

**APPENDIX D**

**ADMINISTRATION REQUIREMENTS**

**OKEA AS**



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## **1 INTRODUCTION**

### **1.1 Definitions**

In this Appendix, the words and expressions established as definitions and references in Form of Agreement, Conditions of Contract and Appendices shall have the meaning as assigned to them there.

### **1.2 General**

Implementation and administration of Work shall utilise Contractor's procedures to the extent possible. Contractor shall align his methods, routines, and procedures in order to comply with Company's requirements stated in this Contract and in Company's governing documents. For Work carried out in Company's premises or installations, Company's methods, routines and procedures as defined in Company's governing documents shall be adhered to.

Contractor shall establish procedures for all potentially hazardous operations. The procedures shall routinely be updated and disseminated to employees. Working practices and procedures shall be consistent with Contractor's HSE&Q policy and HSE&Q management system.

Contractor shall ensure and document that all its personnel have the knowledge and competence of relevant Contractor's governing documents applicable for each position.

### **1.3 Compliance and leadership**

Contractor shall implement a method of operation to ensure that the performance of Work is safe, reliable and efficient. Contractor's chosen method shall be clearly defined in Contractor's management system and communicated.

Contractor's management shall actively demonstrate compliance to the defined method of operation. Training programmes shall be established for all management levels and for all personnel involved in Work. Leaders shall communicate precise expectations and act as role models. All leaders shall through the defined method of operation ensure that tasks are understood, applicable governing requirements are complied with, risks related to work are identified and managed and that experience transfer is enhanced and learning permanent. Work and deliveries shall be in accordance with Norwegian HSE regulatory requirements for the activity, including compliance with the associated standards and recognized industry guidelines. Any compliance issues shall be defined and presented to OKEA, to be evaluated.

## **2 HEALTH, ENVIRONMENT AND SAFETY**

### **2.1 HSE principles and Contractor's responsibility**

Company requires Contractor to have a strong and clear HSE commitment. The commitment should be demonstrated through the day to day execution. Contractor shall ensure that HSE is a line management responsibility throughout the supply chain. Contractor shall plan and run the activity in a manner that ensures that Work can be performed without loss of life or harm to health, without damage to plant and equipment, without unplanned emissions or discharges to the environment, and in such a way that production or processes are not unexpectedly halted. Contractor shall have an implemented system to ensure permanent learning from undesirable events.

Contractor shall demonstrate his HSE commitment by including HSE as a priority item to agenda for all relevant meetings. Contractor shall search for and choose optimal solutions and work processes for performance of Work. Contractor shall demonstrate how HSE is attended to in this respect, both in HSE program and execution of Work under the Contract.

Contractor's HSE management system shall comply with latest revision of NS-EN ISO 14001, SN-BS OHSAS 18001 and NORSOK S-006 Annex B, Category applicable to the Scope of Work.

Contractor shall assess the HSE expertise and records of its Subcontractors and ensure that Subcontractors and their contractors HSE management system will meet the requirements of Norsok S-006. HSE qualification reports shall be made available on Company's request.

Contractor shall comply with Company's HSE regulations during Work performed at Company's worksites and offshore installations.

If special Work involves chemicals, unacceptable noise levels or other occupational health hazards, Contractor shall document methods for identifying, assessing and controlling such hazards.

If, in Company's opinion, Contractor's HSE performance under the Contract is unsatisfactory, Contractor shall at his own costs take immediate corrective actions to ensure compliance with the requirements in Contract.

## **2.2 HSE programme**

A Contractor specific yearly HSE programme and activity list shall be submitted to Company for review. The HSE programme shall describe Contractor's HSE objectives as well as activities and measures in order to cover all HSE risks related to personnel associated with Work. Company shall be notified of changes to HSE program. The HSE programme, which is subject to annual updating, shall be aligned with Company's HSE objectives.

## **2.3 HSE inspections and supervision**

Contractor shall plan and perform inspection and supervision, with the purpose to verify Contractor's compliance related to performance of Work, hazards identified in Contractor's risk register and to identify improvement areas. The inspections and supervision shall be performed offshore by Contractor's senior management on a regular basis and if requested by Company. Company shall be invited to participate in scheduled inspections. HSE inspection and supervision reports and actions, shall be registered in Contractor's follow up system.

## **2.4 Investigations**

If requested, Contractor shall participate in investigations. Findings and conclusions shall be communicated to all relevant personnel in Contractor's organisation. Each Party shall cover their own expenses during Company initiated and performed investigations.

## **2.5 Emergency preparedness**

Contractor's employees shall take part in safety meeting, safety drills and other HSE exercises while on Company's offshore installations.

Contractor shall provide a list of personnel available on a 24 hour basis, in case an emergency occurs during performance of Work. Contractor shall develop procedures to be followed in an emergency situation, prior to Work commencing at any worksite or offshore installations.

Contractor shall at all times be able to document that its personnel on board the Company installations meet the Authorities' and Company's requirements for designated emergency response positions. Personnel with emergency assignment shall not be replaced unless the replacement has the same expertise and training.

