

PROXIMITY AGREEMENT

IN RESPECT OF THE

[XX]

TABLE OF CONTENTS

SPECIAL TERMS AND CONDITIONS (“STC”)

Article 1 DEFINITIONS, AGREEMENT DOCUMENTS AND INTERPRETATION

Article 2 CONSENT TO WORK IN PROXIMITY OF THE AFFECTED PIPELINE

Article 3 CAPACITY OF THE PARTIES

Article 4 REPRESENTATIVES AND NOTICES

Appendix A General Terms and Conditions for Proximity Operations

Appendix B Proximity Point(s)

Appendix C Proximity Operation

This Agreement is entered into on the [date] [month] 20XX by and between:

YY, a joint venture organised and existing under the laws Norway, comprising the following companies or the successors in interest or assignees of said companies with the present participating interests:

(hereinafter called the “Affected Party”) of the first part, and

XX, a joint venture organised and existing under the laws of Norway, comprising the following companies or the successors in interest or assignees of said companies with the present participating interests:

(hereinafter called the “Executing Party”) of the second part.

WHEREAS, the Affected Party is the owner of the Affected Pipeline (as hereinafter defined), and

WHEREAS, the Executing Party intends to carry out work in proximity of the Affected Pipeline, and

WHEREAS, the Affected Party is represented by its operator.....,and

WHEREAS, the Executing Party is represented by its operator, and

WHEREAS, the Parties wish to enter into this Agreement in order to establish the terms upon which the Proximity Operation will be performed.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1 DEFINITIONS, AGREEMENT DOCUMENTS AND INTERPRETATION

1.1 Definitions

The following terms shall have the meaning as stated below:

1. “Affected Pipeline” shall mean the [which forms a part of the YY facilities] operated and owned by the Affected Party.
2. “Agreement” shall mean the Special Terms and Conditions (“STC”) and the Appendices listed in STC Article 1.2.
3. “Proximity Operation” shall mean the scope of work described in Appendix C.
4. “Proximity Point(s)” shall mean the point(s) where the Proximity Operation is performed in the vicinity of the Affected Pipeline at the following preliminary coordinates:

Easting	Northing
[insert coordinates]	

The final Proximity Point(s) will be agreed in the procedures referred to in GTC Article 2.2. The Proximity Point(s) is shown in Appendix B.

5. “Effective Date” shall mean
6. “Party” and “Parties” shall have the meaning as defined in Appendix A.

Further terms that are applicable to this Agreement are defined in Appendix A.

1.2 Appendices

The Appendices listed below are a part of this Agreement:

- Appendix A. General Terms and Conditions for Proximity Operations (“GTC”)
- Appendix B. Proximity Point(s)
- Appendix C. Proximity Operation

In the event of any conflict between the various parts of this Agreement, they shall be given priority in the following order:

- a) STC

- b) Appendix A (GTC)
- c) Appendix B
- d) Appendix C

2 CONSENT TO WORK IN PROXIMITY OF THE AFFECTED PIPELINE

2.1 The Affected Party agrees that the Executing Party may perform the Proximity Operation in the Proximity Area on the terms and conditions provided in this Agreement.

3. CAPACITY OF THE PARTIES

3.1 Within the respective joint ventures constituting the Parties, the Participant’s obligations and liabilities under this Agreement shall be several and not joint and collective in accordance with their interests in the Affected Party and the Executing Party respectively, as applicable from time to time.

4. REPRESENTATIVES AND NOTICES

4.1 shall act as the representative of the Affected Party, shall have the same rights and obligations as the Affected Party under this Agreement, and warrants that it is authorized and empowered to act on behalf of the Affected Party under this Agreement and to sign the Agreement.

..... shall act as the representative of the Executing Party, shall have the same rights and obligations as the Executing Party under this Agreement, and warrants that it is authorized and empowered to act on behalf of the Executing Party under this Agreement and to sign the Agreement.

4.2 Unless otherwise expressly stated, every notice and request provided for herein shall be in writing to the other Party at the following addresses:

Concerning the Affected Party:

Concerning the Executing Party:

Fax No.:

Fax No.:

Executed in originals as of the date first above written.

