



PRELUDE

These terms and conditions are binding between the Parties and supersede and replace any of Subcontractor's terms and conditions or previous agreements for the goods and services in scope. Where these conditions deviate from any conditions contained in a PO, the PO shall prevail. However where the PO lists or refers to further documents, the PO and these terms and conditions will prevail over such further documents, unless explicitly stated otherwise in the PO.

TC03 - Seaway 7 Purchasing Terms & Conditions

1.0 DEFINITIONS

1.1 "Affiliate" shall mean any subsidiary, parent or holding company of any tier, and any company directly or indirectly controlled by such company. For the purpose of this definition the expression "controlled" means the ownership of fifty per cent (50%) or more of the issued share capital, or the legal power to direct or cause the direction of the general management of the company, partnership or other entity in question, whether by share ownership, contract or otherwise;

1.2 "Change of Control" shall mean, in relation to any member of Subcontractor Group, the occurrence of any of the following events:

- a) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of any key assets;
b) any change in beneficial ownership or in the voting securities;
c) any change in the composition of the board such that the individuals who constitute the board at the Subcontract Date cease for any reason to constitute at least a majority of the board;

1.3 "Company" shall mean the client of Contractor with whom Contractor has a contractual relationship relating to the performance of the Work, if applicable;

1.4 "Completion Date" shall mean the scheduled date and time by which the whole of the Work shall be completed and delivered to Contractor, all in accordance with the Subcontract Schedule;

1.5 "Consequential Damages" shall mean:
a) consequential or indirect loss under English law;
b) loss and/or deferral of production, loss of product, loss of use, loss of revenue, loss of profit or anticipated profit, in each case whether direct or indirect, to the extent that these are not included under a) and whether or not foreseeable at the time the Subcontract was signed;

1.6 "Contractor" shall mean the Seaway Heavy Lifting entity requesting the Goods and/or the Services from Subcontractor, as specified in the PO

1.7 "Contractor Group" is the following group of parties, however excluding any member of Subcontractor Group:

- a) Contractor and its Affiliates;
b) the partners and co-venturers of the parties under a), including the Affiliates of each of them;
c) the (sub)contractors, surveyors, inspectors or consultants of any tier of the parties under a) and b);
d) the co-lessees, partners, co-venturers, joint venturers, agents and representatives of the parties under a), b) and c), including the Affiliates of each of them;
e) the officers, directors, employees and invitees of the parties under a), b), c) and d); and
f) the insurers of each of the parties under a), b), c), d) and e) and the insurers' surveyors, inspectors or consultants;

1.8 "Encumbrance" shall mean any mortgage, charge (fixed or floating), pledge, lien, hypothecation, guarantee, trust, right of set off, or third party right or interest (legal or equitable) including any assignment by way of security, reservation of title or other security interest of any kind, howsoever created or arising or any other agreement or arrangement having similar effect;

1.9 "Force Majeure" shall mean an event so described in Article 13.0;

1.10 "Goods" shall mean all tangible items, documentation and/or computer programmes to be provided by Subcontractor under the Subcontract;

1.11 "Guarantee Period" shall mean the period of sixty (60) months from the date on which the last of the Goods are delivered and/or the last of the Services are performed and accepted by Contractor;

- 1.12 "Insolvent" shall mean:
a) cash flow complications which in the reasonable opinion of Contractor may cause interruption of the Work;
b) company voluntary arrangement;
c) administration;
d) winding up or taking a resolution for winding;
e) a notice issued by a court or other authority of competent jurisdiction for winding up or striking off;
f) appointment of a receiver or a provisional liquidator;
g) loss of reasonable prospect or cease to trade;
h) inability to pay debts within the meaning of section 123 of the Insolvency Act 1986; or
i) anything analogous to the foregoing under the laws of any applicable jurisdiction;
j) any preparation or application for any of the above matters, or Subcontractor giving notice of or in the reasonable opinion of Contractor in other way demonstrating its intention to achieve any of the above events;

1.13 "Intellectual Property Rights" shall mean any intellectual property rights, including patents, design rights, know-how, models, trademarks and trade secrets or rights in confidential information, whenever and however arising, for their full term and including any applications divisions, reissues, re-examinations, continuations, continuations-in-part and renewals thereof, in relation to the Work;

1.14 "Milestone" shall mean a set event, task, or partial completion of the Work as so defined in the PO or otherwise in the Subcontract;

1.15 "Party" shall mean either Contractor or Subcontractor, as the case may be;

1.16 "Services" shall mean anything to be provided by Subcontractor under the Subcontract other than Goods;

1.17 "PO" shall mean purchase order(s) calling off Work to be performed by Subcontractor under this Subcontract. The PO shall as a minimum clarify the Work, applicable (Milestone) Completion Date(s) and all other relevant project specifications;

1.18 "Subcontract" shall mean these purchasing terms and conditions, together with the relevant PO and any other documents as referred to in the PO;

1.19 "Subcontract Date" shall mean the date so specified in the PO;

1.20 "Subcontract Price" shall mean the total sum payable to Subcontractor as specified in the Subcontract and/or PO for the proper execution of the Subcontract and/or PO, as may be modified only by means of a Variation;

1.21 "Subcontractor" shall mean the Party providing the Goods and/or the Services, as further specified in the PO;

1.22 "Subcontractor Group" is the following group of parties, however excluding any member of Contractor Group:



- a) Subcontractor and its Affiliates;
- b) the partners, clients, and co-venturers of the parties under a), including the Affiliates of each of them;
- c) the (sub)contractors, surveyors, inspectors or consultants of any tier of the parties under a) and b);
- d) the co-lessees, partners, co-venturers, joint venturers, agents and representatives of the parties under a), b) and c), including the Affiliates of each of them;
- e) the officers, directors, employees and invitees of the parties under a), b), c) and d); and
- f) the insurers of each of the parties under a), b), c), d) and e) and the insurers' surveyors, inspectors or consultants;

1.23 "Tax" shall mean any taxes, duties, levies, charges, fees and contributions, including corporate income tax, value added tax, sales taxes, use taxes, import/export or excise taxes, stamp duties, payroll taxes, withholding taxes, social security charges, national insurance and custom fees and duties, and any interest or penalties accrued upon the forgoing, which may be assessed, by any government authority;

1.24 "Third Party" shall mean any entity or person other than those included in Contractor Group or Subcontractor Group;

1.25 "Variation" shall mean:

- a) an instruction in accordance with Article 10.0;
- b) an exclusive means of adjustment to the Subcontract Schedule and/or the Subcontract Price to which Subcontractor is entitled under the Subcontract;

1.26 "Work" shall mean the provision of Goods and/or Services by Subcontractor or the Goods and/or Services themselves, as the context may require;

1.27 "Worksite" shall mean the locations of the Work and the facilities used for the performance of any part of the Work, including fabrication yards, vessels, testing facilities, offices, warehouses and storage and handling areas.

2.0 INTERPRETATION

2.1 The following interpretations shall apply to all documents included in the Subcontract or resulting therefrom:

- 2.1.1 Definitions used in this Subcontract are stated under Article 1.0;
- 2.1.2 All instructions, notices, agreements, amendments, authorisations and acknowledgements shall be in writing and executed in accordance with the Subcontract;
- 2.1.3 If a particular situation requires an oral instruction in the first instance, such instruction shall promptly be confirmed in writing;
- 2.1.4 Words importing the singular shall also include the plural and vice versa where the context so requires;
- 2.1.5 The words "including", "such as" and the like are not used for restrictive lists and shall be deemed to be completed by the expression "but not limited to";
- 2.1.6 Any term or phrase introduced or followed by the words "and/or" means either such term or phrase separately, collectively, or any combination of such term or phrase;
- 2.1.7 Words importing persons shall include firms and corporations;
- 2.1.8 References to 'day', 'week', 'month' or 'year' shall mean their respective full term under the Gregorian calendar;
- 2.1.9 The "contra proferentem" rule does not apply;
- 2.1.10 The headings used in the Subcontract are for convenience only and shall not define, limit or describe the scope or intent of the Subcontract; and

2.1.11 If no response time is given for a Subcontractor obligation, Subcontractor shall promptly comply with and/or respond to such instruction.

3.0 ASSIGNMENT AND SUBCONTRACTING

- 3.1 Subcontractor shall not subcontract, novate, assign or otherwise transfer the Subcontract or any part thereof, or any rights or obligations therein, without the prior approval of Contractor.
- 3.2 Subcontractor shall ensure that the obligations set out in this Article 3.0, are materially incorporated in any subcontracts to the extent the Work shall be performed by any consented subcontractor.
- 3.3 Unless an amendment of the Subcontract stipulates otherwise, Subcontractor shall remain responsible and fully liable for the due performance of the Subcontract as well as for the performance of any associated subcontracts. Subcontractor shall be responsible for the acts and omissions of any subcontractor as if they were acts and omissions of Subcontractor. Subcontractor shall ensure that any subcontracts materially comply with the provisions of the Subcontract.
- 3.4 Upon request by Contractor, Subcontractor shall within three (3) days provide a full copy of each subcontract or purchase order in Subcontractor's supply line related to the Work.
- 3.5 Contractor shall have the unconditional right to assign, transfer, or novate any or all of its rights and/or obligations under the Subcontract to any party designated by Contractor and Subcontractor shall upon request of Contractor execute without delay any document required to effect same.
- 3.6 Contractor has the discretionary right to reject or accept any part of the Work performed under a subcontract for which Contractor has not given its prior approval. If Contractor decides to accept any part of the Work performed under a subcontract for which Contractor has not given its approval, an amount equal to ten per cent (10%) of the Subcontract Price will immediately become due by Subcontractor to Contractor by way of liquidated damages.