Contractor shall have a documented organisation for providing immediate and long-term care for employees and relatives in the event of a hazardous condition or an accident. Contractor is responsible for notifying the next of kin of any accident to Contractor Group's personnel.

Proactive management shall be the preferred method in Contractor's emergency response work. Proactive management means that the emergency preparedness management is able to handle "worst case" scenario in an emergency situation and to launch measures to prevent the situation from escalating.

## 2.6 Occupational health services

Contractor shall provide an occupational health service for its employees, and make sure that the same applies for Subcontractors. The occupational health service shall at least provide preventive health services and rehabilitation, surveillance of workers health and the working environment and advisory services for employees and employers regarding health and working environment.

Contractor shall have a system in place which documents systematic health monitoring as specified by applicable regulations and good professional practice. Monitoring shall lead to action plans, which are regularly followed up. The system shall provide for identification, evaluation and reporting of work related illnesses and corrective measures, follow-up of employees on sick leave, and prevention and treatment of alcohol and drug abuse.

Contractor shall use data on sickness absence proactively. Provisions shall be made for the employees' return to work, or that alternative work is offered within Contractor's organisation.

Contractor shall systematically follow up incidents of possible work related illness. Employees shall be encouraged to propose countermeasures, and to prevent new incidents from occurring.

## 2.7 Alcohol and drugs

Company has zero tolerance for use of alcohol and/or drugs during performance of Work.

Contractor shall ensure that its personnel are fully aware in advance and do not take, consume, or use offshore any alcoholic beverages, drugs, or any other harmful substances or materials. For bringing and use of prescription drugs "NOG 003 – Recommended guidelines for check-in and security checks at helicopter terminals, chapter 13 Security check" shall be complied with.

Contractor shall work systematically to prevent substance abuse by its own employees or employees of Subcontractors who participate in Work. Contractor shall have formal procedures for dealing with substance abuse by its own personnel, and ensure that Subcontractors have similar procedures.

Traffic/security personnel may demand that travellers suspected of being intoxicated take a blood-alcohol test. If the test indicates a blood-alcohol level of 0.21, or more, or the individual refuses to submit to a test, he/she will not be allowed to go offshore and the situation will be logged and reported. A copy of the report will go to the traveller's supervisor. Furthermore, he/she will get 24-hour quarantine before a new departure can take place. In the case of Contractor personnel, Contractor will be invoiced for the unused helicopter seat. Contractor shall have procedures for further handling and follow up of the employee.

Company reserves the right to drug test Contractor personnel at random basis. Contractor's trade union shall be allowed to comment on procedures for random drug testing.

## 2.8 Company's right to stop unsafe work

Company is entitled to temporarily stop Work with immediate effect by notifying Contractor when:

- Work is not performed in a safe manner in accordance with Company's requirements for health, safety and working environment as stated in this Appendix.
- Work is not performed in accordance with laws, rules, regulations and/or procedures applicable to Work.

Any person acting on behalf of Company has the right to stop Work that this person considers to be unsafe. Contractor is obliged to stop Work immediately. Contractor may bring the decision to stop Work, up with Company Representative or his nominated representative for a final decision.

Contractor shall not recommence Work after a stop-order until the unsafe practice or nonconformity is corrected. All costs incurred by Contractor during the period of stop-order shall be borne by Contractor and cannot be invoiced to Company.

## 2.9 Chemicals

Contractor shall have a system which ensures and documents that all chemicals due to be used during Work are evaluated for their health risk during transport, use and disposal, and that chemicals with the smallest health risk are given preference wherever this is technically and operationally feasible. Registrations of chemical risk assessments shall be available for Company upon request.

Contractor shall use Company's system for Safety Data Sheet Administration, and Contractor shall operate within Company's requirements related to this system.

Contractor shall at least 14 days in advance, provide Company with information regarding intended chemicals to be used i.e. detergents, etc, and their corresponding safety data sheets. The chemicals shall not be used before they are approved by Company. Contractor's responsibility includes, but is not limited to, a duty to document and report new chemicals or new usage to Company, and according to feedback from Company to carry out assessments of risk, and/or substitution.

Appropriate documentation for any product supplied to Company's on and offshore locations to comply with all current laws, rules and regulations, including but not limited to the Environmental Protection Act 13 March 1981 no. 6 (Chapter 5).

Contractor shall be compliant with the requirements set in the REACH – regulations (Regulation on Registration, Evaluation, Authorization and Restriction of chemicals).

Contractor shall continuously work for reducing synonymous chemicals. Contractor shall document justification for use and substitution evaluation for chemicals as requested by Company.

Contractor shall adhere to Company's storage plan and secure safe storage of all products/chemicals on board the Company installations.

### **2.9.1 Safety data sheets (SDS) and Environmental data sheet (HOCNF or equivalent)**

Contractor shall submit revised SDS for all chemicals in use. In case of doubt whether a SDS is to be elaborated, Contractor shall document that this kind of chemical does not entail a HSE-risk. Company will review the quality of the SDS as part of its internal control. The SDS shall be made available in a language that is understood by the employees who will perform Work under the Contract.

