

SECTION 3

**GENERAL CONDITIONS OF CONTRACT
FOR
MINOR CONTRACT**

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1. METHOD OF PAYMENT

- (1) When the WORK is completed, or by the end of second week of each month, the CONTRACTOR shall submit to COMPANY an invoice in duplicate in respect of the amount justified in accordance with the CONTRACT to:

Brunei Shell Petroleum Company Sdn Bhd,
FAC/212,
Seria KB3534,
Negara Brunei Darussalam.

- (2) Each invoice shall include the CONTRACT reference number, CONTRACT title and the reference indicator of the CONTRACT HOLDER as shown in the FORM OF AGREEMENT.
- (3) The COMPANY shall pay to CONTRACTOR's nominated bank account within thirty (30) days of receipt of properly prepared and supported invoices. Payment will be withheld for any items in dispute.

2. CONTRACTOR TO INFORM ITSELF

The CONTRACTOR agrees that CONTRACTOR has satisfied itself as to the nature of the WORK, general and local conditions and to all other matters which could affect performance of the WORK and that the rates and prices stated in SECTION 8 – SCHEDULE OF PRICES are sufficient and correct.

3. NON-EXCLUSIVITY

This CONTRACT does not confer any exclusive rights on the CONTRACTOR to perform the SCOPE OF WORK as described in SECTION 4 of this CONTRACT, for the COMPANY.

4. TERMINATION, SUSPENSION AND VARIATION

The COMPANY shall have the right at its sole discretion to order by written notice (1) the immediate termination of the CONTRACT at no additional cost arising from the termination; or (2) the suspension of the WORK; or (3) any variations to the WORK that are within the capacity and resources of the CONTRACTOR. Any change in the cost of the WORK resulting from suspension or variation shall be determined by COMPANY in accordance with the rates and other information as shown in SECTION 8 – SCHEDULE OF PRICES.

5. INSPECTION, COMPLETION AND GUARANTEE OF WORK

- (1) The COMPANY may at all times inspect any part of the WORK, materials, tools and equipment used or provided by the CONTRACTOR for performance of the CONTRACT. The COMPANY shall have the right to reject any part of the WORK, materials, tools and equipment provided that such right is not exercised frivolously or vexatiously. Any part of the WORK, materials, tools and equipment rejected by the COMPANY shall be repaired to COMPANY's satisfaction or replaced with an acceptable substitute by the CONTRACTOR, at its own expense.
- (2) When the CONTRACTOR considers that the whole of the WORK has been completed it shall notify the COMPANY accordingly. Within fourteen (14) days of receipt of notification the COMPANY shall either certify to CONTRACTOR in writing that all WORK has been completed in accordance with the CONTRACT, or give instructions as to WORK still to be done.
- (3) The CONTRACTOR guarantees that all workmanship, materials used and parts replaced shall be free from defects and good for its intended purpose for a period of twelve (12) months after completion.

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6. COMPANY'S RIGHT OF AUDIT

COMPANY shall have the right to audit all rates and costs and expenses related to the CONTRACT. The CONTRACTOR shall maintain all relevant records in connection with the CONTRACT for a period of six (6) years after final payment. COMPANY retains the right to reproduce and retain copies of any of the aforementioned records.

7. RESPONSIBILITIES, INDEMNITIES AND INSURANCES

(1) General

For the purpose of Clause 7,

- a) The benefit of any indemnity given in favour of COMPANY or CONTRACTOR herein shall include their respective indemnitees and visitors;
- b) Company Indemnitees shall mean the COMPANY's Associates, its co-Venturers, its agents and all of their respective personnel;
- c) Contractor Indemnitees shall mean the CONTRACTOR's agents, its sub-contractors and all of their respective personnel;
- d) Co-Venturers shall mean the COMPANY's or its Associates' commercial partners in any venture and all of their respective personnel.
- e) In entering into the agreement contained in this Clause 7 and solely for that purpose only the COMPANY and the CONTRACTOR contract both on their own behalf and as agent and/or trustee on behalf of and/or for the benefit of their respective indemnitees.

