIFIED COSTS of whatever nature and howsoever caused in respect of, or arising out of, any actual or alleged infringement of any INTELLECTUAL PROPERTY RIGHTS arising out of or in connection with the performance of the obligations by CONTRACTOR under the CONTRACT. Without prejudice to the above, CONTRACTOR shall not be held liable for the infringement of INTELLECTUAL PROPERTY RIGHTS caused:

1. by the use by COMPANY of GOODS and/or SERVICES in combination with goods and/or services not supplied by the CONTRACTOR;
2. when the GOODS or COMPANY ITEMS and/or SERVICES have been modified, designed and/or produced on the basis of specific requests of COMPANY;
3. by unauthorized additions or modifications by COMPANY to the GOODS or COMPANY ITEMS and/or SERVICES;

(iv) where the use by COMPANY of the GOODS or COMPANY ITEMS and/or SERVICES does not correspond to the CONTRACTOR’S standards and specifications.

# FORCE MAJEURE

* 1. To the extent that a PARTY is fully or partially delayed, prevented or hindered by an event of FORCE MAJEURE from performing any obligation under this CONTRACT (other than an obligation to make payment), despite the exercise of reasonable diligence by the affected PARTY, the failure to perform shall be excused by the occurrence of such event of FORCE MAJEURE.
  2. Without limiting the potential events that do not constitute FORCE MAJEURE, the following events or circumstances shall not constitute FORCE MAJEURE unless the affected PARTY can clearly demonstrate that such event was otherwise caused by an event which would qualify as FORCE MAJEURE:
     1. late delivery to CONTRACTOR or COMPANY of machinery, equipment, spare parts or consumables;
     2. a delay in the performance of any SUBCONTRACTOR;
     3. normal wear and tear of, and random flaws in, materials and equipment or breakdowns in equipment;
     4. unavailability of funds;
     5. seasonal adverse weather conditions;
     6. any event or circumstance which could reasonably have been foreseen, prevented or guarded against by the affected PARTY;
     7. any event or circumstance resulting from a failure by the affected PARTY to comply with the requirements of the CONTRACT or to adopt INTERNATIONAL GOOD OIL FIELD PRACTICE;
     8. mechanical breakdown of EQUIPMENT;
     9. strikes by CONTRACTOR PERSONNEL or the personnel of COMPANY GROUP or labour disturbances involving CONTRACTOR PERSONNEL or the personnel of COMPANY GROUP.
  3. A PARTY claiming that its performance is excused by an event of FORCE MAJEURE shall, promptly after the occurrence of such event of FORCE MAJEURE, notify the other PARTY (and, as soon as reasonably possible thereafter, provide such other PARTY with satisfactory supporting evidence) of the nature, date of inception and expected duration of such event of FORCE MAJEURE and the extent to which the PARTY expects that the event will delay, prevent or hinder the PARTY from performing its obligations under this CONTRACT. The notifying PARTY shall thereafter use its best efforts to eliminate such event of FORCE MAJEURE and mitigate its effects.
  4. If the performance of a substantial or significant part of either PARTY’s obligations under this CONTRACT is delayed, prevented or hindered for a period of thirty (30) consecutive days as a result of any event of FORCE MAJEURE, the PARTIES shall meet to agree in good faith the critera to be adopted either for continuation or termination of this CONTRACT.
  5. A PARTY that has properly invoked an event of FORCE MAJEURE shall promptly notify the other PARTY of termination of any such event of FORCE MAJEURE, whereupon performance of this CONTRACT shall recommence. Notwithstanding any other provision of this CONTRACT, during the period of any such non-performance, each PARTY shall be liable for and bear all of its own costs, expenses, losses and damages suffered and incurred as a result of a circumstance or event of FORCE MAJEURE and the period of any such non‑performance, together with such period as may be necessary for the restoration of any damage, shall be added to the time allowed in this CONTRACT for the performance excused by the event of FORCE MAJEURE.

# DISPUTE RESOLUTION

COMPANY and CONTRACTOR shall use their best efforts to resolve any dispute or claim which may arise under the CONTRACT in an amicable manner. Failing an amicable settlement within a reasonable time, but not exceeding sixty (60) days, any dispute or claim arising out of or in relation to the CONTRACT shall be finally settled by arbitration under the Rules of Conciliation and Arbitration of the International Chamber of Commerce by three arbitrators appointed in accordance with such Rules. The cost of such arbitration shall be borne as determined by the arbitrator(s). Unless otherwise mutually agreed, arbitration hearings shall be held in London UK. The language of the arbitration shall be English. The award shall be final and binding on the PARTIES and may be enforced in any court or competent jurisdiction. The PARTIES shall treat all matters relating to the arbitration as confidential in accordance with Art 41.