Contractor shall be responsible for any costs and expenses related to rectification in case of deviation from authority requirements. Company is entitled to reject the acquisition of chemicals when deviation is not corrected by Contractor.

Environmental documentation is required for chemicals that will be discharged to the sea after usage. The environmental risk assessment shall be performed with basis in Harmonised Offshore Chemical Notification Format (HOCNF) or similar documentation where all components present in the products are identified and tested. Upon request Contractor shall assist Company in acquiring HOCNF or equivalent. Chemicals known as marine pollutants shall be avoided. Octyl /nonylphenoethoxilate based detergents shall not be used.

Contractor shall ensure that SDS and records of chemicals in use are established and are available according to the Authorities requirements.

## 2.10 Environment

Contractor shall have an environmental management system developed to a level comparable to a recognized international standard, e.g. ISO 14001, latest revision. The system should be known by Contractor's personnel, and actively adhered to.

The optimal selection of materials shall be based on the principal of reduction, recovery and recycling of waste. Contractor shall have a system in place which ensures and documents the selection of environmentally optimal solutions.

### **2.10.1 Waste handling**

Contractor shall have implemented a system for identifying, classifying and handling waste. Hazardous waste shall be handled in accordance with applicable statutory rules and regulations. Consumer and production waste shall be sorted.

Contractor shall work out a waste handling plan. The plan for waste handling shall describe how to reduce amount of waste, waste segregation, recovery, recycling and eventually energy recovery.

### **2.11 Prevention of falling objects**

If applicable, Contractor shall have included measures for prevention of falling objects in the management system. The falling object management system shall include compliance with procedures, routines for follow up of falling objects and measurement of results, as described in Sfs024 – “Falling objects”, latest revision or equivalent industry standard.

### **2.12 Permit to work (PTW) and safe job analysis (SJA)**

Contractor shall adhere to Company’s work permit and safe job analysis system that is in compliance with NOG 088 “Common model for work permits” and NOG 090 “Common model for safe job analysis. PTW and SJA shall be reported utilizing Company’s system for registration.

### **2.13 Security**

Contractor shall at all times have implemented security measures which protect Company against relevant threats of harm related to Work and Company’s operations and property.

Contractor shall establish a system for handling classified documents and classified electronic data.

Contractor shall at any time be able to verify the identity of the personnel, and always check relevant qualifications and obtain references from earlier employment, when Contractor uses hired personnel for performance of Work.

Contractor shall use NOG’s safety seals from Company’s number series. NOG’s security declaration shall be used for all deliveries of goods in closed carriers.

Contractor’s personnel who are considered likely by Company to have access to sensitive documents, procedures and/or other sensitive information shall sign Company’s confidentiality undertaking.

### **2.14 Personal protective equipment (PPE) and working clothes**

Contractor shall provide necessary personal protective equipment (PPE) and working clothes for its personnel, and ensure that all Contractor personnel performing Work are equipped with, and use correct PPE when appropriate.

### **2.15 HSE reporting**

Unless otherwise agreed, HSE report shall be submitted as part of Contractor’s general reporting on monthly basis, as defined in section 8.2.1.

Contractor shall comply with all requirements of Contract and of Authorities for notification and reporting HSE incidents. Routines for ensuring such compliance shall be documented. Contractor shall use its own system for reporting, categorising and following up of undesirable HSE incidents unless otherwise agreed. Contractor is also responsible to report all undesirable HSE incidents related to Work in Company’s system.

All undesirable HSE incidents which require notification according to Company’s requirements, shall be reported to Company within 24 hours of the incident. Undesirable events with a medium loss potential shall be registered. Direct and underlying causes shall be specified.

All contact with and publication of information to the media and Authorities relating to Work, including aspects relating to any emergency response situation, must be approved by Company.



### **3 QUALITY MANAGEMENT SYSTEM**

#### **3.1 Management system requirements**

Contractor shall have an implemented quality management system complying with the requirements in NS-EN ISO 9001 (latest revision) or equal. The quality management system shall cover all Contractor's activities in connection to Work, such as management systems for quality, HSE, finance, project control, information, and information technology. The system shall be approved and signed by Contractor's top management.

Contractor shall align its management system in order to comply with Company's requirements stated in Contract..

When Work is performed by Contractor at Company's premises/Company installations, Company's management system shall be adhered to.

#### **3.2 Continuous improvement**

Contractor shall establish a culture for continual improvement within own organisation, and promote the principles of continual improvement towards own suppliers. Contractor is responsible for keeping itself informed of any new regulations or reviews of existing requirements and shall implement all new requirements in force. Continuous improvements shall be based on registered non-conformance, experience transfer and best practice. There shall be a description of how a culture for continuous improvement is obtained among Contractor's personnel.

#### **3.3 Quality plan**

Contractor shall establish, implement and systematically update a quality plan for Work in accordance with latest revision of ISO 9001 "Quality management systems" and ISO 10005 "Guidelines for Quality Plans". The quality plan shall be dated, numbered and distributed to all relevant work sites and to Company's representative.

The complete quality plan shall be submitted to Company for approval.