(2) Property and Personnel of Contractor

- (a) The CONTRACTOR shall be liable for and shall hold harmless, defend and indemnify the COMPANY against any and all:
 - i) loss or damage to property (excluding personal property of any personnel) of, and/or
 - ii) personal injury, including fatal injury and or disease to the CONTRACTOR howsoever caused arising out of or in connection with the CONTRACTOR performing the WORK under the CONTRACT.
- (b) This indemnity shall apply in full even if the cause of the injuries (including death), loss or damage was the negligence of the COMPANY and the CONTRACTOR shall not seek contribution from such person or persons for such reason SAVE THAT the indemnity granted herein for personal injury including fatal injury and disease to CONTRACTOR shall be limited only to all such periods when the CONTRACTOR is performing the WORK under the CONTRACT.

(3) Property and Personnel of Company

- (a) The COMPANY shall be liable for and shall hold harmless, defend and indemnify the CONTRACTOR against any and all:
 - i) loss or damage to property (excluding personal property of any personnel) of, and/or
 - ii) personal injury, including fatal injury and or disease to the COMPANY howsoever caused arising out of or in connection with the CONTRACTOR performing the WORK under the CONTRACT.
- (b) This indemnity shall apply in full even if the cause of the injuries (including death), loss or damage was the negligence of the CONTRACTOR and the COMPANY shall not seek contribution from such person or persons for such reason save that the indemnity granted herein for personal injury including fatal injury and disease to

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- (c) COMPANY shall be limited only to all such periods when the CONTRACTOR is performing the WORK under the CONTRACT.
- (4) Third Party Liabilities
 - (a) Without prejudice to any of the other express liability or indemnity provisions of this CONTRACT and subject to the provisions of Clause 7 (4)(c) herein, each party shall be responsible and liable for any and all claims resulting from:
 - i) personal injury, including fatal injury and disease to, and/or
 - ii) loss or damage to the property of third parties to the extent it is at fault in accordance with applicable law.
 - (d) Notwithstanding sub-clause 4(a) above, the CONTRACTOR's liability herein shall be limited to B\$1,500,000 for any one accident or series of accidents arising out of any one occurrence, unlimited in the aggregate, and COMPANY shall defend and indemnify the CONTRACTOR for any liability in excess of such level but only to the extent that such liability arises out of or in connection with the WORK under the CONTRACT.
 - (e) Notwithstanding the provisions above the CONTRACTOR shall be liable for and shall hold harmless, defend and indemnify the COMPANY against all third party claims of less than B\$350,000 for any one accident or series of accidents arising out of any one occurrence, unlimited in the aggregate, and arising out of or in connection with the performance of the CONTRACT whether or not the negligence or breach of duty of the COMPANY and CONTRACTOR shall not seek contribution from such person or persons for such reasons.

- (5) Consequential Losses

Subject to any express provisions in this CONTRACT, COMPANY and CONTRACTOR agree that they and their indemnitees shall in no event be liable one to the other for their respective consequential damage not limited to but including indirect losses and loss of revenue, profit or anticipated profits whether or not due in whole or in part to the negligence of either party except to the extent of any liquidated damages provided for in the CONTRACT.

- (6) Insurance

The CONTRACTOR shall provide, and maintain for the duration of the CONTRACT, such insurances as are required by law and to meet the indemnity provisions given in this Clause 7, including but not limited to Employers Liability and/or Workmen's Compensation, Third Party Liability and Motor Vehicle insurances. The CONTRACTOR shall, if required by COMPANY, furnish to COMPANY before WORK commences full particulars of the insurances taken out and receipts for current premiums.

8. COMPLIANCE WITH LAW

- (1) The proper law of the CONTRACT is English law as interpreted by the Brunei Courts.
- (2) The CONTRACTOR shall observe and fulfill all applicable Laws of Brunei Darussalam and shall ensure that any of its subcontractors do likewise.

9. HEALTH, SAFETY AND ENVIRONMENT

- (1) The CONTRACTOR is required to meet the COMPANY'S requirements on all Health, Safety and Environment matters as specified in the CONTRACT or as notified to the CONTRACTOR by the COMPANY from time to time.
- (2) The CONTRACTOR shall perform the WORK with all proper care and diligence in accordance with the HSE STANDARDS and as stated in the CONTRACT. In the event of conflict between any of the HSE STANDARDS the most demanding standard shall apply.

