

Schedule S2.

ENGINEERING SERVICES

1. DEFINITIONS

(1) In the event of any inconsistency or conflict between the Terms and Conditions of Purchase, the Purchase Order and this Schedule, the following order of precedence shall apply:

- (a) the Purchase Order;
- (b) the Schedule;
- (c) the Conditions

(2) The following definitions apply to this Schedule. Any term not defined herein shall have the definition ascribed to it in Clause 1 of the Conditions:

"Applicable Laws"	means each relevant and applicable law, enactment, order, regulation or other similar instrument of any local authority or government body having jurisdiction (as amended from time to time) and in addition, the standards, specifications, codes of practice and requirements specified by the Buyer under the Contract.
"Confidential Information"	means all information of a confidential nature in any form whatsoever, whether or not marked as confidential, disclosed or made available by or on the behalf of the Buyer (or any of its Affiliates) to the Contractor (or any of its employees, representatives, sub-contractors or agents) and regardless of whether or not disclosure was made before or after the date of the Contract.
"Contractor"	means the Supplier as defined in the Conditions.
"Documentation"	means all media which record information relating to the Services in whatever form including but not limited to drawings, calculations, data sheets, specifications, programmes, correspondence, models and photographs.
"Engineer"	means the person duly appointed by the Buyer and notified in writing to the Contractor to act as the engineer for the purpose of the Contract.
"Engineer's Representative"	means any assistant to the Engineer duly appointed by the Engineer and notified in writing to the Contractor to perform the duties set out in Clause 2 of this Schedule.
"Services"	means the engineering services more particularly described in the Purchase Order or a written statement of work.

"SHE Standards and Requirements and Site Rules"	means the Buyer's written policies and rules regarding health and safety and other requirements of visitors to a Site as notified to the Contractor from time to time.
"Site"	means the location(s) referred to in the Contract where the Services are to be performed.

2. ROLE OF THE ENGINEER'S REPRESENTATIVE

(1) The role of any Engineer's Representative is to watch and supervise the execution of the Services. Except as expressly provided in Clause 2(2) of this Schedule, the acts or omissions of the Engineer's Representative shall in no way relieve the Contractor of any of its duties, obligations or liabilities under the Contract, nor shall the Engineer's Representative have any authority to instruct or to order any variation to the Services or work which could result in any delay in completion of the Services or any extra payment from the Buyer.

(2) The Engineer may, in writing, delegate to an Engineer's Representative any of the powers and authorities vested in the Engineer and shall furnish to the Contractor a copy of all such written delegations of powers and authorities. Any written instruction or written approval given by an Engineer's Representative to the Contractor within the terms of such delegation (but not otherwise) shall bind the Contractor and the Buyer as though it had been given by the Engineer.

(3) In the event that the Contractor is dissatisfied by reason of any act or omission of an Engineer's Representative duly authorised by the Engineer under Clause 2(2) of this Schedule the Contractor may refer the matter to the Engineer for his/her decision.

3. GENERAL OBLIGATIONS AND STANDARDS OF THE PARTIES

In addition to Clause 4 of the Conditions;

(1) The Contractor shall, throughout the duration of the Contract, with all reasonable care, skill and diligence commence, execute and complete the Services to the reasonable satisfaction of the Engineer in accordance with the provisions specified in or reasonably to be inferred from the Contract and Applicable Laws. In the event of an apparent conflict or inconsistency between the Contracts and/or the Applicable Law the matter shall be referred by the Contractor to the Engineer for his/her decision.

(2) The Contractor shall comply with and adhere strictly to instructions and orders given by the Engineer on any matter connected with the Services (whether or not mentioned in the Contract), but the Engineer shall not interfere unreasonably with the Contractor's working procedures. The Contractor shall take instructions and orders only from the Engineer or (subject to the limitations referred to in Clause 2 of this Schedule) from any Engineer's Representative. Verbal instructions and orders affecting any of the Contractor's obligations under the Contract shall, upon request, be confirmed in writing by the Engineer within fourteen (14) days.

(3) The Contractor shall satisfy itself that all information including Documentation provided by the Engineer is adequate and will not prejudice the performance of any of its obligations under the

Contract. The Contractor shall inform the Engineer immediately of any inadequacy whereupon the Engineer shall make good such inadequacy to the reasonable satisfaction of the Contractor.