#### **3.4 Subcontractor quality assurance**

Contractor shall assure that its Subcontractors for Work establish, implement and maintain a quality management system appropriate to their scope of work. Contractor shall evaluate the quality management system(s) of all intended Subcontractors prior to subcontract award.

#### **3.5 Non-conformities system**

Contractor shall establish, document and maintain a non-conformity control system in order to track non-conformities systematically. The system shall provide for an effective feedback loop to prevent recurrence for the duration of Work. At the request of Company, Contractor shall submit the latest non-conformity report (NCR) for review.

Contractor shall verify that any non-conformity from nominal regulations, standards and Company requirements are duly justified, documented and validated. Contractor shall take immediate corrective action to eliminate any non-conformity encountered. Contractor shall inform Company of any changes to Quality management system to rectify non-conformities.

Non-conformities related to Work shall be reported utilizing Company's system for registration of such events.

#### **3.6 Quality records**

Contractor shall identify, analyse, maintain and report quality records and detect trends in due time to enable preventive/corrective actions to be taken. The quality records shall be registered by Contractor in Contractor's systems and be available for Company upon request.

### **3.7 Deviation permits**

Contractor shall apply for deviation permit from Company if he considers that a deviation from the requirements of Contract is necessary.

### **3.8 Audit and verification activities by Company**

Company, or anyone authorized by Company, shall have the right to perform audits and verifications according to recognized standards towards Contractor Group throughout duration of Work, with minimum 10 working days notice. Contractor shall free of charge provide the necessary assistance and access to facilities, documents and records necessary to verify compliance with requirements. The audit and verification rights are valid until two years after final payment on Contract. Contractor shall ensure that Company has the same audit and verification rights with the Subcontractors, and their Contractors.

Contractor shall on Company's notification, participate in Company's verification activities and provide relevant personnel and documentation as requested by Company. Each party shall cover their own expenses during these audits and verifications.

Audits and verifications carried out by Company shall not relieve Contractor of its responsibility for Work.

### **3.9 Audit and verification activities by Contractor**

Contractor shall plan and carry out monitoring activities (follow-up, verifications or audits) according to recognised standards, both internally and towards Subcontractors, in order to assure Work is carried out according to the quality management system and quality plan. If requested, Contractor shall submit plan for audit and verification activities to Company.

Company shall have the right to attend as observer in all Contractor planning and execution of such activities. Activities shall be notified by Contractor, in writing, minimum 14 days in advance. Upon request, copy of audit and verification reports shall be submitted to Company.

Audit and verification status shall be included in the monthly report, as stated in section 9.2.1 hereto.

Contractor shall establish and implement a system that identifies and controls all corrective and compensating actions from audits, verification and follow-up activities until close-out.

### **3.10 Development, supply and maintenance of software programs or products**

In respect of the development, supply and maintenance of software programs or products, the guidelines in quality standard ISO/IEC 90003 (latest revision) Software Engineering: Guidelines for the application of ISO 9001 (latest revision) to computer software shall apply.

### **3.11 Lessons Learned**

As part of the continuous improvement process, Contractor shall have a system for:

- Recording lessons learned in Contract and provide it to Contractor's corporate improvement process.
- Provide feedback to Company and Subcontractors on their performance.

Lessons learned shall be recorded on an ongoing basis and be continuously reported and implemented.

### **3.12 Risk management**

Contractor shall implement, document and maintain a risk management system to systematically document and follow-up Contractor's defined Risk management process. The Risk management process shall define how risks systematically are identified, assessed and managed. It shall be defined how threats related to Work are controlled and opportunities are identified and handled.

The system shall be in compliance with latest revision of NS-ISO 31000 “Risk management – Principles and guidelines” or equivalent and NORSOK Z-013.

A risk management plan shall be established to document and follow-up identified risks, assumptions, risks mitigating actions and remaining risk. For each risk mitigating action a deadline and responsible person shall be assigned. Contractor shall communicate significant risks to Company.

Contractor shall have a documented process for monitoring and reviewing the risk management system.

### **3.12.1 Risk analyses**

Contractor shall identify, assess, mitigate and control risks related to Work. Risk analyses shall be documented and made available to Company on request. ISO 17776 “Guidelines on tools and techniques for hazard identification and risk assessment” or equivalent for risk analyses shall be used.

### **3.12.2 Working environment health risk assessment (WEHRA)**

A system for risk management of health and working environment shall be established. Contractor shall have a system which ensures and documents the identification and following up of all physical, chemical, ergonomic and psychosocial/organisational factors which could be potentially detrimental to health and performance. This system shall be linked to continuous systematic monitoring of the exposure of its own and any Subcontractor’s employees to these factors, and to a programme for reducing exposure which could be harmful to health.

When a health hazard and a potential health risk have been identified, it must be assessed which measures to be implemented to reduce the risk to a level as low as reasonable practicable (ALARP).

It is Contractor's responsibility to ensure that the working environment requirements described in Contractor’s management system are met by Contractor’s personnel.

## **4 ORGANISATION AND PERSONNEL**

### **4.1 Organisation**

Contractor shall have an organisation plan for Contract. This plan shall include:

- Organisation chart with names and positions.
- Identification of key personnel.
- Job descriptions with definition of area of responsibility, authority and qualification requirements.
- If Contract contains requirements for personnel with specific qualifications, Contractors plan shall indicate how Contractor will ensure that such personnel are available at all times.