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- (3) CONTRACTOR shall provide all necessary safety items for the WORK. CONTRACTOR shall ensure that all equipment, plant and tools used in performance of the WORK are in a safe condition, certified if applicable, and are available for inspection by CONTRACT HOLDER.
- (4) If the COMPANY in its opinion considers that the WORK is being performed in an unsafe manner or that anything being used is unsafe then it may suspend the CONTRACT until the matter is remedied. All costs of such suspension shall be borne by the CONTRACTOR.

10. ASSIGNMENT AND SUBCONTRACTING

This CONTRACT shall neither be assigned nor subcontracted without prior agreement in writing from the COMPANY.

11. TAXES

The CONTRACTOR shall be liable for all taxes, duties, levies charges and contributions due or payable hereunder.

12. REMOVAL OF PERSONNEL

The COMPANY may request the CONTRACTOR in writing to remove any employee or agent of the CONTRACTOR from the WORK without the COMPANY giving any reason for the request providing such right is not exercised frivolously or vexatiously. All costs incurred in the removal of any person shall be for the sole account of the CONTRACTOR.

13. CONFIDENTIAL INFORMATION

The CONTRACTOR, its officers or employees shall maintain full secrecy and confidentiality of all matters concerning or arising from the contract to the full extent provided by law and shall cause its subcontractors or agents to maintain the same.

14. PUBLIC AND INDUSTRIAL RELATIONS AND PUBLICITY

- (1) The CONTRACTOR shall maintain good relations at all times among the various regulatory bodies and with the general public. The COMPANY shall act as prime initiator in contacts with any Brunei Government departments or agencies on any matters relating to the CONTRACT except for those covered under Clause headed PERMITS, LAWS AND REGULATIONS.
- (2) The CONTRACTOR shall maintain good industrial relations, and shall consult the COMPANY when requested to do so on all matters relating to industrial relations, including but not limited to, minimum rates of payments, allowances, amenities and overtime so that the interests of the COMPANY shall not be prejudiced.
- (3) The CONTRACTOR shall make no publicity releases or announcements concerning the activities of the CONTRACTOR or participation with respect to the CONTRACT without the prior agreement of the COMPANY. The CONTRACTOR shall require all SUBCONTRACTORS and suppliers to comply with this requirement.
- (4) The CONTRACTOR shall, and shall cause its SUBCONTRACTORS to, pay fair wages to their employees in Brunei Darussalam.
- (5) The COMPANY shall have the sole right of advertising upon or adjacent to COMPANY owned WORKSITES in Brunei Darussalam and the CONTRACTOR shall not display or permit the display of any advertisement without the COMPANY'S prior written consent.

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15. BUSINESS ETHICS

- (1) The CONTRACTOR acknowledges and understands the COMPANY's "Statement of General Business Principles" (SGBP) [a copy can be obtained by the CONTRACTOR from the COMPANY]. The CONTRACTOR shall ensure that it meets the standards expected of contractors, in particular those dealing with Business Integrity, as detailed in the SGBP.
- (2) The COMPANY shall be entitled to terminate the CONTRACT and to recover from the CONTRACTOR the amount of any loss arising from such termination if:
 - (a) the CONTRACTOR or any SUBCONTRACTOR offers, gives or agrees to give, or receives or agrees to receive, at any time, to or from any person, any gift or favour or releases or agrees to release any obligation to or from any person as an inducement or reward for:
 - (i) doing or forbearing to do (or for having done or forborne to do) any act which relates to the obtaining or execution of the CONTRACT, or
 - (ii) showing or forbearing to show favour to any person in relation to any contract with the COMPANY, OR
 - (b) the gifts or favours referred to in sub-clause (1) above have been offered by any person or persons employed by the CONTRACTOR or SUBCONTRACTOR or acting on their behalf (whether with or without their knowledge), OR
 - (c) the CONTRACTOR, Subcontractor or any person employed by either of them or acting on their behalf has, in relation to any contract with the COMPANY,
 - (i) committed, abetted or attempted to commit any offence, or
 - (ii) given any fee or reward the receipt of which is an offence under the Brunei Penal Code or Prevention of Corruption Act 1982 including any amendment or re-enactment (or any similar law or enactment in force at either the CONTRACTOR's place of business or the place for performance of any part of the WORK outside Brunei Darussalam).