4.0 SUBCONTRACTOR OBLIGATIONS

- 4.1 Subcontractor warrants that it shall perform and complete the Work in accordance with the Subcontract.
- 4.2 Subcontractor shall promptly remedy any defects and/or errors in the Work. When completed, the Work shall be fit for its intended purpose or application as defined in the Subcontract or, if no purpose or application is specified, for its ordinary purpose or application.
- 4.3 Subcontractor shall provide all management, supervision, suitably qualified personnel, materials and equipment, plant, consumables, facilities and all other things, whether of a temporary or permanent nature required to perform the Work. This shall include anything specified in or, in the opinion of Contractor, to be inferred from the Subcontract. Where no detailed specification is included in the Subcontract, all things provided by Subcontractor shall be new, fit for the intended purpose and of highest quality and workmanship.
- 4.4 Subcontractor shall carry out all of its obligations under the Subcontract with all due care and diligence and with the skill to be expected of a reputable contractor experienced in the types of work to be carried out under the Subcontract.
- 4.5 Any engineering and/or design performed and/or provided by Subcontractor shall be suitable for the purpose and use for which it is intended and shall be in strict conformity with the technical requirements as set out in the Subcontract and those of the relevant certifying authority.
- 4.6 The Work shall include any works which are necessary to comply with the requirements below. Should an ambiguity or contradiction arise, Contractor shall decide which requirement will be governing over the Work.
 - a) all applicable laws, rules, regulations and certifying requirements of any authority having jurisdiction over the Work or the Worksite;



- b) all permits and consents applicable to the Work or the Worksite;
- c) any applicable installation methodologies and engineering standards;
- d) any applicable good safety practices.

- 4.7 Subcontractor shall at any time arrange for Contractor, or any party designated by Contractor, free access to the Worksite, for whatever reason, and shall provide all reasonable facilities to them.
- 4.8 Subcontractor shall comply with Contractor's instructions and directions on all matters relating to the Work, except to the extent that it may be legally or physically impossible or create a hazard to safety, in which case Subcontractor must provide immediate written notice to Contractor.
- 4.9 Subcontractor represents and warrants that it has satisfied itself, before entering into the Subcontract, as to the extent, nature and purpose of the Work. The obligation in this Article shall include, but is not limited to, any necessary services, personnel, crew movements, materials and equipment, plant, consumables and facilities, as well as any general and local conditions, relevant laws, consents customs and regulations and all other matters which could affect progress or performance of the obligations under the Subcontract. Subcontractor accepts the Worksite on an "as is where is" basis.
- 4.10 On completion of the Work, Subcontractor shall without delay, clear and remove all of Subcontractor's equipment and debris from the Worksite and leave the Worksite in a clean, tidy and safe condition. Where Subcontractor fails to comply with this Article after the final date set by Contractor, but in no event later than within seven (7) days, Contractor shall have the right to undertake all actions necessary for the purpose as set out in this Article.
- 4.11 Subcontractor shall, whenever required by Contractor, submit details of the arrangements and methods which Subcontractor proposes to adopt for the execution of the Work. No significant alteration to these arrangements and methods shall be made without this having previously been notified to Contractor.
- 4.12 Throughout the design and execution of the Work and as long thereafter as is necessary to fulfil Subcontractor's obligations, Subcontractor shall provide all necessary superintendence to plan, arrange, direct, manage, inspect and test the work.
- 4.13 Subcontractor shall give an early warning to Contractor as soon as an event has occurred which could increase the Subcontract Price, impact the Subcontract Schedule, impair performance of the Work or affect safety.
- 4.14 Subcontractor shall, on first demand of Contractor, defend, indemnify and hold harmless Contractor Group from and against any and all losses, damages, claims, costs (including legal costs and attorneys' fees), suits, proceedings, actions, demands, fines and penalties incurred or suffered by Contractor Group and/or Company, resulting from Subcontractor Group's failure to comply with its obligations under this Article 4.0.

5.0 SUBCONTRACTOR CO-OPERATION

- 5.1 Subcontractor shall fully co-operate with Contractor Group, Company or any other party interacting with Subcontractor regarding the Work. Subcontractor shall provide prompt access and opportunity for such parties to perform their work. Delays or additional costs incurred by Subcontractor as a result of such co-operation with others shall not entitle Subcontractor to a Variation.

- 5.2 Contractor and Company shall have the right to audit and take copies of extracts from Subcontractor Group's books, accounts, records and original documents (including computer and other forms of digital data) relating to the Subcontract, at any reasonable time. Subcontractor Group shall maintain such records for at least sixty (60) months after termination or expiry of the Subcontract. Subcontractor shall obtain equivalent rights of audit from all its subcontractors or vendors of any tier relating to the Subcontract and shall extend these rights to Contractor and Company, where applicable.

6.0 CONTRACTOR PROVIDED INFORMATION

- 6.1 All information provided by Contractor prior to this Subcontract has been reviewed by Subcontractor for any errors, omission, discrepancies or other inconsistencies in relation to the Work. Such information has been accepted by Subcontractor in accordance with Article 6.3.
- 6.2 Subcontractor will review further Contractor provided information after entering into this Subcontract. Following issuance of such Contractor provided information Subcontractor shall reply as soon as possible, but no later than seven (7) days after the date of issuance of such Contractor provided information. Where continuation of any Work requires the earlier response from Subcontractor such shall be provided upon first demand from Contractor. Subcontractor shall issue:
 - a) a notice of review and acceptance of Contractor provided information; or
 - b) a substantiated notice of the discovery of an error in Contractor provided information. In such instance Contractor shall advise Subcontractor if he agrees and if this is the case of the measures to be taken or, at its option, re-submit the revised information to Subcontractor.
- 6.3 A notice under Article 6.2.a) or the expiration of the term set out in Article 6.2 without such notice, shall constitute acceptance by Subcontractor of Contractor provided information, whereby Subcontractor represents and warrants that:
 - a) it is fully satisfied with the completeness of the information; and
 - b) it has examined Contractor provided information for errors and omissions; and
 - c) such Contractor provided information is in all respects fit and sufficient for both its intended purpose and that of the Work; and
 - d) it is able to perform and complete the Work, or the relevant part, in full compliance with the Subcontract.
- 6.4 Where Contractor provided information gives rise to an error, omission or ambiguity and Subcontractor did not discover same and/or comment thereon or failed to comply in any other way with this Article 6.0, no claim by Subcontractor shall be valid and Subcontractor shall bear all costs of any corrective measures. The issuance of an unsubstantiated or incorrect notice under Article 6.2.b) shall not allow Subcontractor to request an extension of time or additional costs in relation to Contractor provided information.

7.0 DOCUMENTATION AND REVIEW

- 7.1 Subcontractor shall submit its drawings, specifications, production plans, system design, procedures, test schedule, manuals, purchase orders or any other documents to Contractor for review, comment and for approval, if specified, by the dates stated in the Subcontract or, if no date is specified, as soon as they are created or as may be requested by Contractor and in all events in such a timely manner as to avoid any delay to the Work.



- 7.2 Subcontractor shall issue such documents to Contractor in a continuous and uniform frequency to avoid excessive accumulation of documents which could reduce Contractor's ability to review the documents in a timely manner.
- 7.3 Contractor may give notice to Subcontractor that a Subcontractor document fails to comply with the requirements of the Subcontract. If a Subcontractor document fails to comply, it shall be rectified, resubmitted and reviewed and approved, if specified, in accordance with this Article 7.0, at Subcontractor's cost. This review cycle shall be repeated until Contractor considers that the relevant document complies with the requirements of the Subcontract.
- 7.4 Any parts of the Work which require prior approval from Contractor shall not commence until such approval has been given in writing.
- 7.5 Any such Contractor approval, consent or review, under the provisions of this Article 7.0 or otherwise, shall not relieve Subcontractor from any obligation or responsibility under the Subcontract.
- 7.6 Subcontractor shall provide Contractor, on or before the date notified by Contractor, with all relevant documentation for the Work as specified in the Subcontract or as may be requested by Contractor. Such information shall be provided by Subcontractor on or before the date set in the Subcontract or on the date notified by Contractor.

8.0 SUBCONTRACT PRICE

- 8.1 Subcontractor hereby represents and warrants that the Subcontract Price, and associated rates and prices set out in the Subcontract, are correct and sufficient in all respects, are not subject to any escalation and are based on the evaluation of all costs and contingencies for successfully performing and completing the Work and for fulfilling all its obligations under the Subcontract.
- 8.2 Except where it is expressly provided that Contractor shall carry out an obligation under the Subcontract at its own cost. All things to be supplied or performed by Subcontractor under the Subcontract shall be deemed to be included in the Subcontract Price.
For Variations, all things to be supplied or performed by Subcontractor shall be deemed to be included in the associated rates and prices included in the relevant parts of the Subcontract.
- 8.3 Contractor shall make payments to Subcontractor free of any tax deductibles or withholding tax. Contractor shall only withhold or make such deductions on payments if this is required by the applicable laws or regulations, or if Contractor Group can be held directly or indirectly liable for Tax for which Subcontractor is responsible under Article 24.1.
- 8.4 Delivery of goods or parts of the Work shall be based on Incoterms 2010 DDP (Delivery Duty Paid) at the location as set out in the Subcontract or as instructed by Contractor, unless expressly otherwise stated in the Subcontract.

9.0 PAYMENT

- 9.1 Subcontractor shall submit its invoices in accordance with Contractor's requirements.
- 9.2 Subcontractor shall submit all documentation required by Contractor to verify the accuracy and correctness of any invoice or any payment to be made by Contractor under the Subcontract. Value added tax (VAT), when applicable, shall be identified as a separate item on the invoice.
- 9.3 Contractor shall pay Subcontractor within sixty (60) days of receipt by Contractor of a correctly prepared and properly supported invoice at the address specified in the Subcontract. Payment or a payment certificate does not constitute acceptance of the Work.
- 9.4 Contractor is entitled to set off or reduce any payments due and owing to Subcontractor by any amount which Contractor claims is owed by Subcontractor to any member of Contractor Group or Company (including any claim, liability, indemnity or agreement between Subcontractor and any such party).