(4) If in the opinion of the Contractor any instruction of the Engineer is likely to prevent or prejudice the Contractor from fulfilling any of its obligations under the Contract the Contractor shall so notify the Engineer in writing and the parties shall then review whether and in what manner such obligations need to be changed. Such changes as are agreed shall be confirmed in writing to the Engineer within fourteen (14) days.

(5) The Contractor shall submit to the Engineer for approval such Documentation as the Engineer considers to be necessary, but such approval of the Engineer shall in no way relieve the Contractor of its obligations and liabilities under the Contract. Within such a time as is reasonable following receipt of such Documentation the Engineer shall signify his/her approval or otherwise. If the Engineer does not approve such Documentation submitted, the Contractor shall submit for re-approval modified Documentation to meet the reasonable requirements of the Engineer.

(6) The Contractor shall be responsible for any errors or omissions in Documentation provided by it whether or not it has been approved by the Engineer and the Contractor shall at its own expense rectify any Documentation shown to be defective.

(7) The Contractor shall provide to the satisfaction of the Engineer sufficient personnel with the necessary qualifications and experience to complete the Services and within any time frame stated in the Contract.

(8) The Contractor shall use its best endeavours to maintain continuity of personnel throughout the duration of the Contract and the Contractor shall provide a list of named key personnel to be employed on the Services for the approval of the Engineer. Thereafter no named key personnel shall be changed without the prior consent of the Engineer which shall not be unreasonably withheld.

(9) In the event that any person employed by the Contractor is in the opinion of the Engineer considered incompetent, negligent, or guilty of misconduct in any way the Engineer shall have the right to require the removal of the individual from the Services and to require that an immediate replacement be provided. Any requirement under this Clause shall be confirmed in writing by the Engineer.

(10) If any of the Services are to be performed on a Site, the Contractor agrees to adhere to the following responsibilities:

(a) The Contractor is deemed to have understood the nature and extent of the Services and to have visited each Site and shall make no claim against the Buyer (or its Affiliates) founded on its failure to have done so. The Buyer shall, on request of the Contractor, grant such access as may be reasonable for this purpose.

(b) The Buyer from time to time shall, at its discretion, provide possession of so much of a Site as is necessary for the performance of the Services, but such possession shall not be exclusive to the Contractor and it shall, as directed by the Buyer, allow others to work on and have access to a Site and afford them all reasonable facilities so to do.

(c) The Contractor shall not make any delivery to a Site, nor commence work on any Site, before advising details to and obtaining the prior consent of the Buyer.

(d) No work on a Site shall be covered or hidden until approved by the Buyer and such approval shall not be unreasonably delayed.

(e) Explosives or naked lights shall not be used on any Site without the prior written consent of the Buyer

(f) Burning shall not be carried out on any Site without the prior written consent of the Buyer.

(g) No service (including without limitation any utility service) may be interfered with, disconnected or diverted at any Site without the prior approval in writing of the Buyer.

(h) The Contractor shall only engage reputable third parties to perform any sub-contracted obligations pursuant to the Contract.

(i) The type of equipment and methods of working that the Contractor intends to use for the performance of the Services shall be subject to the approval in writing of the Buyer and no Services on a Site shall commence until such approval has been obtained but any such approval shall not relieve the Contractor from any of its obligations or liabilities under the Contract.

(j) The Contractor shall not interfere with the operation of any plant, machinery, equipment or services at a Site without the prior approval in writing of the Buyer.

(k) The Contractor shall not use any part of a Site for depositing plant, equipment, machinery, materials or dismantled structures arising out of the execution of the Services without the prior approval in writing of the Buyer.

(l) All consignments arranged by or on behalf of the Contractor to be delivered to a Site shall be clearly marked with the Contractor's name, together with such other markings as may be required by the Buyer. These references shall also appear on all consignment notes. The Contractor shall be responsible for receiving and off-loading all such deliveries to a Site, for storage to the Buyer's satisfaction and for all demurrage other than that directly arising from a cause for which the Buyer (or other third party contractor employed by the Buyer) is responsible.

(m) The Contractor shall remove all rubbish, materials and debris frequently and progressively as the Services proceed unless otherwise agreed or instructed by the Buyer and such removal and/or disposal shall be undertaken in compliance with all applicable laws.

(n) On the completion of the Services the Contractor shall remove from each Site all constructional plant, accommodation, rubbish, debris, equipment and temporary works of every kind, and leave each Site in a clean, tidy and safe condition to the reasonable satisfaction of the Buyer.