# GOVERNING LAW

All questions arising out of or related to the CONTRACT, including but not limited to its validity, interpretation, performance or breach shall be governed by the laws of England, excluding conflict rules and choice of law principles.

# CONFIDENTIALITY

* 1. All technical, financial and commercial information concerning this CONTRACT and duly exchanged, in writing or otherwise, by and between the PARTIES in performing any provision of this CONTRACT shall be deemed confidential, and the PARTIES shall take all necessary and reasonable steps to prevent the disclosure of the received information to any other person.
  2. A PARTY's obligations under Article 41 do not preclude disclosure by such PARTY of confidential information where such PARTY can demonstrate by written evidence that: (i) that information was already or has subsequently entered the public realm through no fault of the PARTY seeking to disclose the confidential information, (ii) the PARTY seeking to disclose the confidential information already possessed that information at the time of receipt from the other PARTY or has since received it from another person that is not subject to this duty of confidence, or (iii) the confidential information is required by APPLICABLE LAW or this CONTRACT to be disclosed to a public authority or in a court of law or arbitral proceeding, provided that the PARTY seeking to disclose the confidential information provides prior notice of such disclosure to the other PARTY.
  3. Further, a PARTY's obligations under Article 41 do not preclude a disclosure which is made strictly for the purpose of the performance by that PARTY of its obligations under the CONTRACT, and for no other purpose whatsoever, to: (i) the auditors of one of the PARTIES, (ii) any AFFILIATE of such PARTY, (iii) any director, officer, employee, consultant, advisor, employee or agent of such PARTY, in the case of (ii) and (iii) where such recipient has a a clear business need to know such confidential information provided that the PARTIES ensure that the recipients of such information sign a confidentiality undertaking at least as stringent as that contained in the present provisions.
  4. CONTRACTOR shall not and shall ensure that all members of CONTRACTOR GROUP shall not: (i) publish any press release, announcement, advertisement or reference to the SERVICE or to this CONTRACT in any way (including the award of same), or (ii) provide any information to any newspaper, trade journal, publication or radio or television broadcasting body, or the agents or reporters of such concerns on any matters related to the SERVICE or this CONTRACT without the prior approval of COMPANY. Any proposed release, announcement, advertisement or reference shall be submitted to COMPANY for its review prior to any publication or release for publication

41.5 The provision of this Article 41 shall continue in force for a period of five (5) years from the date of termination of the CONTRACT.

# ADMINISTRATIVE RESPONSIBILITY

* 1. CONTRACTOR declares to have reviewed and have knowledge of the contents of the document “Model 231”, including also the eni Code of Ethics, drafted by COMPANY in accordance with the legislation in force regarding the administrative liability of legal entities for offences committed by their directors, employees and/or agents and available on the website of COMPANY.

With respect to the performance of the activities under the CONTRACT, CONTRACTOR represents and warrants that it has given and implemented instructions to its directors, employees and/or agents, aimed at preventing any and all conduct in breach of the FCPA, the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, the United Nations Convention against Corruption and any other anti-bribery laws which may be applicable to CONTRACTOR and undertakes vis-à-vis COMPANY to continue effectively implementing such instructions for the entire duration of the CONTRACT. In particular and in accordance with the abovementioned laws and conventions, CONTRACTOR undertakes to abstain (and to cause its directors, employees and/or agents to abstain) from, directly or indirectly, offering, promising, giving, paying or accepting any Public Officials request for a gift, or authorizing anyone to give or pay, directly or indirectly, any sums, other benefits or advantages or anything of value to or for a Public Official. For the purposes of the CONTRACT, Public Official shall mean:

a) anyone who performs public functions in a legislative judicial or administrative capacity;

b) anyone acting in an official capacity for or on behalf of: (i) a supranational, national, regional or local government, (ii) an agency, department, office or instrumentality of a supranational, national, regional or local government, (iii) a government-owned or government-controlled or government-participated company, (iv) a public international organization and/or (v) a political party, a member of a political party, an official or candidate for political office;

c) anyone in charge of providing a public service; or

d) any other person, individual or entity at the suggestion, request or instruction or for the benefit of any of the persons or entities referred to in points (a) to (c) above.