- 9.5 All amounts invoiced under the Subcontract shall be deemed to include all Tax in connection with the provision of the Work.

10.0 VARIATIONS

10.1 Contractor's right to instruct

- 10.1.1 Contractor has the right at any time to instruct Subcontractor to do any of the following:
 - a) make any revision to the Work which may include additions, omissions, substitutions and changes in quality, form, character, kind, position, dimension, level or line and changes in any method of construction specified by Contractor;
 - b) revise elements of the Work already completed in accordance with the Subcontract;
 - c) accelerate the Work or any part thereof in order to recover all or part of any delay;
 - d) re-programme the Work and reschedule its resources in order to complete the Work or any part thereof in accordance with any amendment to the Completion Date. Subcontractor hereby confirms it has no restriction in availability of its resources for such rescheduling.
- 10.1.2 Contractor's right to instruct includes any instructions that Contractor deems necessary due to Contractor's own breaches of Subcontract or acts of Contractor or Company which have prevented Subcontractor from performing the Work.
- 10.1.3 Unless such instruction is required as a result of a failure by Subcontractor to comply with the requirements of the Subcontract or any other negligent act or omission of Subcontractor an instruction under Article 10.1.1 will constitute a Variation. Where an instruction is required as a result of a failure by Subcontractor to comply with the requirements of the Subcontract or any other negligent act or omission of Subcontractor, Subcontractor shall comply with any such instruction with no entitlement to any increase in the Subcontract Price or any other additional payment or to any extension of time.

10.2 Subcontractor's right to request a Variation

- 10.2.1 If Subcontractor considers that an instruction has been given or that an event has occurred which constitutes a Variation then Subcontractor shall request Contractor to issue a Variation. Any such request by Subcontractor shall:
 - a) be raised without delay, before proceeding with any work affected by such instruction or event and always within seven (7) days after the date that such instruction has been given or such event has occurred; and
 - b) include all necessary details to substantiate the existence of such Variation; and
 - c) be a condition precedent for adjustment of the Subcontract Price and/or Completion Date.
- 10.2.2 Contractor shall, within a reasonable time of having received a request from Subcontractor for a Variation, give notice to Subcontractor stating that:
 - a) the proposed Variation or part thereof is accepted in principle in which case Contractor will issue such Variation; or
 - b) what is requested or part thereof is included in the obligations undertaken by Subcontractor under the terms of the Subcontract and that the request is accordingly rejected; or
 - c) the request or part thereof is rejected for other stated reasons; or



- d) Contractor requires further information and/or supporting estimates to consider Subcontractor's request, in which event Subcontractor shall provide such further information and/or supporting estimates within the time indicated by Contractor.

10.3 Subcontractor's estimates

10.3.1 Where an instruction is deemed to constitute a Variation, Subcontractor shall prepare and submit to Contractor a fully detailed Variation proposal, which shall include:

- a) a description of the Work to be varied under the Variation;
- b) a detailed schedule for execution of the Variation;
- c) the effect on the Subcontract Price;
- d) the effect on the Completion Date.

10.3.2 For the purpose of estimating the effect of any Variation on the Subcontract Price, Subcontractor shall use the unit rates, lump sums and/or reimbursement provisions specified in the Subcontract. If at the time of preparation of the Variation proposal exact quantities or durations cannot be assessed or estimated, the Variation proposal may contain a proposed unit rate or a provisional lump sum based on certain named assumptions. Subcontractor's estimates shall always be based on costs reasonably incurred by Subcontractor directly as a result of the occurrence of the event or circumstances giving rise to Subcontractor's entitlement to claim an adjustment to the Subcontract Price. Subcontractor's estimates shall never include payment for activities, services or works which are within the scope of the Subcontract and included in the Subcontract Price.

10.3.3 For the purpose of estimating the effect of any Variation on the Completion Date, Subcontractor shall only consider the effect of any additional or deleted activities on the critical path.

10.3.4 If the adjustment to be made to the Subcontract Price and/or the effect on the Completion Date has not been determined or agreed prior to the scheduled start of the part of the work affected by a Variation instructed by Contractor, Subcontractor shall nevertheless commence the Variation work in question and record the work performed in relation to such Variation. This may be done by progress reporting or time sheets, as applicable.

10.4 Disputed Variation

10.4.1 If Subcontractor wishes to pursue any request for a Variation or part thereof, which has been rejected by Contractor, it shall proceed in accordance with the provisions of Article 30.2 within ten (10) days of the date Subcontractor is notified of any such rejection, failing which Contractor's rejection shall be deemed to be binding on Subcontractor. Notwithstanding any disputes in respect of a Variation (or otherwise), Subcontractor shall always be obliged to continue performance of the Work as instructed by Contractor.

10.5 Other Variation provisions

10.5.1 Contractor shall prepare, sign and issue to Subcontractor a Variation, in two originals, as soon as Contractor agrees on the proposed adjustment to the Work, Subcontract Price and Subcontract Schedule. Subcontractor shall promptly countersign and return one original to Contractor upon receipt and verification. The Subcontract Price and/or Subcontract Schedule shall be subject to adjustment only as a result of a Variation signed by Contractor. Adjustments to the Subcontract Price and/or Subcontract Schedule agreed under a Variation shall not be open to renegotiation. A Variation is deemed to contain all consequences of the Variation unless otherwise agreed in it.

10.5.2 Any Variation shall be governed by the provisions of the Subcontract. A Variation shall in no way affect the rights and/or obligations of Parties except in so far as, expressly provided for in and by such Variation.

11.0 SCHEDULE, PROGRESS AND DELAY

11.1 Subcontractor warrants that it shall perform the Work in accordance with the Subcontract Schedule and Milestones. Subcontractor acknowledges that time is critically important in performing the Work and warrants that it shall meet the Milestone Completion Dates and the Completion Date.

It is Subcontractor's responsibility to request in a timely manner from Contractor all the instructions, documents and drawings for satisfactory work progress.

11.2 Subcontractor shall report the progress of the Work to Contractor if and when required by Contractor.

If no specific agreements are made the reporting shall in any case be of such quality and detail and in a timely manner to enable Contractor to accurately monitor the progress of the Work. Contractor shall have the right at all times to instruct Subcontractor to submit an updated progress report together with full supporting details. Such report shall be provided promptly.

11.3 If at any time either any part or the whole of the Work is or is anticipated to be delayed, Subcontractor shall notify Contractor immediately. Such notification shall include in sufficient detail at least the following:

- a) the reasons for such delay;
- b) the effects of such delay on the Subcontract Schedule; and
- c) Subcontractor's proposal to mitigate the delay in order to meet the Milestones and the Completion Date.

11.4 If Contractor believes that Subcontractor is unable to meet its Subcontract Schedule requirements, Subcontractor shall demonstrate to the satisfaction of Contractor that the Subcontract Schedule will still be met or Subcontractor shall submit a report pursuant to Article 11.3.

11.5 Delay Mitigation

11.5.1 If the mitigation proposal of Subcontractor, as referred to in Article 11.3.c), is not provided within a reasonable period of time as set by Contractor or if the mitigation proposal is unacceptable to Contractor, the Parties shall, upon Contractor's request, immediately meet and endeavour to agree the best way forward. Failing such agreement, Contractor may determine a mitigation proposal or the extent to which Subcontractor's mitigation proposal needs to be adjusted. Under no circumstance shall any acceptance of a mitigation proposal, any (alternative) mitigation proposal determined by Contractor, or any lack by Contractor to approve the mitigation proposal or to determine an (alternative) proposal, alter Subcontractor's liabilities and responsibilities to complete the Work in accordance with the requirements of this Subcontract.



11.5.2 Unless otherwise instructed by Contractor, Subcontractor shall immediately adopt and proceed with the revised methods as outlined in the mitigation proposal, as may be adjusted from time to time. The mitigation proposal may require, without limitation, an increase in: working hours, Subcontractor's Personnel, goods and/or equipment. Risk, delays and cost associated with such revised methods shall be for Subcontractor's account, unless the delay event was solely caused by Contractor, in which case Subcontractor is entitled to request a Variation pursuant to Article 10.2. If these revised methods cause Contractor to incur additional costs and if Subcontractor is not entitled to a Variation pursuant to this Article, then Subcontractor shall pay, in addition to liquidated damages (if any), Contractor's costs associated with the revised methods. If Subcontractor fails to immediately adopt and proceed with the revised methods Contractor may (without prejudice to its other rights) take or have a third party take the relevant measures at Subcontractor's risk and expense.

11.6 Liquidated Damages

11.6.1 If Subcontractor has not completed the relevant part of the Work on the associated Milestone Completion Date or completed the Work in full on the Completion Date, then Subcontractor shall be in default and liable to Contractor for liquidated damages. The amounts of such liquidated damages shall be five per cent (5%) of the Subcontract Price per day of delay up to a maximum amount of twenty five per cent (25%) of the Subcontract Price.

11.6.2 All amounts of such liquidated damages for which Subcontractor may become liable are agreed as a genuine pre-estimate of the losses which may be sustained by Contractor in the event that Subcontractor fails in his respective obligations under the Subcontract and not a penalty. Parties further agree that any liquidated damages as set out in this Article 11.0 are not considered to be Consequential Damages and that neither Subcontractor's obligations nor Contractor's rights and remedies under this Subcontract are diminished or prejudiced in any way by the liquidated damages provisions of this Article 11.0.