(o) Any further use (including without limitation any re-sale) of any rubbish, materials, debris, plant, equipment, or any other matter removed from a Site as a result of the performance of the Services, is entirely at the risk of the Contractor and to the fullest extent permitted by law no warranties (expressed or implied by law) are provided to the Contractor with regard to such removed matter.

4. HEALTH AND SAFETY

In addition to Clause 11 of the Conditions;

(1) The Contractor represents and warrants that it shall:

(a) Carry out the Services with proper regard to safety of all persons.

(b) Comply with the SHE Standards and Requirements and Site Rules and all applicable health and safety legal requirements and shall procure that its employees and the employees of its subcontractors (if any) so comply.

(2) The Buyer shall have the right to require the immediate removal of any person brought to a Site by the Contractor who:-

(a) has failed to comply with any applicable laws, work rules and/or the SHE Standards and Requirements and Site Rules; or

(b) has in the opinion of the Buyer been negligent, incompetent or acted without due care; or

(c) by act or omission has been prejudicial to the health and/or safety of persons;

and any such person so removed shall not be granted future access to any Site or be engaged further by the Contractor to provide the Services without the prior permission of the Buyer.

(3) The Contractor shall be responsible for the suitability and safety of any equipment, machinery and materials used by it to perform the Services and no equipment, machinery or materials shall be used which may be unsuitable, unsafe or liable to cause damage or injury to property or persons. Without prejudice to the generality of the foregoing, if in the Buyer's opinion any such equipment, machinery or materials are unsuitable, unsafe or liable to cause damage or injury to property or persons, upon written or oral notification from the Buyer it shall not be used in the performance of the Services and it shall be replaced with suitable and safe equipment, machinery or materials with the minimum of delay and at the Contractor's cost.

(4) The Contractor shall not permit any person to visit a Site whose presence is not necessary for the performance of the Services without the prior consent of the Buyer.

(5) The Contractor shall keep and thereafter safely maintain and protect against loss and damage such health, safety and environmental records relating to the Services as can be reasonably expected from a prudent and reputable contractor (including without limitation records relating to personnel, training, inductions, risk assessments, investigations and accidents at work).

5. PROGRAMME

(1) The Contractor shall provide upon request and in any form specified in the Contract, for approval by the Engineer, an overall programme and manning forecast for completion of the Services to accord with the overall timing stated in the Contract and identifying therein specific activities as required by the Engineer. The Contractor shall use its best endeavours to ensure that the Services shall be completed in accordance with any such approved programme. The Contractor shall also provide for approval by the Engineer such additional detailed up-to-date programmes and manning forecasts and such further information as the Engineer may from time to time reasonably require.

(2) When there is a likelihood of any delay in the performance or completion of an activity or obligation of the Contractor pursuant to an approved programme, the Contractor shall immediately give notice to the Engineer of the circumstances and the actual or estimated duration of the delay and state what action it has taken and intends to take to avoid or minimise such delay. The Engineer may require the Contractor to take all reasonable further action to ensure that the Services are performed in conformity with the approved programme.

(3) In addition to Clause 7 of the Conditions, any additional costs reasonably and properly incurred by the Contractor and proven to the satisfaction of the Engineer to be directly consequent upon an approved programme being delayed (except costs arising from force majeure circumstances) shall be borne by the parties in proportion to the responsibility of each party for the delay.

(4) Any additional costs reasonably and properly incurred by the Contractor and proven to the satisfaction of the Engineer to be directly consequent upon an approved programme being accelerated upon the instruction of the Engineer shall be borne by the Buyer unless the acceleration is required because of delays caused by the Contractor or other obligations of the Contractor not being performed strictly in accordance with the Contract.

6. TERMS OF PAYMENT

(1) The Contractor shall be paid for the Services either:

- (a) on a schedule of engineering rates basis, or
- (b) on a lump sum basis, or
- (c) on a convertible basis, or
- (d) on any other agreed basis

and the selected basis shall be stated in the Contract.

(2) Schedule of Engineering Rates Basis

- (a) When the Contractor is paid for the Services upon a schedule of engineering rates basis the Buyer shall pay the Contractor a fully inclusive hourly rate as stated in the Contract for each grade of personnel engaged on the Services during normal working hours. The Buyer

will not pay for personnel absent from work irrespective of the cause.

(b) Services performed outside of normal hours with the prior consent of the Engineer shall be paid for at the hourly rates stated in the schedule of engineering rates.