[YY]
Name:
Title:
Date:

[XX]
Name:
Title:
Date:

APPENDIX A

GENERAL TERMS AND CONDITIONS

FOR

PROXIMITY WORK

TABLE OF CONTENTS:

ARTICLE 1 DEFINITIONS

ARTICLE 2 THE PARTIES' OBLIGATIONS PRIOR TO START OF THE PROXIMITY OPERATION

ARTICLE 3 SCOPE OF WORK AND THE PARTIES' OBLIGATIONS IN CONNECTION WITH THE PROXIMITY OPERATION

ARTICLE 4 CONDUCT OF WORK

ARTICLE 5 DAMAGE TO AND REPAIR OF THE AFFECTED PIPELINE

ARTICLE 6 THE PARTIES' OBLIGATIONS AFTER THE PROXIMITY OPERATION

ARTICLE 7 LIABILITIES AND INDEMNITIES

ARTICLE 8 INSURANCE

ARTICLE 9 REPRESENTATIVES

ARTICLE 10 INFORMATION

ARTICLE 11 POLLUTION CONTROL

ARTICLE 12 ASSIGNMENT

ARTICLE 13 AMENDMENTS TO THE AGREEMENT

ARTICLE 14 CONFIDENTIALITY INFORMATION

ARTICLE 15 NOTICES

ARTICLE 16 NON-WAIVER

ARTICLE 17 FORCE MAJEURE

ARTICLE 18 APPLICABLE LAW AND ARBITRATION

ARTICLE 19 DURATION

1 DEFINITIONS

The following terms shall have the meaning as stated below. Further terms applicable to this Appendix A (GTC) are defined in STC:

1. “Additional Work” shall mean such surveys carried out as part of a regular inspection of any facility installed under the Proximity Operation or the Affected Pipeline, such as outside visual inspection by remote operated vehicle (“ROV”) or divers, within two (2) nautical miles of the Proximity Point(s) after the completion of the Proximity Operation, but shall not include any work where physical contact with the other Party’s pipeline or facility is anticipated.
2. “Affiliate” shall mean any enterprise;
 - a) which owns or holds directly or indirectly more than fifty percent (50 %) of the share capital or votes, or in any other way directly or indirectly exercises a controlling interest in a Participant,
 - b) in which one of the Participants owns or holds directly or indirectly more than fifty percent (50 %) of the share capital or the votes, or in any other way directly or indirectly exercises a controlling interest, and/or
 - c) of which more than fifty percent (50 %) of the share capital or votes are owned or held directly or indirectly or which in any other way directly or indirectly is controlled by one or more enterprises(s) which owns or holds directly or indirectly more than fifty percent (50 %) of the share capital or the votes or in any other way exercises directly or indirectly a controlling interest in a Participant.
3. “Agent” shall mean any person who has been appointed by a Party and who acts on behalf of that Party with regard to that Party’s rights and obligations in connection with the Agreement.
4. “Agreement” shall have the meaning as defined in the STC.
5. “Business Day” shall mean any calendar day that is neither a Saturday, a Sunday or public holiday in Norway.
6. “Confidential Information” shall mean any and all commercial, technical and other information and data which is either directly or indirectly and in whatever form disclosed to a Party by the other Party pursuant to and subject to this Agreement, and may include but is not limited to economic models, engineering studies, maps, plots, drawings, documents, minutes of meetings, agreements and interpretations.
7. “Contractor(s)” shall mean any person(s) or company(ies) who has entered into an agreement with a Party for the supply of materials and/or services under the scope of this Agreement and who acts in its own name and on its own behalf.