Contractor shall in all phases, plan their own staff to ensure continuity of operations, as well as the optimal transfer of experience and improvement.

Contractor shall ensure that all relevant personnel who are involved in performance of Work, are in possession of valid work permits.

When Company has reasonable reason to do so, Contractor shall, upon written request from Company, remove personnel performing Work for Contractor. Any person, who had to be removed in accordance to the above, shall be replaced without unnecessary delay with a qualified person who shall be approved by Company.

If increase in manning level is required, Contractor shall utilize personnel with qualifications according to Contract.

All personnel performing Work shall be approved by Company.

Contractor's organisation chart for Work shall be presented for Company upon request.

## **4.2 Key personnel**

Key personnel essential to performance of Work, shall be approved by Company, and Contractor cannot replace them without a prior written approval by Company. Such approval shall not be unreasonably withheld. In the event key personnel are to be replaced, Contractor shall provide sufficient training and periods of overlap, at Contractor's cost, in order to minimize consequences to Company.

Contractor shall appoint a Contractor representative who shall manage and administrate the Contract. Contractor representative shall ensure and follow-up:

- Contract administration and communication with Company
- Personnel resources identified for Contract
- Overall responsibility for HSEQ and risks
- Execution of Work according to regulations and requirements of Contract

## **4.3 Employment contracts/industrial disputes**

Contractor is obliged to issue written employment contracts to all Contractor's personnel performing Work for Company under this Contract. Contractor shall also ensure that Subcontractors' personnel have written employment contracts. The employment contracts shall specify the employees' position, their pay and compensation system, payment of wages, working hours system, etc.

Contractor is obliged to comply with any agreements entered into with the employees' unions. Company shall have access to these contracts of employment for the purpose of auditing the applicable laws, rules and regulations in respect of employment and working conditions are adhered to.

Contractor shall immediately notify Company in writing if any ongoing or expected labour dispute or industrial dispute/-s will influence Contractor or Subcontractor's performance of Work.

## **4.4 Working hours**

Contractor shall establish and maintain a system for monitoring and control of shift plans and working hours for Contractor Group's personnel performing Work, in order to assure that the requirements of laws and regulations are adhered to. Contractor shall ensure that the use of overtime does not represent a risk to human health or safety.

## **4.5 Workplace regulations**

All personnel are obliged to comply with the safety and working regulations applying at any time onboard Company installations.

## **4.6 General requirements for personnel at offshore installations**

All personnel working at offshore installation shall have valid certification for offshore work in addition to valid health certificate. A valid medical certificate shall be presented at the helicopter transport office before the departure to Company installations well in advance of the expiry of their medical certificate, personnel shall present a new certificate. If the date for expiry of the medical certificate has passed, personnel who have not renewed their certificate will not be allowed to travel to Company installations.

Prior to start-up of onshore and offshore activities, Contractor shall comply with all Company's requirements including, but not limited to, Work Permit, Safe Job Analysis and Regulatory Training.

#### **4.7 Training and competency**

All personnel who work under the Contract shall comply with Authorities' requirements for training in force at any time. Contractor shall have documented systems in place for selecting and training personnel, in order to ensure that Work is executed by qualified personnel with adequate skills. Contractor is responsible for planning and implementation of all training and competency required by Company for personnel performing Work. Contractor shall develop a complete training programme including all training per position offshore and onshore necessary to comply with Contract.

All personnel performing Work shall be approved by Company.

### **5 HELICOPTER TRANSPORT TO COMPANY'S OFFSHORE INSTALLATION**

All travel to the offshore installation shall be in accordance with the operation plan for the installation. Personnel are obliged to comply with the relevant directives and procedures for helicopter transport applying at any time. The detailed routines for booking shall be agreed with the operations management at the actual installation.

No later than 4 days before departure to an installation, Contractor shall give Company (contact info to be agreed) a list of personnel with information on:

- Contractor's name
- Actual flight date and by preference also flight number
- Name and date of birth of individual, including next of kin information (name, address, telephone number)
- Name of each individual's employer
- Date of planned departure
- Day – or night shift

Contractor shall notify Company of any changes of contact persons and telephone numbers for emergency cases. Contractor is responsible for ensuring that Company has correct information at all times.

Seats cancelled later than 24 hours prior to helicopter departure are considered as unused seats. This applies to departures to offshore only. Change of name, however, is permitted up to 1 hour prior to the departure, and must be reported to Company.

In connection with departure, the traveller shall be able to present the following:

- A valid identification card with a picture (driver's license or passport)
- Valid certificate for basic emergency training (NOG 002)
- A valid visa, passport and work permit (for non-EEA personnel)
- Certificate of complete Safe Job Analysis and work permit courses (NOG guideline 088 and NOG 090) (First travel offshore per person)
- Valid medical certificate (First travel offshore per person and upon renewal)

The individual is responsible for the control of his personal data and of correcting such information.