(c) Unless otherwise stated in the Contract, weekly time sheets shall be prepared in duplicate for each of the Contractor's personnel engaged on the Contract. The hours worked by each person per day shall be recorded on a time sheet together with a brief description of the work and the project identification number. The duplicate sheets shall be submitted for the Engineer's signature during the week following the week worked. One (1) copy will be retained by the Engineer and the other will form the basis of the invoice. Invoices shall be submitted at not less than monthly intervals and reference shall be made on invoices to the relevant time sheets.

(3) Lump Sum Basis

(a) When the Contractor is paid for the Services upon a lump sum basis, unless otherwise stated in the Contract, the Contractor shall submit an invoice at not less than monthly intervals for the value of the work executed which shall be consistent with the rate of progress achieved in the Services.

(b) The cost of modifications in, additions to and omissions from the Services, as directed for agreed in writing by the Engineer, shall be added to or deducted from the lump sum as the case may require. Where rates are not contained in the Contract the difference in price shall be agreed in writing between the Engineer and the Contractor.

(4) Convertible Basis

When the Contractor is paid for the Services upon a convertible basis the Buyer shall pay the Contractor on the schedule of engineering rates basis in accordance with Clause 6(2) of this Schedule until such time as in the opinion of the Engineer it is possible for the contractor to quote a lump sum in accordance with clause 6(3) of this Schedule for the completion of the Services under the Contract. It shall be solely at the Buyer's discretion whether it accepts the quoted lump sum or decides that the Services be completed on the current schedule of engineering rates basis.

(5) Unless otherwise stated in the Contract, payment will be effected by the fifteenth (15th) of the third (3rd) month following the month of receipt of a valid invoice provided the invoice has been duly certified by the Engineer.

(6) Value Added Tax where applicable shall be shown separately on all invoices as a strictly nett charge.

(7) No claim for payment shall be considered by the Buyer unless it is submitted within one month of completion of the Services to the satisfaction of the Engineer.

7. INSURANCE

(1) Clause 12 of the Conditions, details the requirements of Third Party Liability, Professional Indemnity, Workmen's Compensation and Buyers Liability insurances that shall be maintained by the contractor

(2) In addition to Clause 12 of the Conditions, the Contractor shall also maintain the following other insurance policies, with an insurance office of good repute to cover any foreseeable commercial risk, including but not limited to:

(i) Insurance for the replacement of the Contractor's equipment, defective materials, tools and any other item that is necessary to be used for the completion of the Services.

(ii) Motor, Marine or Aviation Insurance as appropriate.

(3) The Contractor shall ensure that any subcontractor also maintains each of the insurances set out in Clause 7(1) of this Schedule.

8. CONFIDENTIALITY

(1) The Contractor undertakes to:

(a) keep confidential all Confidential Information;

(b) not without the written consent of the Buyer disclose any Confidential Information in whole or in part to any other person save those of its directors, employees, agents or professional advisers involved in the performance of the Services and provided in all cases that they have a need to know the same and that such disclosure is made in accordance with Clause 8(3) of this Schedule; and

(c) use any Confidential Information solely in connection with the provision of Services to the Buyer and not otherwise for its own benefit or for the benefit of any third party.

(2) The restrictions set out in Clause 8 of this Schedule shall not apply to any Confidential Information:

(a) that the Contractor can demonstrate to the reasonable satisfaction of the Buyer through the use of appropriate evidence was:

(i) known to the Contractor free from any obligation of confidence prior to the date of its disclosure by the Buyer otherwise than as a result of being obtained directly or indirectly from the Buyer;

(ii) obtained from a third party free from any obligation of confidence who lawfully possessed such Confidential Information and which was not obtained by that third party in a breach of a duty of confidence owed to the Buyer; and/or

(iii) in the public domain in the form in which it is possessed by the Contractor and other than as a result of a breach of a duty of confidence owed to the Buyer by any person;

(b) which is required to be disclosed by the Contractor as a requirement of law or to any regulatory body to whose rule the Contractor is subject. In such circumstances, the Contractor shall provide the Buyer with as much notice as reasonably possible of any request for it to

disclose any Confidential Information and, shall assist the Buyer to resist the disclosure in question to the maximum extent permitted.