8. "Occurrence" shall mean
 - a) in the case of an one-off occurrence, means that occurrence;
 - b) in the case of a continuing occurrence, means the whole of that occurrence; and
 - c) in the case of an occurrence which is one of a series of occurrences all caused by or attributable to a particular incident, happening or event, means all those occurrences collectively.
9. "Proximity Area" shall mean the area within a radius of two (2) nautical miles from the Proximity Point(s) as well as any area where the Proximity Operation is conducted closer to the Affected Pipeline than two (2) nautical miles.
10. "Proximity Operation" shall mean all work related to the performance of the Proximity Operation including preparatory protection, other preparatory work, post-performance work and surveys connected therewith, as further described in STC Appendix C.
11. "Participant" shall mean any of the participating companies in the Affected Party and/or the Executing Party. "Participants" shall mean each and all of the participating companies in the Affected Party and/or the Executing Party as the case may be.
12. "Party" shall mean either the Affected Party or the Executing Party and "Parties" shall mean the Affected Party and the Executing Party.
13. "Post Operation Documentation" shall mean the reports of the as-laid/as-built results and associated surveys in the Proximity Area.
14. "Reasonable and Prudent" when used to describe the standard of care to be exercised by a Party in performing its obligations hereunder shall mean that degree of diligence, prudence and foresight reasonably and ordinarily exercised by experienced companies engaged in the same line of business under the same or similar circumstances and conditions having due consideration to the interests of the other Party.
15. "Special Terms and Conditions" or "STC" shall mean the main part of the Agreement to which this GTC is attached.
16. "Subcontractor(s)" shall mean any person(s) or company(ies) who has entered into an agreement with Contractor for the supply of materials and/or services to a Contractor and who acts in its own name and for its own behalf.
17. The words "Affected Party", "Affected Pipeline", "Executing Party", "Proximity Points(s)" and "Effective Date" shall have the meaning as defined in STC.

2 THE PARTIES' OBLIGATIONS PRIOR TO THE START OF THE PROXIMITY OPERATION

- 2.1 The Affected Party shall on request provide the Executing Party with the as-built route of the relevant part of the Affected Pipeline, and such other data and information in its possession in relation to the Affected Pipeline which is reasonably required by the Executing Party in order to plan and perform the work.

The Affected Party makes no warranties to ensure the accuracy or completeness of any information which the Affected Party may have made or may make available in good faith to the Executing Party in connection with the subject matter of this Agreement for the purpose of assisting the Executing Party in carrying out the Proximity Operation. The Affected Party shall not be liable to the Executing Party for any loss, damage or expense which the Executing Party may suffer or incur as a consequence of any use which the Executing Party may make of such information unless such loss, damage or expense was occasioned by gross negligence or wilful misconduct of the Affected Party's managerial and/or supervisory personnel.

- 2.2 The Executing Party shall design the methods and procedures related to the Proximity Operation, all in accordance with good engineering practice and in compliance with all applicable laws. The Executing Party shall consult with the Affected Party and provide the Affected Party with detailed information about the methods and procedures including but not limited to information of the Proximity Area received from ROV investigation, at least [thirty (30)] days prior to the planned start of the Proximity Operation.

The Affected Party shall approve such methods and procedures. Such approval shall not be unreasonably withheld. The Affected Party will either approve or offer any comments it may have in writing no later than [fourteen (14)] days following the receipt of the information provided by the Executing Party pursuant to this GTC Article 2.2. In granting its written approval the Affected Party shall be under no duty whatsoever to ensure the accuracy, correctness or completeness of the methods or procedures.

The Executing Party shall obtain all approvals from relevant authorities required for performing the Proximity Operation in the Proximity Area and shall, if requested by the Affected Party, confirm in writing to the Affected Party that such approvals have been obtained prior to commencement of the Proximity Operation. The Executing Party shall indemnify and hold harmless the Affected Party, its Participants and their Affiliates and its Contractors, Subcontractors and Agents from and against all claims, costs, expenses, actions and liabilities arising out of or in any way connected with any failure to obtain such approvals or to comply with any condition related thereto.

- 2.3 The Executing Party will take all reasonable measures available to it to give at least [thirty (30)] days notice to the Affected Party of its intention to commence the Proximity Operation and follow this with a further notice [seven (7)] days

before commencement and thereafter provide daily reports of progress with relevant information.

3 SCOPE OF WORK AND THE PARTIES OBLIGATIONS IN CONNECTION WITH THE PROXIMITY OPERATION

- 3.1 The Executing Party's scope of work includes, but is not limited to, necessary preparation work and the performance of the Proximity Operation in the Proximity Area. The Executing Party shall, prior to the Proximity Operation carry out a pre-Proximity Operation survey of the Affected Pipeline and the seabed along the proposed route of the Proximity Operation within the Proximity Area. The information obtained from such survey shall be submitted to the operator of the Affected Pipeline as soon as possible after the completion of the survey and in any case [seven (7)] days before commencement of the Proximity Operation.