Missing and/or not valid documents prevents Company to accept personnel for transport offshore, and personnel will not be accepted for helicopter transport.

Personnel are obliged to comply with the relevant directives and procedures for helicopter transport applying at any time.

### **6 PRINCIPLES FOR PURCHASE ORDERS AND INVOICING**

Work under this Contract will be initiated by Purchase Orders issued by authorised personnel.

Company can require Contractor to present a proposal/estimate for Work to be performed in accordance with Contract, prior to issue of Purchase Order. Contractor shall respond to this

request without undue delay. Contractor's proposal shall form the basis for clarifications and agreement with Company, in order to issue a signed Purchase Order.

OKEA is implementing the web portal SISCommerce for sharing Request for Quotations and Purchase Orders. Unless another procedure is specifically agreed between Company and Contractor, Contractor is required to use the SISCommerce web portal for submitting Quote and accepting Purchase Order. A guideline for interacting with Company via SISCommerce is presented on [www.okea.no/suppliers](http://www.okea.no/suppliers).

OKEA requests our suppliers to use the EHF format (Electronic Trading Format) for electronic invoicing. This format may be introduced as an obligatory requirement at a later stage. For more information see the invoicing guidelines presented at [www.okea.no/suppliers](http://www.okea.no/suppliers).

## 7 VARIATIONS TO WORK

If applicable, variation order request shall be submitted to Company.

## 8 PROJECT CONTROL

### 8.1 Planning

Contractor shall establish and maintain a planning and progress monitoring system as required for Work. Contractor shall establish and maintain all necessary plans for performance of Work. Planning level shall be agreed with Company.

### 8.2 Reporting

Requirements for reporting shall be agreed with Company after Contract award, and will typically be based on reporting as described below.

#### 8.2.1 *Monthly report*

Contractor shall prepare monthly reports in a format Company deems appropriate at any time. Contractor shall submit reports to Company within 3 working days after the end of each month.

A typical monthly report shall include:

- management summary with progress and cost status
- activities performed previous period and activities to be performed next period
- tabulator reporting of:
  - Purchase Orders
  - cost
  - schedule
  - planned and actual progress
  - variation orders and amendments
- lessons learned
- HSE report including
  - HSE statistics and trends in development of Key Performance Indicators (KPI's) (last 12 months)
  - A recommended action plan where targets and KPI's are not achieved
  - Status on HSE programme activities
  - Status on documented implementation of relevant actions from safety alerts
  - Status on efficiency of corrective and compensating actions to identified HSE undesirable events
  - Areas of concern and risk areas with mitigating actions
- Quality status report including, but not limited to:
  - Reporting of non-conformities, corrective and compensating actions and quality improvements
  - Quality loss – cost due to wrong quality (% , NOK)

- Technical limit work, actions and results
- Audit and verification activities
- Proposed improvements

The following HSE KPI's shall be reported:

- a) Lost time injuries (number, frequency)
- b) Total recordable injuries (number, frequency)
- c) Serious incidents (red and yellow) (number, frequency)
- d) Falling objects incl. potential falling objects (number)
- e) Sickness absence (% of working hours)
- f) Work related illness WRI (number)
- g) Working hours (hours)

### **8.2.2 Quarterly report**

Contractor shall submit quarterly report as agreed with Company.

### **8.2.3 Half year report**

Contractor shall prepare required information as agreed to Company's half year report, based on analysis of the HSE results related to operation of the Company installations agreed with Company.

### **8.2.4 Yearly report**

Contractor shall prepare required information to Company's yearly report for Work of the Company installations.

### **8.2.5 Experience transfer report**

Contractor shall record information and experience data on an on-going basis and issue experience transfer reports at the end of Contract according to milestone stated in Appendix C.

The report shall as a minimum address the following:

- How Contractor's HSE programme has functioned.
- Unforeseen problems, how these were overcome and recommended future approaches.
- Underlying causes of personnel injuries and work related illness, and how such cases have been followed up.
- Positive HSE aspects which should be considered for future activities.
- Suggested improvements to work routines.

## **8.3 Recording of hours**

Contractor shall record all hours used by personnel involved in Work, including hired and Subcontractor personnel. All hours shall be recorded against Contract, the individual Purchase Orders, and split between work performed onshore and offshore, and according to personnel category. All timesheets shall be approved by Company.

## **9 REPORTING TO PUBLIC AUTHORITIES**

Contractor is responsible to keep informed of the appropriate statutory requirements in accordance with the regulations and laws in force in the respective areas where Work is being performed, and to submit all necessary reports to Government Authorities in accordance with the regulations and laws in force. Contractor is also obliged to ensure compliance of his Subcontractors.

Company shall receive copies of communication with authorities relevant for Work, including for Subcontractors.

Lack of compliance with requirements herein, shall be considered as a defect of Work.

Contractor shall indemnify Company for any costs incurred by Company as a result of any failure by Contractor to observe and comply with laws, regulations, statutes and agreements. Company reserves the right to deduct such costs, together with an administrative charge, against any sums which might be owed by Company to Contractor.

Following listed authorities is not a complete list and Contractor shall continuously establish and maintain a list of all applicable authorities to communicate and report to.