(3) Without prejudice to the generality of Clause 8 of this Schedule, the Contractor further undertakes to make all relevant directors, employees, sub-contractors, agents and professional advisers aware of the confidential nature of the Confidential Information under this Clause and shall procure the compliance of all such persons with the provisions of this Clause as if those persons were a direct signatory to the Contract. If required by the Buyer, the Contractor shall procure that all such persons used in connection with the Services sign a non-disclosure agreement directly with the Buyer.

(4) The Contractor shall not make use of or make any reference to the name of the Buyer (or any Affiliate of the Buyer) for any advertisement, announcement, marketing or publicity without the prior written consent of the Buyer.

(5) The Contractor shall not without the prior consent of the Buyer in writing take or permit to be taken any photographs of any Site or any part thereof, or any property of the Buyer (including without limitation equipment and installations).

(6) This Clause 8 of this Schedule shall survive termination of the Contract for whatever reason.

9. PROPERTY

(1) In addition to clause 9.2 of the Conditions, the Contractor may only make such number of copies of any Input Materials as are necessary for the purpose of performing the Services.

(2) Any Intellectual Property Rights that arise or are otherwise obtained or developed by the Contractor, or by an employee or sub-contractor on behalf of the Contractor in the course of or in connection with the Services (including without limitation, all Intellectual Property Rights vested in any Documentation) shall upon creation vest in and be the exclusive property of the Buyer. The Contractor hereby assigns with full title guarantee (in the case of any future Intellectual Property Rights by way of a present assignment of a future right) ownership of all such Intellectual Property Rights to the Buyer. Both during the term of the Contract and afterwards, the Contractor shall execute all documents and do all things necessary to vest ownership of such Intellectual Property Rights in the Buyer as the sole beneficial owner and the Contractor irrevocably waives all moral rights in respect of any materials or works which give rise to an assignment of Intellectual Property Rights pursuant to this Clause 9(2) of this Schedule.

(3) The Contractor shall promptly disclose to the Buyer any idea or invention created in the course of providing the Services.

(4) To the extent the Buyer reasonably requires use of Intellectual Property Rights of the Contractor to make use of the Services, the Contractor hereby licenses such rights of use to the Buyer free of charge and on a perpetual, non-exclusive sub-licensable worldwide basis.

(5) On termination or expiry of the Contract or completion of the Services, the Contractor shall deliver up to the Buyer all Documentation, products, tools, equipment and other materials that the Buyer owns or is licensed to use pursuant to this Clause 9 of this Schedule.

10. LIABILITY FOR DAMAGE, LOSS AND INJURY

(1) In addition to Clause 10 of the Conditions, the Contractor shall indemnify the Buyer and keep the Buyer indemnified against any liability, claims, actions, demands, expenses, costs (including but not limited to legal costs and other professional costs), proceedings, losses (including but not limited to loss of profit) or damages ("**Losses**") arising out of the Services, (and including but not limited to for the avoidance of doubt arising from any equipment, machinery or materials) and including but not limited to losses or costs incurred by the Buyer in connection with any regulatory enforcement action and/or damage to property, land, personal injury and death. This Clause 10 of this Schedule shall survive termination of the Contract for whatever reason.

11. SUSPENSION

(1) The Contractor shall suspend the whole or any part of the Service on the written instruction of either the Buyer or the Engineer. The Services shall only resume on the written instruction of the Buyer or Engineer.

12. VARIATION OF THE SERVICES

(1) In the event that the Buyer requires additional works or services to the Services or any changes to the Services, the Buyer shall notify the Contractor of its requirements. Following such notification and in any event within two working days following receipt of the request, the Contractor shall advise the Buyer in writing of the impact (if any) of any requested change on:

- (a) the Price, together with a detailed breakdown of such additional costs, expenses and charges to be incurred by the Contractor as a result of the requested change; and
- (b) the timescales for the performance of the Services, together with a detailed breakdown of additional time required to perform the Services (as revised).

Any suggested revision by the Contractor to the Price and/or the timescales for performance of the Services must be proportionate to the change requested to the Services by the Buyer and the Contractor shall use all commercially reasonable efforts to minimise any additional charges and delay in performance of the Services. If requested by the Buyer, the parties shall meet to discuss any requested change and/or any impact on the Price or timescales for performance of the Services as soon as practicable.

(2) The Contractor may not unreasonably withhold or delay its agreement to any reasonable request by the Buyer to add to or alter the Services and both parties shall negotiate any amendments required to the Contract in good faith.

(3) Any change to the Services or any other terms of the Contract shall only be effective and binding if documented in writing and signed by an authorised representative of each party.