All work shall be performed in accordance with the procedures agreed by the Parties under GTC Article 2.2 or such revised procedures as may be agreed between the Parties from time to time.

- 3.2 All costs related to the Proximity Operation, including the pre- and post Proximity Operation surveys shall be borne by the Executing Party.
- 3.3 The Post Operation Documentation shall be prepared by the Executing Party when the Proximity Operation has been finalised and shall include any update of the as-laid results and associated surveys required as a result of the need for repair work revealed in such initial as-laid results and associated surveys.

The Post Operation Documentation shall be submitted to the Affected Party for review and approval as soon as possible, but not later than [three (3)] months after the Proximity Operation has been finalised, or any repair work has been completed, in the Proximity Area.

The Affected Party shall approve the Post Operation Documentation within [three (3)] months after the receipt of such documentation or within [three (3)] months after any required repair work revealed in such initial Post Operation Documentation has been completed and documented in an updated Post Operation Documentation, whichever comes later.

The Proximity Operation shall be deemed to be complete when the Affected Party has approved the final Post Operation Documentation in accordance with this GTC Article 3.3

- 3.4 The Affected Party shall have the right to stop the Proximity Operation, at its sole discretion, due to the Affected Party's essential safety and/or environmental requirements or in case of emergency situations, until sufficient remedial actions and/or corrective measures, as judged by the Affected Party, has been taken.

4 CONDUCT OF WORK

- 4.1 The Parties shall perform or cause to perform all design, engineering, procurement, construction and installation and quality assurance/quality control in a Reasonable and Prudent manner and in accordance with applicable laws and regulations.

5 DAMAGE TO AND REPAIR OF THE AFFECTED PIPELINE

- 5.1 In case of damage to the Affected Pipeline arising out of or in any way connected with the Proximity Operation, the Executing Party shall give priority to the Affected Party's repair of the Affected Pipeline over the Proximity Operation and the potential repair of the Executing Party's facility/ies to the extent that such priority is required by the Affected Party.
- 5.2 The Affected Party can require assistance from the Executing Party, and the Executing Party shall use its best endeavours to provide such assistance to the Affected Party during its repair operation on the Affected Pipeline, to the extent that the Executing Party's personnel, ship, craft or other equipment is suitable therefore.

6 THE PARTIES' OBLIGATIONS AFTER THE PROXIMITY OPERATIONS

- 6.1 The Executing Party shall maintain and operate any facility installed under the Proximity Operation at the Proximity Point(s) in a way which ensure the safety and security of the Affected Pipeline and that no damage is caused to the Affected Pipeline by any facility installed under the Proximity Operation. The Affected Party shall maintain and operate the Affected Pipeline at the Proximity Point(s) in a way which ensure the safety and security of any facility installed under the Proximity Operation and that no damage is caused to any facility installed under the Proximity Operation Pipeline.
- 6.2 Either Party may perform at their own expense such Additional Work within the Proximity Area as may be required at any future date to secure the continuous operation of the pipeline/facility.
- 6.3 Any work within the Proximity Area other than Additional Work, including but not limited to operations whereby anchors, sea plows, ground mooring equipment and the like are positioned, laid or dropped within the Proximity Area and removal/abandonment of a pipeline/facility or parts thereof, shall require a separate agreement.
- 6.4 Before doing any work within the Proximity Area, the Party intending to do the work shall contact the other Party in good time to agree on any necessary procedures for mapping/marking/identification of the relevant pipeline(s)/facility/ies. The cost of such procedures shall be borne by the Party intending to do the work.

- 6.5 If due to an emergency there is no time to conclude a separate agreement under GTC Article 6.3 or agree on procedures under GTC Article 6.4, a Party may operate such equipment that it regards necessary for the protection of life or for the prevention of pollution. Information concerning such operation shall be promptly notified in writing to the other Party.