* 1. With respect to the performance of the activities under the CONTRACT, CONTRACTOR undertakes vis-à-vis COMPANY for the entire duration of the CONTRACT to strictly abide by the principles of the Eni Code of Ethics and to respect human rights as defined in the Eni Guidelines on the Protection and Promotion of Human Rights, available on the website www.eni.com. In particular, CONTRACTOR undertakes to abstain from:

a) offering commissions, fees and other benefits to directors, employees or agents of COMPANY;

b) entering into trade agreements with directors, employees or agents of COMPANY which may negatively affect the interests of COMPANY;

c) starting business activities or entering into agreements with third parties in breach of the principles set out in the Eni Code of Ethics which would negatively affect the performance of the CONTRACT;

d) providing directors, employees or agents of COMPANY with non-property benefits also in the form of gifts, means of transportation, hospitality offers which go beyond the limits of the commonly accepted business ethical standard.

* 1. The PARTIES agree that any non-compliance, even partial, with the abovementioned representations, warranties and undertakings, which can be reasonably expected to result in adverse consequences for COMPANY, will be considered a material default under the CONTRACT and will entitle COMPANY to unilaterally withdraw, even during its performance, or to terminate the CONTRACT, by delivering notice via registered mail, which shall include a brief summary of the circumstances or of the legal proceedings demonstrating such non-compliance.
  2. In the event of information that could reasonably imply such non-compliance, pending the required verifications or findings COMPANY will have the right to suspend the performance of the CONTRACT by delivering notice via registered mail, which shall include a brief summary of the relevant information. Should the information be obtained from the media, COMPANY shall have the right to exercise such right when the information has been confirmed by an official document of the Judicial Authority and/or otherwise confirmed by the Judicial Authority. The exercise of such rights will be to the sole detriment of CONTRACTOR, which shall bear, in all cases, all additional expenses and costs and shall be liable for and defend, indemnify and hold harmless COMPANY from any action arising from or consequential to such non-compliance.

# WAIVERS

* 1. No failure, delay or neglect on the part of a PARTY to enforce any of the terms and conditions of the CONTRACT or to insist upon the strict performance or observance thereof shall be considered a waiver, except where expressly stated to be such in writing by such PARTY.
  2. No aproval, consent, inspection, in­struction or recommendation on the part of one PARTY shall in any way affect the lia­bi­lity of the other PARTY to perform its obli­gations strictly in accor­dance with the terms of this CONTRACT.

# SEVERABILITY

If at any time any one or more of the provisions of this CONTRACT, either by themselves or jointly not being of a fundamental nature, becomes invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

# NOTICES

All notices, other than invoices to be given with respect to the CONTRACT, shall be considered as given to COMPANY and to CONTRACTOR, respectively, if given in writing and delivered personally or sent by registered mail or certified mail, return receipt requested, or by fax or telex to the address and to the attention of the relevant PARTY set out in the FORM OF AGREEMENT and to the attention of that PARTY’s representative appointed in accordance with Article 35. Such notices shall be effective when delivered personally or when placed in the mail if mailed in the manner provided above.

# ENTIRE AGREEMENT

This CONTRACT constitutes the entire agreement between the PARTIES in respect of its subject matter and supersedes all prior discussions and agreements between the PARTIES with respect to its subject matter, and may not be altered, amended or modified except where agreed in writing by the PARTIES.

# THIRD PARTIES

Except as otherwise specifically set forth in this CONTRACT: (a) nothing expressed or referred to in this CONTRACT shall be construed to give any person or legal entity, other than the PARTIES any right, remedy or claim under or with respect to this CONTRACT or any provision of this CONTRACT, and (b) this CONTRACT and all of its provisions are for the sole and exclusive benefit of the PARTIES. No person or legal entity other than the PARTIES shall have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this CONTRACT

# SURVIVORSHIP

Unless otherwise specifically stated elsewhere in the CONTRACT, those provisions of this CONTRACT which by their nature extend beyond the termination of the CONTRACT shall survive any such termination or completion of the SERVICE.

# SECURITY IN HIGH RISK AREAS

The PARTIES agree that, in the event that the worksite within the AREA OF OPERATIONS at which CONTRACTOR shall provide the SERVICES is, at the EFFECTIVE DATE, or becomes during the period of the CONTRACT, an area of high risk (as defined by the PARTIES and their respective insurers) they shall promptly agree specific provisions in respect of the security of personnel and property. In instances where both PARTIES’ insurers disagree as to the security condition, the finding of the higher security condition by an insurer will take precedence.