11.6.3 In the event that the provisions of payment of liquidated damages are held to be unenforceable in whole or in part then:

- a) Contractor shall in respect of the delay (and without prejudice to its entitlements to damages on other grounds) be entitled to recover from Subcontractor general damages suffered by Contractor under this Subcontract up to maximum amount agreed for such liquidated damages under this Article 11.0;
- b) the indemnity for Consequential Damages, as referred under Article 18.6 shall not apply to any amounts payable by Subcontractor in accordance with this Article 11.0.

11.6.4 The applicability of any liquidated damages shall not relieve Subcontractor from diligently performing its obligations under the Subcontract. The moment liquidated damages become payable Contractor may terminate the Subcontract for cause, without limiting any other rights under the Subcontract or at law.

11.7 Extension of Time

11.7.1 Subject to Article 10.2, Subcontractor shall only be entitled to an extension of time to the extent that a Milestone Completion Date or the Completion Date has been delayed by any of the following causes:

- a) a Variation;

- b) a cause of delay expressly giving an entitlement to extension of time under an Article of this Subcontract and provided that such cause has been notified by Subcontractor to Contractor within five (5) days after its actual occurrence;
- c) any delay, impediment or prevention caused by or attributable to Contractor.

11.7.2 Notwithstanding Article 11.7.1, Subcontractor shall not be entitled to an extension of time:

- a) if any such delay occurs directly or indirectly due to any act, neglect, omission or default of Subcontractor or any person for whom Subcontractor is responsible; or
- b) if two events concurrently cause delay, of which one event would entitle Subcontractor to an extension of time under Article 11.7.1 and the other would not.

11.7.3 Only where delays are solely caused by Contractor, shall Subcontractor be entitled to request a Variation pursuant to Article 10.2.

11.7.4 Where Contractor determines that Subcontractor is entitled to an extension of time, Contractor shall subsequently within a reasonable time determine an adjustment to the Milestone Completion Date and/or the Completion Date.

12.0 SUSPENSION

12.1 If Subcontractor, upon receipt of any notice from Contractor of either a failure or non-compliance by Subcontractor in the performance under this Subcontract, does not commence and continuously thereafter proceeds with action satisfactory to Contractor to remedy such failure or non-compliance, Contractor shall have the right to suspend the Subcontract as set out herein. Subcontractor shall be liable for the costs incurred by Contractor during such period of suspension.

12.2 Notwithstanding Article 12.1, Contractor may at any time, with or without cause, suspend performance of all or any part of the execution of the Subcontract by giving written notice of such suspension to Subcontractor. Upon receipt of a notice of suspension, Subcontractor shall, unless otherwise instructed by Contractor:

- a) discontinue the execution of the Subcontract or part thereof as detailed in the notice, on the date and to the extent specified; and
- b) properly protect and secure the Work to the satisfaction of Contractor.

12.3 Contractor may, by further notice, instruct Subcontractor to resume the Work to the extent specified.

12.4 Contractor shall have the right to extend the Subcontract Schedule as necessary for the performance of the Work under otherwise unchanged prices, rates, terms and conditions.

12.5 In the event of a suspension Subcontractor shall be entitled to request a Variation pursuant to Article 10.2 for the associated direct cost and schedule implications, unless the suspension arises, in whole or in part, as a result of a default on the part of Subcontractor, in which case there will be no such right.

13.0 FORCE MAJEURE

13.1 Neither Party shall be responsible for any failure to fulfil any term or condition of the Subcontract if and to the extent that fulfilment has been delayed or temporarily prevented by a Force Majeure occurrence, as described below, which has been notified in accordance with this Article 13.0 and which is beyond the control and without the fault or negligence of the Party affected and which, by the exercise of reasonable diligence, the said Party is unable to provide against.

13.2 The following occurrences shall be considered Force Majeure:



- a) Riot, hostilities, invasion, act of foreign enemies, war (whether declared or not), acts of terrorism, civil war, rebellion, revolution, insurrection of military or usurped power;
 - b) Ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel or radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof;
 - c) Earthquake, flood, fire, named cyclone/hurricane/typhoon, tidal wave, explosion and/or natural physical disaster, but excluding weather conditions as such regardless of severity;
 - d) Maritime disasters involving Contractor Group's vessels;
 - e) Aviation disasters directly impacting either Contractor Group or Subcontractor Group.
- 13.3 For the purpose of the Subcontract the following occurrences shall never be considered Force Majeure:
- a) strikes, lock-outs, labour disputes or labour skills shortages relating to Subcontractor Group;
 - b) material, power, energy and fuel shortages affecting Subcontractor Group;
 - c) breakdown of any tools, machinery, equipment or facilities of Subcontractor Group; and
 - d) delays or prevention in the performance of the Subcontract caused by Subcontractor Group's commitments to others, including force majeure events not occurring within the Subcontract.
- 13.4 Each Party shall bear its own costs and shall make all reasonable efforts to mitigate the impact of the Force Majeure event on the performance of the Work. Occurrence of a Force Majeure event shall never be cause for an adjustment to the Subcontract Price.
- 13.5 The Party prevented from fulfilling any of its obligations under the Subcontract due to Force Majeure shall:
- a) promptly notify and keep the other Party informed of the nature, extent, effect and likely duration of the circumstances constituting the Force Majeure;
 - b) use all reasonable endeavours to mitigate the effect of the Force Majeure on the performance of its obligations under the Subcontract;
 - c) provided that the Subcontract has not been terminated in accordance with Article 13.6, after the cessation of the Force Majeure event promptly notify the other Party thereof and provide the other Party with all reasonable information concerning the impact of and planned response to the Force Majeure event and promptly resume full performance of its obligations under the Subcontract.
- 13.6 If performance under the Subcontract is prevented, hindered, or delayed by an event of Force Majeure for a period exceeding five (5) days, Contractor may in its absolute discretion terminate the Subcontract upon giving written notice of termination. In such event Contractor's sole liability will remain limited to payment of Work already performed as well as any additional payment as specified in the Article 21.3 and Article 21.4.
- 13.7 If Contractor's performance under the Subcontract is prevented, hindered or delayed due to an event which constitutes a Force Majeure event under any contract or agreement entered into by Contractor with Company or any member of Contractor Group and which relates to the Work, then this shall be dealt with as if a Force Majeure event had occurred under the Subcontract.

14.0 TESTING

- 14.1 Subcontractor shall carry out the inspections and tests in accordance with the Subcontract. All testing and inspection procedures and scheduling shall be provided to Contractor by Subcontractor as soon as possible but no later than seven (7) days prior to the start of the relevant activity. All certificates and test reports shall be made available to Contractor within fourteen (14) days after the date of completion of the test or on an earlier date if so notified by Contractor.
- 14.2 Contractor has the right, but not the obligation, to witness any test or inspection carried out by Subcontractor. Subcontractor shall notify Contractor in adequate time in order that Contractor may exercise this right.
- 14.3 If any part of the Work, equipment, goods or other materials fails to pass any test, Contractor may instruct re-performance of the failed test and subsequent further testing on any related item or part thereof. Any such retesting shall be carried out immediately by Subcontractor.
- 14.4 If, on the basis of the tests results, Contractor has reasonable doubts as to the conformity to the specifications, as set out in the Subcontract or the PO, of any part of the Work, equipment, goods or other materials, Contractor has the right to either require defects correction (at Subcontractor's expense) or reject such part, in which event Contractor shall have the same remedies as are provided in Article 21.6.
- 14.5 Subcontractor shall allow reasonable time for Contractor's inspection activities. Subcontractor shall be responsible and fully liable for the due procurement of all preliminary and final test certificates. Full records of all tests, whether successful or failed, shall be kept and copies sent to Contractor on request.
- 14.6 Subcontractor is responsible for any costs, expenses and/or time allowances for inspection, testing and re-testing, including but not limited to mechanical, chemical, hydrostatic, X-ray, ultrasonic or laboratory tests, unless stated otherwise in the Subcontract.
- 14.7 Subcontractor shall provide, at its expense, such assistance, labour, materials, consumables, stores, apparatus and instruments as may be necessary to carry out any tests, inspections, and examinations.
- 14.8 Subcontractor shall ensure that any part of Work for which inspection, testing and/or approval is required shall not be covered up, enclosed, packaged or removed and/or disconnected from its test location until Contractor has performed such inspection and tests and associated approvals have been given by Contractor. Subcontractor shall uncover and re-instate the Work at Subcontractor's own expense.
- 14.9 Subcontractor shall arrange free access to the Worksite at any time for Contractor, or any party designated by Contractor, to perform or witness any test or inspection, which Contractor deems necessary.
- 14.10 Any such testing, inspection or auditing shall not relieve Subcontractor of any of its obligations under the Subcontract. Neither failure on the part of Contractor or any third party to inspect or witness or test or to discover defects nor failure to reject work performed by Subcontractor which is not in accordance with the Subcontract shall relieve Subcontractor from any liability or obligation under the Subcontract.