7 LIABILITIES AND INDEMNITIES

- 7.1 Notwithstanding GTC Article 7.3, the Executing Party shall indemnify and hold the Affected Party, its Participants and their Affiliates, its Contractors, Subcontractors and Agents, and/or any of the aforesaid's employees, harmless from and against any loss, damage and/or expense arising out of any claim for:

- a) injuries to or death of any employees of the Affected Party, its Participants and their Affiliates, and/or its Contractors, Subcontractors and Agents, and/or
- b) loss of or damage to the property of the Affected Party, its Participants and their Affiliates, its Contractors, Subcontractors and Agents, and/or any of the aforesaid's employees, and/or
- c) all indirect losses, which include but is not limited to loss of profit, to the Affected Party, its Participants and their Affiliates, its Contractors, Subcontractors and Agents, and/or any of the aforesaid's employees,

arising out of or connected with the Proximity Operation, except when such claim is a result of gross negligence or wilful misconduct by the managerial and/or supervisory personnel of any of the Affected Party, its Contractors, Subcontractors and/or Agents.

- 7.2 The Executing Party shall indemnify and hold the Affected Party, its Participants and their Affiliates, its Contractors, Subcontractors and Agents, and/or any of the aforesaid's employees, harmless from and against any loss, damage and/or expense arising out of any claim for:

- a) injuries to or death of any employees of the Executing Party, its Participants and their Affiliates, and/or its Contractors, Subcontractors and Agents, and/or
- b) loss of or damage to the property of the Executing Party, its Participants and their Affiliates, its Contractors, Subcontractors and Agents, and/or any of the aforesaid's employees and/or
- c) all indirect losses, which include but is not limited to loss of profit, to the Executing Party, its Participants and their Affiliates, its Contractors, Subcontractors and Agents, and/or any of the aforesaid's employees,

arising out of or in connection with this Agreement, except when such claim is the result of gross negligence or wilful misconduct by the managerial and/or supervisory personnel of any of the Affected Party, its Contractors, Subcontractors or Agents.

7.3 Subject to GTC Article 7.1, the Affected Party shall indemnify and hold the Executing Party, its Participants and their Affiliates, its Contractors, Subcontractors and Agents, and/or any of the aforesaid's employees, harmless from and against any loss, damage and/or expense arising out of any claim for:

- a) injuries to or death of any employees of the Affected Party, its Participants and their Affiliates, and/or its Contractors, Subcontractors and Agents, and/or
- b) loss of or damage to the property of the Affected Party, its Participants and their Affiliates, its Contractors, Subcontractors and Agents, and/or any of the aforesaid's employees, and/or
- c) all indirect losses, which include but are not limited to loss of profit, to the Affected Party, its Participants and their Affiliates, its Contractors, Subcontractors and Agents, and/or any of the aforesaid's employees,

arising out of or in connection with this Agreement, except when such claim is the result of gross negligence or wilful misconduct by the managerial and/or supervisory personnel of any of the Executing Party, its Contractors, Subcontractors or Agents.

7.4 Each Party (the "Indemnifying Party") shall defend, indemnify and hold harmless the other Party, its Participants and their Affiliates, its Contractors Subcontractors and/or Agents, and any of the aforesaid's employees, against any loss, damage or expense arising out of any claim for injuries to or death of or damage to property or loss of income of third parties or any other claims from third parties, including any claims related to pollution, arising out of or in connection with this Agreement and caused by the Indemnifying Party, its Contractors, Subcontractors and/or Agents or any of the aforesaid's employees.

Notwithstanding the first paragraph, the Executing Party shall indemnify and hold the Affected Party, its Participants and their Affiliates, its Contractors, Subcontractors and Agents, and any of the aforesaid's employees, harmless from and against any claim from third parties arising out of or connected with the Proximity Operation, except when such claim is a result of gross negligence or wilful misconduct by managerial and/or supervisory personnel of any of the Affected Party, its Contractors, Subcontractors and/or Agents.

For the purpose of this GTC Article 7.4 Contractors, Subcontractors and Agents, and any of the aforesaid's employees shall not be considered as "third parties".