### **9.1 General application of wage agreements etc.**

The payment and working conditions for all Contractor's and Subcontractors' employees, and hired personnel shall be in accordance with the Norwegian Act relating to the general application of wage agreements, and its pertaining regulations.

Contractor and its Subcontractors shall ensure that the payment of and working conditions for all employees upholds the minimum level specified in the comparable and/or applicable wage agreements.

On request, Company may require Contractor and his Subcontractors to produce documentation in accordance with the Norwegian Act relating to the general application of wage agreements regarding the payment and working conditions of Contractor's and Subcontractors' personnel.

### **9.2 Reporting to the Central Office - Foreign Tax Affairs**

Contractor including any other parties executing Work under the Contract, shall report to Central Office – Foreign tax affairs (Sentralkontoret for utenlands saker SFU) in compliance with the provisions of Norwegian Tax Assessment Act (Ligningsloven med forskrifter).

### **9.3 Reporting to the Directorate of Immigration**

Contractor including any other parties executing Work under the Contract, shall report to the Norwegian Directorate of Immigration as well as the local police station in compliance with the appropriate regulations. Reporting shall be according to frequency given by authorities and apply to employees from countries not included in the European Economic Area (EEA) agreement.

## **10 INTEGRATED OPERATIONS**

Contractor shall perform his obligations under this Contract in accordance with the principles of IO, to contribute to safe and efficient performance of Work.

IO technologies that shall be used for performance of Work are collaboration rooms and other collaboration tools, video conferencing, solutions for data sharing and visualization.

The principles of IO shall also be used to improve coordination and collaboration on support of the execution of offshore activities.

## **11 PACKING AND MARKING OF DELIVERIES**

Materials and goods delivered to Company, shall be properly packed and marked according to relevant industry standards, applicable laws and regulations, instructions given in Contract and Purchase Order's and Operator's packing and labelling guidance presented on OKEA's website: [www.okea.no/suppliers](http://www.okea.no/suppliers). Reference is also made to requirements given in Appendix A.

All Contractor Group personnel involved in packing, securing and transport of equipment and materials shall have approved proof of competence after completing the course NOG 116 "Packing, securing and transport of equipment, including user control of lifting equipment".

### **11.1 Packing**

All equipment shall be securely packed in accordance with NOG 116 "Recommended guidelines for packing, securing and transport of loads, and for user inspection of load carriers". Materials



suited for transport on pallets, shall if possible be packed on an 80 x 120 cm (Euro pallet) pallet and total height shall not be more than 100 cm.

Contractor shall take the environment into account in the choice of packaging. Use of fill material such as packet chips (expanded polystyrene EPS) shall not be used.

If material is shipped directly from Contractor to the Company installations without any re-packing at an offshore supply base, the following additional requirements shall be adhered to:

- All lifting material shall be approved according to regulations in DNV 2.7-1-2-3 or NS-EN 12079 "Requirements for grade 80 on lifting material".
- For packing, securing and transportation to an offshore supply base or to/from Company installations, the NOG Guideline 116 shall be followed "Recommended guidelines for packing and securing the transport of cargo and user control of load carriers".
- Shipments from Contractors with NOG Protecting Agreement shall be secured in accordance with NOG guideline 091 "Securing supplies and material in the oil industry".

When material is packed in baskets to be sent offshore, the weight of the goods shall be in balance, this to ensure safe operation in later handling. Baskets shall be equipped with a fixed buffer to prevent the material from moving from its fastened position. During loading for offshore transportation all lifting equipment shall be in balance as calculated for all types of lifting operations. The maximum allowed deviation is 5 (five) degrees from balanced condition. In containers with shelves installed, heavy loads must be placed at the bottom of the containers (acc to NOG 116).

Final inspection of equipment for use offshore shall be carried out by Contractor at his premises prior to shipment.

## 11.2 Marking

Contractor shall, as a minimum, mark every item delivered with correct delivery address, name of the receiving installation, Purchase Order number, content, weight, total number of parcels in shipment and any product and danger marking required by any relevant regulations. In addition various further marking instructions may apply according to Purchase Order.

## 11.3 Documentation for delivery of materials

Contractor shall ensure adherence to any documentation required by Contract, industry standard and applicable laws and regulations.

A detailed cargo manifest or a delivery note shall be sent by e-mail to the offshore supply base for each shipment including date and time for delivery of the shipment to the base.

Delivery documents (packing list and detailed cargo manifest) shall follow every delivery and be marked with name of the Company installations, Purchase Order number, description of the shipment and quantity.

Contractor shall ensure that all necessary documentation are delivered together with the materials. If Company requires IS-tagging, Contractor shall ensure the ID number appear clearly on the certificate.

Contractor shall ensure that certificates for cargo carriers and lifting material are updated in accordance with requirement for annual inspection.

Contractor shall ensure that 2 sets of NOG approved safety data sheets accompany the shipment for all products where this is required according to applicable regulations.

If Purchase Order includes temporary material, Contractor shall ensure that documentation is provided for in accordance with applicable requirements in NORSOK Z-015.

Proforma invoice shall follow delivery if applicable.