15.0 GUARANTEE AND DEFECTS CORRECTION

- 15.1 Subcontractor warrants and guarantees that the Work at all times is:
- 15.1.1 performed and shall be performed in accordance with the Subcontract;
 - 15.1.2 free from defects in designs, materials and/or workmanship, irrespective of whether such design work was approved, reviewed, or based on information or data supplied by Contractor;
 - 15.1.3 manufactured and supplied strictly in accordance with the Subcontract and the relevant specifications;



- 15.1.4 fit for its intended purpose or application as defined in the Subcontract or, if no purpose or application is specified, as a minimum, its ordinary purpose or application;
- 15.1.5 performed with all due skill and care and, as a minimum, in accordance with industry recommended standards and practices.
- 15.2 If any non-compliance and/or defect as described in Article 15.1 occurs during the Guarantee Period, Contractor shall notify Subcontractor thereof in writing stating in reasonable detail the nature of the non-compliance and/or defect. Subcontractor shall provide Contractor with its plan for the remedial work within seven (7) days. Contractor may, at its sole discretion:
 - 15.2.1 instruct Subcontractor to remedy the non-compliance and/or defect and any damage, including damage to the Work, caused by such non-compliance and/or defect within a timeframe specified by Contractor; or
 - 15.2.2 inform Subcontractor that Contractor shall remedy or have remedied the non-compliance and/or defect and any damage, including damage to the Work caused by such non-compliance and/or defect and charge Subcontractor all costs incurred.
- 15.3 The Guarantee Period for Work which is repaired, replaced and/or re-performed under this Article 15.0 commences on the date on which the repaired, replaced and/or re-performed Work is completed and accepted by Contractor, again for the full duration of the Guarantee Period.
- 15.4 All work associated with remedying any non-compliance and/or defect in the Work shall be performed at the risk and expense of Subcontractor. Such costs shall include the costs for the performance of all remedial work as well as any ancillary costs related thereto. Subcontractor shall release, defend, indemnify and hold Contractor harmless from and against any and all damages, losses, costs, suits, proceedings, actions, claims, demands and liabilities, associated with such non-compliance and/or defect in the Work which Contractor would not have had if the Work had been performed directly without such non-compliance and/or defect.

16.0 HEALTH, SAFETY, ENVIRONMENT AND QUALITY

- 16.1 Prior to commencement of the Work, Subcontractor and its subcontractors shall have established a quality assurance, quality control and health, safety and environmental management system and policies complying with:
 - a) all applicable laws and regulations.
 - b) industry sector best practice;
 - c) Contractor requirements and instructions;
 - d) Contractor's HSEQ policy;

Subcontractor will conduct the Work in accordance with all of the aforementioned systems and policies. Subcontractor shall maintain the necessary documentation for such quality assurance and control.
- 16.2 Subcontractor shall ensure that, whilst at the Worksite, any personnel involved by Subcontractor shall comply with all applicable site rules and health, safety and environmental requirements.

17.0 TITLE AND ENCUMBRANCES

- 17.1 Title to and ownership of the Work and anything related thereto shall always vest in Contractor immediately upon the earlier of:
 - a) delivery to Contractor;
 - b) payment in respect thereof;
 - c) acquiring by Subcontractor; or
 - d) when identifiable for use in the Work.
- 17.2 To the extent that payment in full has not been made for the Work as it stands at any time, it is agreed that:

- 17.2.1 title to and ownership of the Work and anything related thereto shall always vest in Contractor (and remain so vested) and Contractor shall be entitled to have access to and take possession of the Work and anything relating thereto irrespective of whether there may be any sums remaining due to Subcontractor under the Subcontract and/or any dispute about the extent to which such sums remain due; and
- 17.2.2 Subcontractor shall have no proprietary or other interest or Encumbrance in respect of the Work and anything related thereto at any time and the rights of Subcontractor in respect of the Work shall only ever comprise (and shall hence be limited to) an entitlement to be paid such sums as are properly due under the Subcontract in respect of the Work.
- 17.3 Any transfer of title or risk shall be without prejudice to Contractor's right to reject any part of the Work. If Contractor rejects any part of the Work, the title and the risk of loss of or damage to such part of the Work shall re-vest in Subcontractor on the earlier of actual repossession or five (5) days after the date of Contractor's notice of rejection.
- 17.4 All items owned by Contractor, which are under direct or indirect control of Subcontractor Group, shall always be adequately marked by Subcontractor for the purpose of easy and direct identification of such items as Contractor's property. Subcontractor shall use best endeavours to store such items separately from property not owned by Contractor. Subcontractor shall at all times keep adequate records to show that the obligations set out in this Article are complied with. Upon Contractor's request, such records shall be made available immediately. Failure of Subcontractor to comply strictly with its obligations as set out in this Article will entitle Contractor, without limitation of any other rights, to:
 - a) determine the method for marking the items referred to in this Article. Upon notification, Subcontractor shall immediately carry out such methods failing which Contractor may do so at Subcontractor's risk and expense; and/or
 - b) withhold any further payment to Subcontractor until the date that the obligations under this Article have been met by Subcontractor.
- 17.5 Subcontractor warrants that anything supplied under the Subcontract is delivered with full and good title. Subcontractor further guarantees that anything supplied under the Subcontract is free of any Encumbrance. Contractor shall enjoy the quiet possession of anything supplied under the Subcontract.
- 17.6 Subcontractor shall have no Encumbrance in respect of any Company or Contractor Group property at any time and Subcontractor hereby explicitly waives its rights at law, tort or otherwise in this regard.
- 17.7 Subcontractor shall immediately notify Contractor of any Encumbrances, whether asserted on or vested in any part of the Work, which may affect Contractor Group, Company or any part of the Work.
- 17.8 If any Encumbrance is asserted or maintained in violation of the provision of this Article 17.0, Subcontractor shall promptly proceed and take all necessary steps to have it removed. Subcontractor shall immediately arrange an adequate bank guarantee to provide sufficient alternative security to the party asserting such right. Contractor has the right do everything necessary to have the Encumbrance removed if Subcontractor fails to immediately do so.
- 17.9 Subcontractor shall include a provision materially equal to this Article 17.0 in any of the supply contracts which are related to the Work.
- 17.10 Subcontractor shall release, defend, indemnify and hold harmless Contractor Group and Company from and against any and all damages, losses, costs, suits, proceedings, actions, claims, demands and liabilities, howsoever arising with respect to any Encumbrance filed by any party in connection with Subcontractor's business.



18.0 INDEMNITIES

18.1 Indemnities for personnel

18.1.1 Subcontractor shall release, defend, indemnify and hold harmless Contractor Group from and against any and all damages, losses, costs, suits, proceedings, actions, claims, demands and liabilities, howsoever arising with respect to personal injury, illness or death of Subcontractor Group’s personnel, whenever occurring, directly or indirectly in relation to the Subcontract.

18.1.2 Contractor shall release, defend, indemnify and hold harmless Subcontractor Group from and against any and all damages, losses, costs, suits, proceedings, actions, claims, demands and liabilities, howsoever arising with respect to personal injury, illness or death of Contractor Group’s personnel, whenever occurring, directly or indirectly in relation to the Subcontract.

18.2 Indemnities for property

18.2.1 Subcontractor shall release, defend, indemnify and hold harmless Contractor Group from and against any and all damages, losses, costs, suits, proceedings, actions, claims, demands and liabilities, howsoever arising with respect to damage to or loss of Subcontractor Group’s property, whether owned, chartered, leased or hired, whenever occurring, directly or indirectly in relation to the Subcontract. These indemnities include wreck or debris removal of such Subcontractor Group’s property when required by the applicable government or at law or when desired by any member of Contractor Group and the associated costs incidental thereto such as standby charges and temporary works.

18.2.2 Contractor shall release, defend, indemnify and hold harmless Subcontractor Group from and against any and all damages, losses, costs, suits, proceedings, actions, claims, demands and liabilities, howsoever arising with respect to damage to or loss of Contractor Group’s property, whether owned, chartered, leased or hired, whenever occurring, directly or indirectly in relation to the Subcontract.

18.2.3 Notwithstanding Articles 18.2.1 and 18.2.2, Subcontractor shall release, defend, indemnify and hold Contractor Group harmless from and against any and all damages, losses, costs, suits, proceedings, actions, claims, demands and liabilities, howsoever arising with respect to damage to or loss of Company property, Contractor Group property or Contractor provided marine units, as well as wreck or debris removal and pollution associated with any of the aforementioned items, when such items are under Subcontractor’s care, custody or control or when such items are at Subcontractor’s risk in accordance with the Subcontract.

18.3 Indemnities for pollution

18.3.1 Subcontractor shall release, defend, indemnify and hold harmless Contractor Group from and against any and all damages, losses, costs, suits, proceedings, actions, claims, demands and liabilities, howsoever arising with respect to pollution or contamination, including any fuel, lubricants, oil, pipe dope, paints, solvents, ballasts, bilge, garbage, sewage, scrap steel and other materials or substances emanating from Subcontractor Group’s property and equipment, whether owned, chartered, leased or hired, whenever occurring, directly or indirectly in relation to the Subcontract.

18.3.2 Contractor shall release, defend, indemnify and hold harmless Subcontractor Group from and against any and all damages, losses, costs, suits, proceedings, actions, claims, demands and liabilities howsoever arising with respect to pollution or contamination including any fuel, lubricants, oil, pipe dope, paints, solvents, ballasts, bilge, garbage, sewage, scrap steel and other materials or substances emanating from Contractor Group’s property and equipment, whether owned, chartered, leased or hired whenever occurring, directly or indirectly in relation to the Subcontract.

18.4 Indemnities for Third Party liability

18.4.1 Subcontractor shall release, defend, indemnify and hold harmless Contractor Group from and against any and all damages, losses, costs, suits, proceedings, actions, claims, demands and liabilities, caused by Subcontractor Group, with respect to (i) personal injury, illness or death of Third Party persons or (ii) damage to or loss of Third Party property, directly or indirectly in relation to the Subcontract.

18.4.2 Contractor shall release, defend, indemnify and hold harmless Subcontractor Group from and against any and all damages, losses, costs, suits, proceedings, actions, claims, demands and liabilities, caused by Contractor Group, with respect to (i) personal injury, illness or death of Third Party persons or (ii) damage to or loss of Third Party property, directly or indirectly in relation to the Subcontract.

18.5 Indemnities for intellectual property

18.5.1 Subcontractor shall release, defend, indemnify and hold harmless Contractor Group from and against any and all damages, losses, costs, suits, proceedings, actions, claims, demands and liabilities, howsoever arising with respect to infringement or alleged infringement of any Intellectual Property Rights or any other rights in relation to Contractor’s title to the Work or his use thereof and infringement or alleged infringement by Subcontractor Group of any Intellectual Property Rights or any other rights, directly or indirectly in relation to the Subcontract.