- 7.5 The Executing Party's total liability towards the Affected Party according to GTC Articles 7.1 and 7.4, second paragraph shall be limited to one hundred (100) million USD per pipeline per Occurrence.
- 7.6 Twenty-four (24) months after approval of the Post Operation Documentation, GTC Articles 7.1 and 7.4, second paragraph shall be of no further force and effect, and the Executing Party shall have no further liability under said GTC Articles 7.1 and 7.4, second paragraph. The Executing Party shall be notified of any claims under GTC Articles 7.1 and 7.4, second paragraph related to events having occurred within the twenty-four (24) month period as soon as reasonably practicable after the event is made known to the Affected Party.
- 7.7 Each Party shall advise the other as soon as reasonably practicable upon the making of any demand or claim or the bringing of any action or proceeding which is covered by the undertakings to indemnify, defend and/or hold harmless granted by the other under this GTC Article 7.
- 7.8 The indemnities given in this Agreement are intended to apply irrespective of the availability or exercise of any applicable rights of limitation in favour of vessel owners, operators or charterers arising under the Norwegian Maritime Code or similar legislation or international conventions or treaties whether in force at the time of this Agreement or adopted, extended or amended subsequent hereto.

8 INSURANCE

- 8.1 Each of the Parties hereto shall insure their respective liabilities hereunder (or have equivalent coverage) and shall cause their respective Contractors and Subcontractors to procure and maintain with respect to and for the duration of the Agreement insurance policies to cover their respective liabilities hereunder. All such policies shall provide for a waiver of all rights of recovery or subrogation against the Executing Party and the Affected Party respectively (including their Participants, their Affiliates, and its Contractors, Subcontractors and Agents). All premiums as well as deductibles shall be for the account of the respective Party subscribing the insurances.

Each of the Parties may require that the other Party forward documentation proving that they have insured their respective liabilities hereunder, or have equivalent coverage, in accordance with the requirements of this Agreement.

9 REPRESENTATIVES

- 9.1 The Executing Party shall permit the presence of a representative nominated by the Affected Party to observe all work performed under the Proximity Operation within the Proximity Area. The Executing Party shall provide detailed daily progress reports to the Affected Party.

Whenever the Executing Party is intending to perform work in the Proximity Area, a notice of at least [seven (7)] days shall be given to the Affected Party in

order for its representative to board the relevant ship or craft performing work in the Proximity Area. In connection with urgent work shorter notification may be given.

- 9.2 The Affected Party shall permit the presence of a representative nominated by the Executing Party to observe all work on the Affected Pipeline within the Proximity Area. The Affected Party shall provide detailed daily progress reports to the Executing Party.

Whenever the Affected Party is intending to perform work in the Proximity Area a notice of at least [seven (7)] days shall be given to the Executing Party in order for its representative to board the relevant ship or craft performing work in the Proximity Area. In connection with urgent work shorter notification may be given.

- 9.3 When under GTC Articles 9.1 and 9.2 a Party has given notice of the intention to nominate a representative, said representative shall board the ship or craft at such time and place as the other Party specifies. Charges for offshore travel and accommodation shall be paid by the Party doing the work.
- 9.4 Notwithstanding GTC Article 7.1, each Party shall be fully liable and assume all risk and responsibility for any representative it shall place on the other Party's ship or craft during the performance of the work and shall hold such other Party harmless from any claim by or of the representative or heirs, and/or successors from injury or loss of life, except where such injury or loss of life is caused by gross negligence or wilful misconduct of the other Party's managerial and/or supervisory personnel.
- 9.5 The presence of a representative shall not imply the approval of or acquiescence in any work carried out by or on behalf of the Affected Party or the Executing Party as to relieve the Party carrying out the work of or reduce that Party's liability under this Agreement.

10 INFORMATION

- 10.1 If, during activities performed under this Agreement, danger to the Affected Pipeline or any facility installed under the Proximity Operation is identified by either Party, then the Party having identified the danger shall give immediate notice to the other Party.
- 10.2 Each Party shall allow the other Party access to information which is discovered during any surveys carried out within the Proximity Area and which is relevant to the safe operation of the pipelines/facilities.
- 10.3 All information and announcements to the public relating to the Affected Pipeline shall be performed by the Affected Party. All information and announcements to the public relating to any facility installed under the Proximity Operation shall be performed by the Executing Party.

11 POLLUTION CONTROL

11.1 Each Party shall exercise all possible diligence to conduct its operations in a manner that will prevent pollution and they shall comply with all applicable laws, rules, ordinances, regulations, leases or contract provisions regarding pollution. No trash, waste oil or other pollutants shall be discharged or allowed to escape into the sea by any Party doing work on its pipeline/facility. Each Party shall take all necessary measures to instruct its employees, Contractors, Subcontractors and Agents in pollution control and shall at its own expense clean up any pollution caused by it in the course of operations under this Agreement.