If applicable, the following documentation shall accompany a shipment:

- Relevant certificates

- Safety Data Sheet (SDS) in 2 copies
- Transport emergency card
- Dangerous goods waybill
- Shipper's declaration for dangerous goods

#### **11.4 Dangerous goods**

If applicable, Contractor shall ensure that shipment containing dangerous goods are classified and allowed for transport according to ADR/RID, IMDG and IATA in accordance with the mode of transport to be used, delivered the current Company installations or onshore facilities and provide necessary documentation.

Pre-notification for conveyance of dangerous goods etc. to comply with all current laws, rules and regulations. Such pre-notification is in addition to the normal statutory obligations for licensing, classifying, packing, labelling (per IMDG Code and CPG regulation) and transportation of dangerous goods, by the issue of documentation to be received by Company at least 24 hours prior to delivery. Furthermore, each consignment must be accompanied by either:

- For sea transport, a Dangerous Goods Manifest (Declaration) and packing Certificate (in compliance with S.I. 1747).
- For air transport, a Consignment Note or IATA Shippers Declaration for Dangerous Goods.

With each entry on the Dangerous Goods Manifest/Consignment Note supported by Health and Safety Data Sheets. Copies to be furnished to the Safety Officer/Medic offshore and the Company's onshore Environmental Supervisor prior to the goods being shipped.

#### **11.5 Contractor's transport equipment**

Contractor shall, if its own transport equipment is being used, indicate on the despatch note in which transport unit the material is packed. The transport units shall be adjusted to the object, securely packed and the content shall be secured with a safety net, straps or other appropriate safety equipment. Transport units shall be sealed, and the despatch note shall indicate the seal number.

The transport equipment used for offshore shipments must be certified for offshore use, and valid lifting certificates shall accompany the equipment.

Contractor is responsible for slings and other lifting aids for Contractor's equipment and materials.

Lifting gear shall be certified and approved according to "DNV 2.7.1".

Temporary equipment shall be in accordance with NORSOK Z-015 "Temporary Equipment".

#### **11.6 Backload of equipment**

If required, Contractor is responsible for packing and marking of the backload and preparing the manifest. Contractor is responsible for traceable electronic notification of backload to Company's storekeeper.

No movement of equipment in backload shall be made without Company's authorisation.

## **12 ADMINISTRATION**

### **12.1 Communications and correspondence**

All Contractual communications and correspondence from Contractor to Company shall be addressed to Company's Representative. All written or electronic communications shall have reference to Contract and Purchase Order number and relevant subject. All instructions and agreements given on telephone, shall be confirmed immediately in writing. The system for correspondence shall be agreed after Contract award.

### **12.2 Language**

All documents and correspondence for this Contract shall be in Norwegian or English language, and shall be decided by Company after Contract award. Communication and all working documents at Company's offshore installations, shall be in Norwegian, unless otherwise agreed.

### **12.3 Meetings**

The nature and criticality of Work will determine frequency, location and attendance at meetings. Frequency and plan for meetings will be agreed after Contract award. Company and Contractor may both call for meeting if deemed necessary. It must be anticipated that at least monthly meetings will be held.

Quarterly Performance Review meetings may be required, reviewing the KPI's and general performance for the previous quarter. Management representatives shall be present, as required, from both Company and Contractor in these meetings.

As a main rule, meetings will take place at Company's premises.

## **13 DOCUMENTATION**

Contractor is responsible to issue all relevant information and documentation of Work. Contractor shall store and administrate relevant documentation, i.e. test reports etc. on behalf of Company. The documentation shall be made available to Company at any time, also after Contract end date.

Necessary documentation shall be delivered according to requirements in Contract and the Purchase Order.

## **14 KEY PERFORMANCE INDICATORS**

Company may define and outline non-profit KPIs to be implemented during Work. Non-profit KPIs, shall be agreed between Company and Contractor after Contract award. Company shall have the right to implement non-profit KPIs when required.

## **15 SPECIFICATIONS AND COMPANY DOCUMENTS**

It is Contractor's responsibility to identify and adhere to all Laws, regulations, standards and specifications relevant for Work. The latest published revision of the documents shall apply.

In case of any contradictions between Laws/Regulations and standards, Laws/Regulations shall prevail.

It is Contractor's responsibility to identify, request and adhere to all Company's documents relevant for Work. Contractor will be given access to Company's documents as applicable. The latest published revision of the documents shall apply.

For services and maintenance of equipment, Contractor shall utilize documentation and manuals for the specific equipment to secure its integrity. Such documentation will be made accessible to Contractor.

In case of any contradictions between Laws/Regulations and Company documents, Laws/Regulations shall prevail.

## 16 SUBCONTRACTORS

Contractor has prequalified Subcontractors listed herein, as being acceptable for performing particular parts of Work, and supply of services and materials. Contractor shall not use other Subcontractors for performing particular parts of Work, and supply of services and materials, without prior agreement with Company.

Description of Work, Services and Materials	Subcontractor

## 17 PARENT COMPANY GUARANTEE

If requested, Contractor shall provide a Parent Company Guarantee free of charge.