18.6 Indemnities for Consequential Damages

18.6.1 Subcontractor shall release, defend, indemnify and hold harmless Contractor Group from and against any and all damages, losses, costs, suits, proceedings, actions, claims, demands and liabilities, howsoever arising with respect to Subcontractor Group’s Consequential Damages, directly or indirectly in relation to the Subcontract.

18.6.2 Contractor shall release, defend, indemnify and hold harmless Subcontractor Group from and against any and all damages, losses, costs, suits, proceedings, actions, claims, demands and liabilities, howsoever arising with respect to Contractor Group’s Consequential Damages, directly or indirectly in relation to the Subcontract.

18.7 Validity of Indemnities

18.7.1 The obligations to release, defend, indemnify and hold harmless under the Subcontract shall apply notwithstanding anything to the contrary unless expressly stated otherwise in this Subcontract and they shall apply irrespective of cause, including default, breach of warranty, strict liability, negligence (including sole, joint, concurrent or otherwise), wilful misconduct, non-performance or breach of duty (statutory or otherwise) of the indemnified party.



18.7.2 If the applicable law is changed to increase or decrease the maximum extent of indemnification permitted, the Subcontract amends automatically to reflect this change. If the indemnities are no longer enforceable under the applicable laws and regulations, the Parties shall meet to seek wording and agreements to provide similar coverage within enforceable boundaries under the applicable laws and regulations. The maximum extent of indemnification is not limited by any amounts of insurance carried or required by either Party under the Subcontract.

18.7.3 The maximum extent of indemnification is not limited by any amounts of insurance carried or required by either Party under the Subcontract.

18.7.4 The obligations to release, defend, indemnify and hold harmless, entered into by Contractor under this Subcontract for the benefit of Subcontractor Group, shall only be valid to the extent that relevant parties in Subcontractor Group had entered into similar contractual obligations to Subcontractor for the benefit of Contractor, prior to the date of calling on relevant Articles under the Subcontract.

18.8 Company Provided Indemnities

18.8.1 Contractor shall endeavour to extend for the benefit of Subcontractor, any indemnity received by Contractor from Company to the extent it is enforceable under the contract between Contractor and Company.

18.8.2 Such indemnities or limits shall be explicitly agreed upon in the PO.

18.8.3 It is expressly understood between the Parties that failing such specified indemnities in the PO no indemnities or limits shall be deemed to have been given for the benefit of Subcontractor.

18.9 Any and all releases and/or indemnities provided by Subcontractor throughout the Subcontract shall also be deemed to be provided to Company, its customers of any tier, its and their Affiliates, its and their other (sub)contractors and suppliers of any tier, its and their co-lessees, partners, co-venturers, joint venturers, vendors, agents, representatives and insurers and the personnel of all of them.

18.10 Subcontractor shall not limit or exclude any of his liabilities or indemnities under the Subcontract pursuant to any rights to limit such liability or indemnity that may be afforded to Subcontractor at law.

19.0 INSURANCE

19.1 Subcontractor shall maintain for the duration of the Subcontract the following insurances with insurers satisfactory to Contractor. Contractor Group and Company shall be named as additional insureds to the extent Subcontractor has assumed liabilities under the Subcontract and the insurances shall include a waiver of the rights of subrogation. The provisions of this Article 19.0 shall in no way limit the liability of Subcontractor under the Subcontract.

- a) Comprehensive third party liability insurance with a minimum coverage of USD 10,000,000 (ten million United States Dollars) for any one incident or series of incidents arising from each event, being unlimited in aggregate and covering Subcontractor’s contractual and other liabilities arising, directly or indirectly out of the Subcontract.
- b) Employers’ liability/workman’s compensation insurance covering Subcontractor’s employees for illness, personal injury or accidental death to the full extent required by all applicable laws, with a minimum coverage of USD 3,000,000 (three million United States dollars) for any one event.

c) Accident insurance covering permanent disability and accidental death with a minimum cover of USD 100,000 (one hundred thousand United States dollars) per person.

19.2 All deductibles applicable to, and costs for the continuation of the foregoing insurance policies, and the handling of any claims thereunder shall be for the account of Subcontractor. Within fourteen (14) days of the Subcontract Date, Subcontractor shall provide insurance certificates to Contractor or, at the request of Contractor, the relevant policies, evidencing that Subcontractor’s insurance policies comply with provisions stated in Article 19.1 and warranting further that the insurer shall not let policies lapse or their guarantee be reduced without thirty (30) days prior written notice to Contractor.

19.3 Subcontractor shall ensure that the insurances set out in this Article entitle Contractor to make a direct claim against the insurers in respect of claims which Subcontractor Group is obliged to indemnify Contractor against.

20.0 PATENTS AND PROPRIETARY INFORMATION

20.1 Other than for the purposes of the Subcontract, each Party shall retain any rights in and title to any Intellectual Property Rights provided to the other Party for the execution of this Subcontract.

20.2 Subcontractor hereby grants Contractor a non-exclusive, royalty free, irrevocable and worldwide licence, with sublicensing right, and the right for Contractor to possess, disclose and use and/or have possessed, disclosed or used, the Intellectual Property Rights or any sublicense or part thereof as necessary to use, copy, modify and distribute the Work and exploit freely.

20.3 Title to, access to, copyright in, the right to possession of and the free right of use of any Intellectual Property Rights created under or arising out of or in connection with the Work, regardless of ownership of such underlying Intellectual Property Right, shall vest exclusively in Contractor immediately upon the date of creation of the item or idea.

20.4 Contractor shall have the sole right to seek any Intellectual Property Rights on any item or idea arising out of or in connection with the Work. Contractor may, at its sole discretion, give Subcontractor a written release of any item or idea. In this event, Subcontractor agrees to grant Contractor a royalty free irrevocable licence to manufacture, use or otherwise benefit from the subject patent or other proprietary or protected right.

21.0 TERMINATION

21.1 Any termination by Contractor shall become effective on the date specified in Contractor’s notice of termination or in absence of any specified date, at the date of the notice. Any termination shall be without prejudice to any claims which Contractor may have against Subcontractor.

21.2 On receipt of such notice of termination, Subcontractor shall immediately suspend its performance of the Work and the placing of orders in connection with the execution of the Work and shall make every reasonable effort to procure cancellation of all existing commitments made by Subcontractor for the execution of the Subcontract, or, if so requested by Contractor, transfer to Contractor such existing commitments in accordance with Article 3.0.

21.3 Subcontractor shall thereafter do only such work as may be required, or requested by Contractor, to preserve and protect the Work, all subject to reimbursement by Contractor to Subcontractor at the applicable rates included in the Subcontract. If no rates are included in the Subcontract, Contractor shall reimburse Subcontractor at documented, reasonable, and auditable cost. Subcontractor shall however not be entitled to reimbursement in case of termination with cause by Contractor.



21.4 In the event of termination and if required by Contractor, Subcontractor shall promptly deliver the Work in progress as well as any associated materials to Contractor. In any event, Subcontractor shall guarantee that Contractor shall have the right to have access to Subcontractor Group's premises to take possession of the Work in progress.

21.5 In the event of termination and if required by Contractor, Subcontractor shall promptly assign and/or novate to Contractor, or to any other person or company designated by Contractor, all such contracts with Subcontractor's subcontractors, suppliers and vendors as Contractor may specify. Subcontractor shall also promptly execute and deliver all documentation and take all required action in order to vest in Contractor all titles, rights and other benefits held by Subcontractor in connection with the performance of the Work.

21.6 Termination with cause

21.6.1 Without prejudice to any of its other rights or remedies arising in connection with the Subcontract or at law, Contractor shall have the right to terminate the Subcontract, in whole or in part, with immediate effect and without judicial intervention if, in the reasonable opinion of Contractor:

- a) Subcontractor is in default or breach of any of its obligations under the Subcontract;
- b) Subcontractor, its direct or indirect parent becomes Insolvent;
- c) Subcontractor directly or indirectly offers, pays, solicits, authorises or accepts bribes in any form, including facilitation payments;
- d) Subcontractor fails to proceed diligently with his obligations under the Subcontract;
- e) liquidated damages under Article 11.0 become due;
- f) Subcontractor abandons the Work or otherwise plainly demonstrates the intention not to continue performance of its obligations under the Subcontract;
- g) a Change of Control has occurred or is impending; or
- h) Subcontractor fails to comply with any applicable laws and regulations.

21.6.2 If a right arises for Contractor to terminate the Subcontract pursuant to Article 21.6.1, then, regardless whether or not the Subcontract is terminated:

- a) Contractor may undertake completion of Work or appoint another party to do so. Completion of the Work shall be done at Subcontractor's risk and expense. Subcontractor shall also be liable for any additional costs reasonably incurred by Contractor in connection with any right to terminate or actual termination of the Subcontract.
- b) Contractor shall have the right to reject the Work in whole or in part without regard to such Work being completed in accordance with the Subcontract. Any rejected part of the Work shall be removed by Subcontractor from the Worksite, within five (5) days following the date of Contractor's instruction to do so, failing which Contractor can undertake such activity at Subcontractor's risk and expense. Subcontractor shall immediately reimburse Contractor all amounts paid to Subcontractor associated with the rejected part of the Work.

21.6.3 If, after termination notified for cause, it is determined by arbitration that Subcontractor was not in default, or that such termination ground did not exist, the rights and obligations of the Parties shall be the same as if the notice of termination had been issued by Contractor without cause.

21.7 Termination without cause

21.7.1 Contractor may terminate the Subcontract without cause, in whole or in part, at any time and at its absolute discretion by giving five (5) days prior written notice of termination to Subcontractor.

21.7.2 Contractor's sole liability shall be to pay Subcontractor for any Work completed in accordance with the Subcontract prior to such date of such Contractor's notice to terminate and to the extent not already paid. Under no circumstance shall a termination fee or loss of any profit be payable by Contractor.