Notwithstanding GTC Articles 7.2 c) and 7.3 c), the Party doing work on its pipeline/facility shall be responsible for all pollutions caused by it or its Contractors, Subcontractors and Agents during the execution of the work, and shall indemnify and hold harmless the other Party, its Participants and their Affiliates, and its Contractors, Subcontractors and Agents from any liability in respect of such pollution, except where such pollution is caused by gross negligence or wilful misconduct of the other Party's managerial and/or supervisory personnel.

12 ASSIGNMENT

12.1 The Executing Party or the Affected Party and each of their Participants may assign its rights and obligations under this Agreement, in whole or in part, provided that:

- a) the instrument of assignment include provisions stating that the assignee is bound by the terms and conditions of this Agreement, and
- b) prior written consent, which shall not be unreasonably withheld, is obtained for such assignment from the other Party.

12.2 No change in ownership shall be effective for the purpose of the Agreement until after written notice of such change has been given to the other Party or their successors or assignees.

13 AMENDMENTS TO THE AGREEMENT

13.1 Any amendments to this Agreement shall be in writing and agreed by the Parties.

14 CONFIDENTIAL INFORMATION

14.1 Under this GTC Article 14 the term Party shall include its Participants and/or their Affiliates as applicable.

14.2 The Party receiving Confidential Information undertakes:

- a) to hold the Confidential Information in confidence and agrees that in the handling and storage of the Confidential Information it will employ controls, protections and safeguards at least as stringent as such Party would employ in the handling and storage of its own proprietary data and information,
- b) not to use any Confidential Information for any purpose other than the execution of this Agreement,
- c) not to disclose in any way, either directly or indirectly, any part of the Confidential Information to any person, legal or natural, without the prior written consent of the Party disclosing such Confidential Information, except (and subject to such persons being made aware of the obligations of secrecy and confidentiality attaching to the Confidential Information prior to disclosure):
 - i) to those employees, officers and/or directors of the Party who reasonably require the same for the performance of their work; and/or
 - ii) to such of the Party's Contractors, Subcontractors, consultants and/or professional advisers who need to have access to the same for the performance of their work. The Party undertakes that each such Contractors, Subcontractors, consultant or professional adviser, prior to the disclosure, undertakes written confidentiality obligations at least as restrictive as herein contained but excluding the exceptions set out in this GTC Article 14, and the Party shall thereafter take all reasonable precautions to observe that such Contractors, Subcontractors, consultants and professional advisers comply with the obligations provided therein; and/or
 - iii) to any governmental department or governmental authority exercising its statutory right to require the same and to such competent authorities, courts or any relevant stock exchange where pursuant to applicable law, order, decree or regulation there is a requirement to do so binding upon the Party (in which case written notice shall be given to the other Party prior to such disclosure); and/or
 - iv) where disclosure of such information is reasonably required in connection with a bona fide assignment of whole or part of this Agreement, the borrowing of funds, obtaining of insurance or sale of securities.

The Party receiving Confidential Information shall be responsible for ensuring that all persons, to whom the Confidential Information is disclosed, are bound by confidentiality obligations at least as stringent as the obligations of confidentiality set forth herein.

14.3 The obligations under this GTC Article 14 shall not apply to information which;

- a) at the time of entering into this Agreement is lawfully in the possession of the receiving Party under no obligation of confidentiality,
- b) subsequently and lawfully comes into the receiving Party's possession,
- c) is independently developed by the receiving Party and not based on the Confidential Information, or
- d) at the time of entering into this Agreement is in the public domain or thereafter comes into the public domain other than by breach of this Agreement.

14.4 The confidentiality undertakings pursuant to this GTC Article 14 shall apply to all Confidential Information disclosed by the Parties whether this has happened before or after the date of signature.

14.5 In the event that any person or organisation to whom the Party discloses Confidential Information in accordance with any above paragraphs breaches the obligations set out under this Agreement the Party will be liable for such breaches as if it had committed the breach itself.