**FORM OF AGREEMENT**

**for**

**AUXILIARY DRILLING SERVICES**

**ON A CALL-OUT BASIS**

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**FORM OF AGREEMENT**

This AGREEMENT is made on the date first stated below by and between:

1. **eni XXXXXXXXX**. a corporation existing under the laws of ……. and having its principal place of business at ……… (“**COMPANY**”)

and

1. ……………, a corporation existing under the laws of …………… and having its principal place of busi­ness at ………………….. (“**CONTRACTOR**”)

**WHEREAS:**

1. COMPANY is engaged in petroleum operations in the AREA OF OPERATIONS and requires the SERVICES for such operations to be supplied by CONTRACTOR, and
2. CONTRACTOR represents that it is fully experienced, qualified, able and willing to provide the SERVICESin accordance with the CONTRACT.

**NOW THEREFORE IT IS HEREBY AGREED as follows:**

* + - 1. **DEFINITIONS**

In this FORM OF AGREEMENT, words and expressions shall have the same meanings as are assigned to them herein and in the General Conditions.

**“AREA OF OPERATIONS”** is*………*

“**BANK GUARANTEE**” has the meaning specified in Article 12

**“COMMENCEMENT DATE”** means the date set out in the FORM OF AGREEMENT by which CONTRACTOR shall commence the provision of the SERVICE

"**COMPANY'S SHORE BASE**" means the base utilised by COMPANY for its activities in the AREA OF OPERATIONS. COMPANY SHORE BASE is….

**“CONTRACTOR BASE”** is …….

**“EMBARKATION POINT”** means the embarkation point appointed by COMPANY for its offshore activities in the AREA OF OPERATIONS. EMBARKATION POINT is ……

“KEY PERSONNEL” means any CONTRACTOR PERSONNEL filling positions listed in this FORM OF AGREEMENT.

“**PARENT COMPANY GUARANTEE**” has the meaning set out in Article 12.

* + - 1. **PERFORMANCE OF CONTRACT AND SCOPE OF WORK**

2.1 The PARTIES agree that in consideration for the payments to be made by the COMPANY under the CONTRACT, CONTRACTOR hereby covenants to execute diligently and complete [insert brief description of the work to be performed under the CONTRACT] as is more fully described in the CONTRACT (the “SERVICES”) in accordance with the provisions of the CONTRACT.

2.2 No minimum work commitment is guaranteed by COMPANY.

* + - 1. **THE CONTRACT**

The following documents (herein together called the “CONTRACT”) constitute the entire agreement between the PARTIES with respect to the SERVICESand supersede all prior correspondence, negotiations, agreements or understandings, either written or oral, between the PARTIES:

* Form of Agreement
* General Terms and Conditions
* Scope of Work
* Appendix “Compensation”
* Appendix E “Health, Safety and Environment”
* Appendix “Quality Requirements”
* Local Content Specific Provisions
* Bonds and Guarantees
* WORK ORDERS

In the event of any conflict between the above documents, precedence shall be established in the order listed above.

* + - 1. **CONTRACT DURATION AND OPTIONS TO EXTEND**

4.1 This CONTRACT shall become effective on ……..(the “EFFECTIVE DATE”) and shall continue in full force and effect, subject to termination in accordance with the terms of the CONTRACT.

4.2 CONTRACTOR shall commence the provision of the SERVICES in accordance with the CONTRACT in the AREA of OPERATIONS on …… (the COMMENCEMENT DATE) and shall thereafter proceed with the SERVICE with due expedition and without delay, for a period of xxxx months in accordance with this CONTRACT.

* 1. CONTRACTOR acknowledges that the performance of the SERVICE is time critical and shall not assign to other works a priority which affects or interferes with the start, finish or timely performance of each part of the SERVICE in accordance with this CONTRACT
  2. COMPANY may extend the CONTRACT ….., each for …… additional months, under the same terms and conditions as set forth herein, by giving written notice to CONTRACTOR at least ………. days before the expiration of the CONTRACT.
     + 1. **KICK OFF MEETING**

The PARTIES agree that a “Kick-off meeting” will be held at a location and date designated by COMPANY between COMPANY and CONTRACTOR within ten (10) days from the EFFECTIVE DATE, during which the PARTIES will clarify all operational/technical/quality related aspects relevant to the performance of the SERVICE.

* + - 1. **KEY PERSONNEL**

6.1. The KEY PERSONNEL are:

……

*……*

6.2. Curriculum Vitae in respect of KEY PERSONNEL shall be supplied to COMPANY and such KEY PERSONNEL shall be APPROVED prior to commencement of the SERVICES.