22.0 SURETIES

22.1 Ultimate Parent Company Guarantee

22.1.1 Where Subcontractor is a subsidiary of a parent company, according to the definition of Affiliate in Article 1.1, an ultimate parent company guarantee in a form acceptable to Contractor shall be provided within three (3) days after the Subcontract Date. Such ultimate parent company guarantee shall as a minimum cover all of Subcontractor's obligations under the Subcontract.

22.2 Bank Guarantee

22.2.1 Subcontractor shall provide an unconditional, irrevocable, on-demand bank guarantee for twenty per cent (20%) of the Subcontract Price within fourteen (14) days of the Subcontract Date, as a security for its obligations under the Subcontract. Delivery of such bank guarantee shall be a condition precedent to the payment of any sum under the Subcontract.

22.2.2 The bank guarantee shall be valid up to the date that all obligations of Subcontractor under the Subcontract have been settled. If Subcontractor's obligations survive the initial expiry of the bank guarantee, Subcontractor shall extend the validity of the bank guarantee accordingly. Should, during the life of the bank guarantee, the rating of the guarantor drop below the required rating specified in Article 22.2.4, or if other negative financial indicators result in the guarantor no longer being acceptable to Contractor, Contractor shall have the right to require Subcontractor to have the bank guarantee reissued, at Subcontractor's cost, by an alternative guarantor that does comply with the required rating and is acceptable to Contractor.

22.2.3 If Subcontractor does not extend the validity of the bank guarantee ultimately seven (7) days prior to its expiry date or provides for an appropriate replacement bank guarantee by a satisfactory Guarantor within seven (7) days from Contractor's notice that the Guarantor no longer complies with the required rating Contractor is allowed to demand payment of the (remaining) value of the bank guarantee and to retain the proceeds as security deposit until such time that all Subcontractor's obligations have been fulfilled. Contractor will not be held to pay Subcontract any interest compensation in respect of such deposit.

22.2.4 Such bank guarantee shall be issued by a bank or financial institution with a minimal external rating of "A" for long term debt by S&P, or not less than an "A2" rating for long term debt by Moody's which is approved by Contractor.

22.3 If Subcontractor fails to supply the performance guarantee Contractor shall be entitled to retention of payment equivalent to twenty per cent (20%) of the Subcontract Price. Such amount shall be retained on a pro-rata basis of each invoice up to the moment the performance guarantee is correctly issued to Contractor. Subcontractor shall not be entitled to receive the accrued interest on the retained money.



23.0 PERMITS AND LICENCES

- 23.1 Subcontractor is responsible and liable for securing all licences, approvals, permits and authorisations required from any relevant governmental body necessary for the performance of the Work.
- 23.2 Parties shall assist each other, where required and requested, in obtaining any permits, licences or authorisations without cost impact.
- 23.3 Subcontractor shall, on first demand of Contractor, defend, indemnify and hold harmless Contractor Group from and against any and all liabilities, losses, damages, claims, costs (including legal costs and attorneys' fees), suits, proceedings, actions, demands, fines and penalties incurred or suffered by Contractor Group and/or Company as a result of non-compliance with laws or failure to obtain licenses, approvals, permits or authorisations by Subcontractor Group.

24.0 TAX

- 24.1 Subcontractor is responsible for the payment of all Tax for which Subcontractor Group either is or may be held liable.
- 24.2 If any member of Contractor Group is held liable or is required to pay any Tax for which Subcontractor is responsible under Article 24.1, Contractor may recover from Subcontractor any such sums and all costs reasonably incurred in connection therewith.
- 24.3 Contractor may report, withhold and pay to the tax authorities any Tax on account of any payments due under the Subcontract. Contractor will provide Subcontractor with tax receipts (or other proof of payment if receipts are unavailable) for any withheld taxes, but will not reimburse Subcontractor for withheld taxes.
- 24.4 To the extent that Subcontractor has Tax related certificates (e.g. tax exemption certificates) that are to be known by Contractor for the activities to be performed, Subcontractor shall provide copies of these certificates to Contractor ultimately fifteen (15) working days before commencement of the activities.
- 24.5 To the extent that Subcontractor has a specific status for wage tax and/or social securities (e.g. in relation to employer chain liability) which should be known to Contractor in view of its payments to Subcontractor, Subcontractor shall inform Contractor of this status at latest on the day of sending its first invoice to Contractor. In event of such a specific status Subcontractor will for his own account take such measures as requested by Contractor to provide to Contractor Group appropriate protection against any resulting exposure.
- 24.6 Subcontractor will provide adequate evidence that Subcontractor and all its subcontractors of any tier have complied with all obligations relating to Tax. If Subcontractor is unable to deliver such evidence, promptly when requested by Contractor, Contractor shall be entitled to withhold any further payment to Subcontractor. Subcontractor shall continue to perform the Work, however will only become entitled to payment by Contractor when it provides evidence that all such Tax obligations have been met.
- 24.7 Subcontractor shall, on first demand of Contractor defend, indemnify and hold harmless Contractor Group from and against any and all liabilities, losses, damages, claims, costs (including legal costs and attorneys' fees), suits, proceedings, actions, demands, interest, fines and penalties incurred or suffered by Contractor Group and/or Company in relation to Subcontractor Group's Tax obligations pertaining to the Subcontract.

25.0 CUSTOMS

- 25.1 Subcontractor is responsible and liable for the timely importation, exportation, re-importation and re-exportation of any materials, goods, tools, equipment and supplies in connection with the Work, and all necessary customs procedures, fees, duties, permits, licences, clearances, certificates, visas and governmental and regulatory authorisations and any and all costs in connection therewith, unless specifically otherwise agreed in the Subcontract.

- 25.2 Subcontractor shall, on first demand of Contractor, defend, indemnify and hold harmless Contractor Group from and against any and all liabilities, losses, damages, claims, costs (including legal costs and attorneys' fees), suits, proceedings, actions, demands, interest, fines and penalties incurred or suffered by Contractor Group and/or Company in relation to Subcontractor Group's customs obligations pertaining to the Subcontract.

26.0 COMPLIANCE

- 26.1 Subcontractor represents and warrants that, in connection with the Subcontract, Subcontractor Group:
 - a) shall comply with Contractor's and Company's code of conduct, which shall be sent to Subcontractor upon request;
 - b) shall comply with all applicable laws, statutes and regulations, including those relating to anti-bribery and anti-corruption, including the United States Foreign Corrupt Practices Act of 1977 and the United Kingdom Bribery Act of 2012 ("Anti-Bribery Laws"); and
 - c) have not made, offered, accepted or authorised, nor will they make offer, accept or authorise any payment, gift, promise or other advantage, whether directly or through any other person or entity, to or for the use or benefit of any person where such payment gift, promise or other advantage would (i) constitute a facilitation payment and/or (ii) violate the Anti-Bribery Laws.
- 26.2 Subcontractor undertakes to immediately notify Contractor if, in connection with the Subcontract, it receives or becomes aware of any request from any person for any payment, gift, promise or other advantage of the type mentioned in Article 26.1.c) or any breach of this Article 26.0.
- 26.3 Subcontractor represents and warrants that Subcontractor Group shall comply with applicable laws, orders, resolutions and regulations regarding sanctions, trade embargoes and/or export controls.
- 26.4 Any breach of this Article shall constitute a material breach of the Subcontract entitling Contractor to terminate the Subcontract in accordance with the provisions of Article 21.6.
- 26.5 Subcontractor shall, on first demand of Contractor, defend, indemnify and hold harmless Contractor Group from and against any claims, proceedings, lawsuits, judgements, liabilities, losses, damages, costs (including legal costs and attorneys' fees), fines, penalties, assessments and expenses incurred or suffered as a result of breach of this Article 26.0 by Subcontractor Group.

27.0 CONFIDENTIALITY

- 27.1 Subcontractor shall ensure that no member of Subcontractor Group shall disclose to any Third Party or use for its own purpose any information relating to the Subcontract, Company, Contractor, or any matter relating to Contractor's affairs, business, and policies, except with the prior written consent of Contractor.
- 27.2 The confidentiality obligations referred to in Article 27.1 shall not apply to information:
 - a) which is or comes in the public domain otherwise than by failure of Subcontractor Group to comply with the confidentiality requirement under Article 27.1; or
 - b) which Subcontractor obtained from a Third Party, without confidentiality requirements; or
 - c) which is independently developed by Subcontractor; or
 - d) under an order of disclosure of a competent court, which Subcontractor could not reasonably have avoided or the scope of which he could not reasonably have restricted.



27.3 Subcontractor shall either destroy or return promptly to Contractor, or its nominee, all records containing Contractor and other confidential information which are in the possession of Subcontractor at Contractor's discretion. Subcontractor will provide Contractor with satisfactory evidence and means of verification of Subcontractor's compliance with the obligations under this Article 27.0.

28.0 INDEPENDENT CONTRACTOR

- 28.1 Subcontractor is acting solely as an independent contractor and is not an agent or partner of Contractor.
- 28.2 Subcontractor shall have no power or authority to execute contracts or enter into commitments on behalf of Contractor or Company nor to act as their agent or otherwise bind any of them nor shall present itself as having such power.
- 28.3 Subcontractor shall be fully responsible for, and shall have exclusive direction and control of Subcontractor Group, servants, agents, subcontractors and any other entities engaged by Subcontractor in connection with the Subcontract.
- 28.4 Nothing in the Subcontract is either intended to, or shall be deemed to, establish any partnership or joint venture between any of the Parties.