15 NOTICES

15.1 Any notice or other communication required or permitted to be given pursuant to the Agreement shall be in writing and may be given by delivering the same by hand or by sending the same by prepaid first class post, electronic communication (e.g. License2Share) to the relevant address, or electronic communication address as any Party may give in writing, from time to time, to the other Party in accordance with this GTC Article 15. Any such notice, given as aforesaid, shall be deemed to have been given or received at the time of delivery if delivered by hand, at the time at which confirmation of successful delivery is received if sent by electronic communication and on the seventh (7th) day next following the day of sending if sent by prepaid first class post. The use of electronic mail for transfer of documents shall at all times be in accordance with internationally recognised standards as may be adopted by the Parties. The chosen standard shall enable the use of digital signatures or similar electronic safety device, encryption, filing and retrieving.

16 NON-WAIVER

16.1 Any failure by either Party to enforce the terms of the Agreement or to exercise any rights hereunder (including, without limitation, any delay or omission to provide notice of any breach or default or to provide any notice of intention to exercise any such right or remedy, unless a duty to provide such notices is specifically set forth in the Agreement) shall not constitute a waiver of such terms or rights and shall not affect the right of the Party to enforce or exercise such terms or rights. Any such waiver shall always be construed under a restrictive interpretation, and shall not extend, whether in time or in its object, beyond the terms expressly stipulated therein.

17 FORCE MAJEURE

17.1 Either Party shall be relieved from liability for failure to perform any of its obligations hereunder (other than an obligation to pay money or to give any notice required) occasioned by events of force majeure which shall be any events which are beyond such Party's reasonable control, and which could not have been reasonably foreseen by such Party at the time of entering into the Agreement, provided that such Party has acted in a Reasonable and Prudent manner and provided further that the Party seeking relief hereunder shall;

- a) as soon as practical give notice to the other Party of the event said to constitute force majeure, such notice including information about the circumstances and a statement of the steps and time believed necessary to remedy the force majeure situation and afford reasonable facilities for a site inspection if desired at the expense and risk of the Party making examination, and
- b) proceed with diligence and at its own expense to take steps to remedy the failure as soon as possible in a Reasonable and Prudent manner, provided always that it shall not be obligated to settle any labour dispute except in such manner as it shall in its own judgement think fit.

17.2 Events constituting force majeure shall, provided they fulfil the requirements according to GTC Article 17.1, include, but not be limited to, laws and other acts of governmental authority (whether or not in fact legally valid), strikes, lockouts, civil disturbance and terrorist acts, war, fire, explosions, failure of gas supplies, inability to obtain labour, machinery, supplies or contractors, freezing and failure or breakdown of or accident to machinery and/or equipment.

18 GOVERNING LAW AND ARBITRATION

18.1 This Agreement shall be governed by Norwegian Law.

Without prejudice to the Parties' rights to take interim legal measures, such as injunctions etc., any dispute that may arise in connection with or as a result of this Agreement which cannot be amicably settled by the Parties shall be finally decided by arbitration in Stavanger, Norway, in accordance with the Norwegian Arbitration Act (Act no.25/2004) as subsequently amended or replaced. The Stavanger District Court shall be the proper legal venue under the Norwegian Arbitration Act Section 6. Unless otherwise agreed, the arbitration proceedings carried out and awards delivered pursuant to this GTC Article 18.1 are confidential in accordance with the confidential provisions herein.

Documents and statements in the Norwegian and English language shall be allowed in any procedure involving arbitration. Translation thereof shall be at the expense of the Party requesting such translation.

19 DURATION

19.1 [This Agreement shall be effective as from the Effective Date and shall, unless otherwise decided, remain in force until the end of a twelve (12) month period following either the removal or abandonment of the Affected Pipeline or any facility installed under the Proximity Operation.

19.2 The Affected Party shall give notice to the Executing Party at least twelve (12) months prior to abandonment or removal of the Affected Pipeline, and the Parties will prior to abandonment or removal enter into an agreement covering the abandonment or removal operation.

or

19.1 This Agreement shall be effective as from the Effective Date and shall, unless otherwise decided, remain in force until after twenty-four (24) months after approval of the Post Operation Documentation. However, GTC Articles 7, 14 and 18 shall survive the termination of this Agreement.]¹

¹ Alternative wording depending on whether a facility has been installed under the Proximity Operation.