6.3. Once mobilised to perform activities required for the provision of the SERVICES, KEY PERSONNEL shall not be replaced or re-assigned by CONTRACTOR without prior APPROVAL.

* + - 1. **SUBCONTRACTING**

The following SUBCONTRACTORS are APPROVED:

|  |  |  |
| --- | --- | --- |
| 7.1 | Name of SUBCONTRACTOR | SERVICE |
| 7.2 | Name of SUBCONTRACTOR | SERVICE |
| … | … | … |

* + - 1. **CONTRACTOR's OBLIGATIONS**

CONTRACTOR shall provide the following:

8.1 ...................................................

8.2 ...................................................

* + - 1. **INVOICING**

### The invoice(s) shall be sent to the following address:

### *(Note:* *if different from the COMPANY’s address)*

*…….Enter Invoicing address*

* + - 1. **PAYMENT**

### Subject to the APPROVAL by COMPANY of CONTRACTOR’s invoice, the invoice shall be paid within …. days of receipt, in the currency …. and in the bank account …..(*specify bank account*)

## Account Name:

## Bank:

## Account Number:

## Swift Number:

## IBAN Number:

## Address of Bank:

* + - 1. **LIQUIDATED DAMAGES**

The PARTIES agree that if:

* 1. CONTRACTOR fails to commence the SERVICE by the relevant COMMENCEMENT DATE, or,

11.2 CONTRACTOR fails to deliver the GOODS in accordance with the term agreed in writing between the PARTIES

then CONTRACTOR shall pay to COMPANY as liquidated damages and not as a penalty for each such failure to observe such obligation in accordance with its terms, the amount of:

United States Dollars xxxxxxx (US$ xxx)

for each day of delay or part thereof, calculated from the applicable contractual due date up to and including the actual date of commencement or delivery as the case may be.

* + - 1. **FINANCIAL SECURITY**
  1. CONTRACTOR shall obtain and deliver to COMPANY by the EFFECTIVE DATE a bank guarantee in the form attached to the CONTRACT (the "BANK GUARANTEE") and in the amount of …. and shall maintain the BANK GUARANTEE (or successor BANK GUARANTEEs in similar terms), as security for the proper performance of this CONTRACT by CONTRACTOR. The BANK GUARANTEE shall remain in full force and effect and be held by COMPANY until all outstanding financial matters pursuant to the CONTRACT have been settled. The BANK GUARANTEE may be drawn by COMPANY upon COMPANY’s first written demand stating that CONTRACTOR has not fulfilled its obligations under the CONTRACT, notwithstanding any contest or other disagreement by CONTRACTOR. The bank providing the BANK GUARANTEE shall be subject to the prior approval of COMPANY. CONTRACTOR shall obtain and deliver to COMPANY by the EFFECTIVE DATE a parent company guarantee in the form attached to the CONTRACT (the "PARENT COMPANY GUARANTEE") as security for the proper performance of this CONTRACT by CONTRACTOR. The PARENT COMPANY GUARANTEE shall remain in full force and effect and be held by COMPANY until all outstanding financial matters pursuant to the CONTRACT have been settled. The PARENT COMPANY GUARANTEE may be drawn by COMPANY upon COMPANY’s first written demand stating that CONTRACTOR has not fulfilled its obligations under the CONTRACT, notwithstanding any contestation by CONTRACTOR. The parent company providing the PARENT COMPANY GUARANTEE shall be subject to the prior approval of COMPANY.
  2. COMPANY shall not be under any obligation to make any payment to CONTRACTOR until such time as COMPANY has received an acceptable BANK GUARANTEE and an acceptable PARENT COMPANY GUARANTEE as required by this Article 12.
     + 1. **NOTICES**

The addresses for notice to be sent to each PARTY are as follows:

*…….*

and copy to:

*…….*

*……..*

*…….*

* + - 1. **GOVERNING LAW**

This FORM OF AGREEMENT shall be governed by and construed in accordance with the laws of England.

**IN WITNESS whereof:**

The PARTIES have signed this FORM OF AGREEMENT on the dates stated below.

|  |  |  |  |
| --- | --- | --- | --- |
| For and behalf of **COMPANY** | | For and behalf of **CONTRACTOR** | |
|  |  |  |  |
| Signature |  | Signature |  |
|  |  |  |  |
| Name |  | Name |  |
|  |  |  |  |
| Title |  | Title |  |
|  |  |  |  |
| Date |  | Date |  |