29.0 EXTERNAL COMMUNICATIONS

- 29.1 Subcontractor shall not make any announcements or statements to any third party, including the public or media regarding the Subcontract without the prior written approval of Contractor. After Contractor's written approval, Parties shall discuss and agree upon the form, content, timing and media to which any such announcement is to be made.
- 29.2 Subcontractor Group shall not liaise directly with Company on any matters relevant to the Work, unless approved in writing by Contractor. Should Company liaise either directly or indirectly with Subcontractor Group, Subcontractor shall immediately advise Contractor in writing of such communication.
- 29.3 Contractor and Company will be entitled to make public or media announcements, statements and publications showing the Work or any part thereof (which could include personnel, equipment, names and logos of Subcontractor Group) and Subcontractor will free of charge procure that no member of Subcontractor Group will object to this.

30.0 GENERAL PROVISIONS

- 30.1 The Subcontract shall be governed by and construed in accordance with the laws of England and Wales. This includes any dispute or claim either arising out of or in connection with the Subcontract or its subject matter or formation (including non-contractual disputes or claims), including any notices, documents or other communications between Parties.
- 30.2 Parties agree that any dispute either arising out of or in connection with the Subcontract, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration under the LCIA Rules. The LCIA rules are deemed to be incorporated by reference into this Article 30.2. The seat, or legal place, of arbitration shall be London (United Kingdom) or Rotterdam (the Netherlands), at Contractor's option, and any awards rendered in such court shall be final and binding. The arbitral procedure shall be conducted in the English language.
- 30.3 The United Nations Convention on the International Sale of Goods or any of its conflicts of law principles that would redirect any claim hereunder to another jurisdiction shall not apply to the Subcontract.

- 30.4 Parties acknowledge that it is their intention to extend to those parties included in Contractor Group and Subcontractor Group and as referenced in Article 18.9 certain liability protection pursuant to the Subcontract. A person or entity that is not a party to the Subcontract (a "third party") shall not have a right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Subcontract or any agreement amending the Subcontract or expressed to be supplemental to it. Notwithstanding the foregoing, any such term may include a benefit to such third party. Regardless of any benefit to such third party, the Parties may amend and/or vary any of the terms of the Subcontract (including in respect of any relief from liability, hold harmless, indemnity, or benefit given to any third party) without the consent of any such third party.
- 30.5 All communications shall be in the English language, shall be in accordance with the requirements set out in the Subcontract, and shall be delivered promptly to the appropriate addresses stated in the Subcontract. Upon Contractor request, Subcontractor shall promptly provide accurate and professional translations of any document in any language relevant to the Work. Unless otherwise provided in the Subcontract, in case of any discrepancy between the English version and the translation, the English version shall prevail. Any damages incurred due to the incorrect translation shall be borne by Subcontractor.
- 30.6 Any review, inspection, approval, expression of satisfaction, acceptance, payment, attendance at tests, acknowledgement or the like, by Contractor, whether written or otherwise, or the performance by Contractor of its own tests and examinations, or the Work proceeding without Contractor exercising any of its rights to review, inspect, approve, witness, test or the like, shall not relieve Subcontractor from any liability or obligation under the Subcontract and shall be without prejudice to the rights and remedies of Contractor.
- 30.7 Failure or delay by Contractor in enforcing or partially enforcing any provision of the Subcontract shall not be construed as a waiver of any of its rights under the Subcontract.
- 30.8 Any waiver by Contractor of either a breach of or default under, any provision of the Subcontract by Subcontractor shall not be deemed a waiver of any subsequent breach or default and shall in no way affect the other terms of the Subcontract. It is a condition for Contractor providing a waiver that such has been given explicitly and in writing.
- 30.9 The representations, conditions and provisions contained in the Subcontract that are intended to survive, including confidentiality obligations, Intellectual Property Rights and liabilities, audit rights, warranties, applicable law, dispute resolution and indemnities, survive termination and expiry of the Subcontract for the benefit of the Party or Parties to whom they are given. In addition, the expiry or termination of the Subcontract does not discharge or release either Party from any liability or obligation accrued at the time of such expiry or termination or continuing beyond or arising out of such expiry or termination.
- 30.10 Contractor's rights and remedies provided by the Subcontract are cumulative and not exclusive of any rights or remedies provided in law, equity, or otherwise and shall extend to its successors and assignees.
- 30.11 The Subcontract contains the entire agreement between the Parties and supersedes all prior communications, correspondence, and/or agreements between the Parties in regard to the subject of the Subcontract, both written and verbal.
- 30.12 No amendments to the Subcontract, nor any contrary or additional conditions specified by Subcontractor in any document provided by Subcontractor, shall be effective unless evidenced in writing and signed by Contractor.



30.13 The concept of severability of articles applies. If any provision of the Subcontract is held by any court or other competent authority to be void, illegal, or unenforceable in any respect in whole or in part, the Subcontract shall continue to be valid with respect to the other provisions and the remainder of the provision affected.

END OF DOCUMENT



ANNEX 1 – HSEQ Requirements

This Annex 1 sets out the SHL basic HSEQ requirements. Subcontractor shall comply, and ensure that all members of the Subcontractor Group shall comply, with this policy.

- 1.1 COMPETENCE, AWARENESS AND TRAINING - Subcontractors shall ensure that all personnel involved in the work, are sufficiently competent (possess the required, skills, knowledge, qualifications, training and experience) to perform their work correctly, to a high standard of quality and in accordance with the Contractor's specified requirements and expectations, at all times throughout their involvement.
- 1.2 INCIDENTS - Should a high potential incident or near miss occur at any worksite or at any time involving work under a PO, Contractor shall be notified by the Subcontractor promptly within the hour of the occurrence. Incident investigation will be executed in accordance with Subcontractor's procedures. Contractor has the unrestricted right to demand for and/or participate in any additional incident investigation.
- 1.3 DOCUMENTS – If requested by Contractor, the Subcontractor shall provide the following documents in relation to the Work:
 - Quality plan;
 - Method statements;
 - Risk Assessment and Management Plan;
 - ITP (Inspection and Test Plan);
 - HSE plan;
 - Emergency response plan;
 - Incident Reporting and Investigation Procedure;
 - Monthly incident statistics;
 - Subcontractor shall also provide a weekly overview of worked hours on the Subcontract for the duration of the Work.
- 1.4 DANGEROUS GOODS - Subcontractor shall provide a safety data sheet for each item or substance containing chemicals supplied by Subcontractor. Subcontractor shall affix on each container containing chemicals the chemical name and the appropriate hazard warning for the use and safe handling of the substance, along with any other required markings and legends.
- 1.5 Subcontractor represents and warrants that any goods provided by the Subcontractor are free from all chemical contaminants and that no claim, demand, or notice has been filed nor any proceeding commenced alleging liability of Subcontractor in connection with the use of any chemical contaminants relating in any way to the manufacture or sale of the said goods or the provision of the services.
- 1.6 LIFTING EQUIPMENT - all lifting equipment (slings, grommets, shackles, spreaders, cranes, forklifts, pull-lifts, etc.) provided by Subcontractor shall have valid certification. Subcontractor shall only use lifting slings with "superloop" eyes. Talurit clamped lifting eyes are not allowed and shall never be used on any of Contractor's projects. All rigging shall have valid certification according DNV Standard for Certification No 2.7-1 Offshore Containers, latest version, or DNV Standard for Certification No 2.7-3 Portable offshore units, latest version.
- 1.7 LIFTING FRAME – Lifting frames are not allowed to be used, unless express written approval is given by Contractor. Where the Subcontractor wishes to propose using a lifting frame, written notification shall be given at least 4 weeks prior to the date of delivery. Contractor always retains the discretionary right to reject Subcontractor's proposal in this matter.
- 1.8 CONTAINERIZED UNITS - If Subcontractor's containerised units are being used or transported offshore, only DNV certified offshore containers, which are in accordance with DNV Standard for Certification No. 2.7-1 Offshore Containers, latest version, or DNV Standard for Certification No 2.7-3 Portable offshore units, latest version, are permitted. Without limiting the generality of the obligation set out in this section, Contractor in particular shall observe and adhere to the requirement in the DNV Standard for Certification No 2.7-1, being that all offshore containerised units must have an outer framework with pad eyes. The containerised units shall be rigged with four certified ("superloop") slings.
- 1.9 The definition of an offshore container according to DNV Standard for Certification No. 2.7-1, ref. section 1.4 is "a portable unit with a maximum gross weight not exceeding 25,000kg, for repeated use in

the transport of goods or equipment, handled in open seas, to, from or between fixed and/or floating installations and ships".

The definition of a Portable Offshore Unit (POU) according DNV Standard for Certification No 2.7-3, ref. section 1.4.2 is "a package or unit intended for repeated or single offshore transportation and installation/lifting. POU's may also be designed for subsea lifting. A POU typically carries equipment (or any kind of installation) intended for a service function offshore. The equipment could be an integrated part of the POU or be detachable. Note that POU's are not intended to carry goods (general cargo) as their primary function, but may be used for equipment that is not possible/impractical or too heavy (MGW> 25 tonnes) to transport in offshore containers. The maximum gross mass of the POU shall normally not exceed 100 tonnes".

- 1.10 QUALITY MANAGEMENT AUDITS - the Subcontractor shall perform quality assurance audits at regular intervals. If any issues are found during the Audit, the Subcontractor shall ensure immediate action is taken to remedy the finding and the Subcontractor will ensure that all actions are taken to prevent recurrence of the relevant issue. The Contractor shall reserve the right to perform quality audits at regular intervals throughout the duration of the Work but shall coordinate all audit arrangements with the Subcontractor's personnel.
- 1.11 WORK COMPLETION RECORDS - Work completion records represent the actual condition of the Work delivered and provide information if the Work is fit for its intended use. The Subcontractors shall ensure that they fulfil the contractual responsibilities and legal responsibility to supply accurate, correct and appropriate completion records. The Subcontractor must provide all quality records, as built information and other information required in accordance with the contractual conditions and within the timescales specified.